El Mohandes Insurance Company

(An Egyptian Joint Stock Company)

Separate Financial Statements

For the Financial Period Ended Sep, 2026

Rashed, Badr & Co.
Accountants and business advisers

95 Hafez Ramadan , 10th floor
Nasr City , Cairo , Egypt
Tel (202) 23547340 -23546574
info@pkf.com.eg
www.pkf.com.eg

Limited Review Report on the Periodic Financial Statements

To: The Members of the Board of Directors

El Mohandes Insurance Company – an Egyptian Joint Stock Company

Introduction

We have conducted the limited review of the attached periodic statement of financial position of **El Mohandes Insurance Company – an Egyptian Joint Stock Company** ("the Company") as of 30 September 2026, and the periodic statements of income (profit or loss), comprehensive income, changes in equity and cash flows for the financial period from 1 January 2026 to 30 September 2026, together with a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these periodic financial statements in accordance with Egyptian Accounting Standards as set out in the Guide to the Application of Egyptian Accounting Standards to the Insurance Sector issued by the Financial Regulatory Authority, and in light of the rules and instructions issued by the Financial Regulatory Authority and the relevant applicable Egyptian laws and regulations. Our responsibility is to express a conclusion on these periodic financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate interim financial position of **El Mohandes Insurance Company – an Egyptian Joint Stock Company** as of 30 September 2026, and its separate financial performance, separate cash flows and separate changes in equity for the financial period from 1 January 2026 to 30 September 2026, in accordance with Egyptian Accounting Standards as set out in the Guide to the Application of Egyptian Accounting Standards to the Insurance Sector issued by the Financial Regulatory Authority, and in light of the rules and instructions issued by the Financial Regulatory Authority and the relevant applicable Egyptian laws and regulations.

PKF Rashed, Badr & Co.is a member of PKF Global, the network of member firms of PKF International Limited, each of which is a separate and independent legal entity and does not accept any responsibility or liability for the actions or inactions of any individual member or correspondent firm(s).

Emphasis of Matter Paragraphs

1. Without qualifying our conclusion, as disclosed in Note (10), the Company holds investments in subsidiaries and has prepared consolidated financial statements for the nine months ended 30 September 2026 in accordance with Egyptian Accounting Standards. For a more comprehensive understanding of the Company's financial position as of 30 September 2026, and of its financial performance and cash flows for the period then ended, reference should be made to the consolidated financial statements for the nine months ended 30 September 2026.

2. Without qualifying our conclusion, the Company's management has applied Egyptian Accounting Standard No. (50), "Insurance Contracts," pursuant to Financial Regulatory Authority Decision No. 183 of 2024 dated 28 August 2024. Article 3 of the Decision stipulates that Egyptian Accounting Standard No. (50) is to be applied with effect from 1 January 2025. Management has also restated the pro forma comparative figures for 2024 in applying the transitional provisions of the standard.

Cairo, 11 November 2026

Auditor

Hany Fouad Rashed Mohamed
Registered with the Financial Regulatory Authority Register of Auditors (294)
Registered with the Central Bank of Egypt Register of Auditors (452)
Egyptian Society of Accountants and Auditors (ESAA) Registration No. (11771)
PKF Rashed, Badr & Partners

Al Mohandes Insurance Company (S.A.E.)
Separate Financial Statement(Balance Sheet)
At 30 Sep 2026

	NOTE	Sep-26 EGP (Egyptian (Pound	Dec-25 EGP (Egyptian Pound)
Assets			
Cash at Banks	6	48 361 976	25 735 826
Bank Savings Instruments	7	368 028 470	186 103 861
Financial Investments			
At Fair Value Through Other Comprehensive Income	8/1	236 295 661	194 173 803
At Fair Value Through Profit or Loss	8/2	338 537 760	194 442 177
At Amortised Cost	9	1983 457 797	1721 224 765
Financial Investments in Subsidiaries	10	101 840 188	101 840 188
Financial Investments in Associates	11	900 000	900 000
Investment Properties	12	8 981 245	9 132 844
Total Investments		**3038 041 121**	**2407 817 638**
Insurance contract assets	13		11 073 560
Reinsurance Contract Assets	14	899 336 860	529 132 296
Other assets (net)	16	80 017 027	80 554 057
Right-of-Use Asset (Net)	15	7 066 954	2 825 254
Intangible Assets (Net)	19	2 464 843	1 953 091
Fixed assets (net)	18	60 986 851	58 004 729
		1049 872 535	683 542 987
Total Assets		**4136 275 632**	**3117 096 451**
Insurance contract liabilities	13	1993 420 943	1358 715 031
Reinsurance contract liabilities	14	64 440 853	44 840 801
Technical provisions	20	117 816 381	101 587 000
Creditors and other credit balances	22	332 234 097	280 853 676
Provisions	23	113 200 000	63 000 000
Lease liabilities		8 115 916	3 941 715
Tax liabilities	40	78 744 206	68 872 770
Deferred tax liabilities	40	95 881 933	86 208 799
Total liabilities		**2803 854 329**	**2008 019 792**
Shareholders' Equity			
Issued and paid-up capital	24	650 000 000	650 000 000
Reserves	25	131 918 482	121 894 286
Retained Earnings	26	144 054 308	8 247 758
Net profit for the period/year		225 869 492	181 000 025
Shareholders' equity including profit for the year		**1151 842 282**	**961 142 069**
Fair Value Changes Reserve through Other Comprehensive Income		180 579 021	147 934 590
Total Shareholders' Equity		**1332 421 303**	**1109 076 659**
Total Liabilities and Shareholders' Equity		**4136 275 632**	**3117 096 451**
		-	-

.The Limited Review Report is attached

General Manager Financial Sector	Vice Chairman and Managing Director	Chairman
Accountant /Mohamed Abdel Ghaffar El-Shazly	Mr. Khaled Abdel Sadek	Mr. Abdallah Khaled Abdallah

.The accompanying notes 1 to 43 form an integral part of these separate interim financial statements

Al Mohandes Insurance Company (S.A.E.)

Separate Income Statement

For the Financial Period Ended Sep 2026

	Sep-26 EGP (Egyptian Pound)	Sep-25 EGP (Egyptian Pound)
Insurance Service Revenue	1 467 767 375	1 195 972 448
Insurance Service Expenses	(1 783 126 480)	(1 260 058 904)
Insurance Service Result (Surplus / Deficit)	(315 359 105)	(64 086 456)
Reinsurance Expenses	(490 660 560)	(474 301 284)
Reinsurance	896 094 445	570 614 260
Reinsurance Service Result	405 433 885	96 312 976
Net Insurance Revenue (Expense)	90 074 780	32 226 520
Provision for Adverse Fluctuations at the End of the Period / Year	(91 282 006)	(51 597 046)
Provision for Adverse Fluctuations at the Beginning of the Period / Year	62 784 589	36 497 582
	61 577 363	17 127 056
Change in the Provision for Adverse Fluctuations		
Provision for Adverse Fluctuations at the End of the Period / Year	117 816 381	101 629 600
Provision for Adverse Fluctuations at the Beginning of the Period / Year	(101 587 000)	(100 479 900)
	16 229 381	1 149 700
Underwriting Surplus / (Deficit)	45 347 982	15 977 356
Net Investment Income	292 777 627	254 689 327
Other Operating Income	42 964 441	3 410 283
Depreciation of Tangible Assets	(8 423 729)	(6 884 600)
Amortization of Intangible Assets	(927 360)	(927 360)
Provisions	(50 200 000)	(9 000 000)
Change in Expected Credit Losses on Banks Balances	(733 911)	-
Change in Expected Credit Losses on Other Assets Balances	(5 324 597)	(2 113 027)
Unallocated Expenses	(60 253 508)	(82 769 377)
Net Profit for the Period Before Tax	255 226 945	172 382 602
Deferred Tax	(192 932)	(154 960)
Income Tax	(29 164 521)	(20 000 000)
Net Profit for the Year After Tax	225 869 492	152 227 642
Earnings per Share from Net Profit for the Period	0.87	0.59

.Comparative figures have been reclassified to confrom with the new classification

.The accompanying notes 1 to 43 form an integral part of these separate interim financial statements

Al Mohandes Insurance Company (S.A.E.)

Separate Statement of Comprehensive Income

For the Financial Period Ended Sep 2026

	Sep-26 EGP (Egyptian Pound)	Sep-25 EGP (Egyptian Pound)
Net Profit for the Year After Tax	225 869 492	152 227 642
Other Comprehensive Income Items	-	-
Fair Value Changes Reserve through Other Comprehe	32 644 431	7 937 348
Foreign Currency (Exchange rate) Differences reserve	-	-
Total Other Comprehensive Income Items	**32 644 431**	**7 937 348**
Total Comprehensive Income for the Year	**258 513 923**	**160 164 990**

The accompanying notes 1 to 43 form an integral part of these separate interim financial stateme

Al Mohandes Insurance Company (S.A.E.)
Separate Statement of Cash Flows
For the Financial Period Ended Sep 2026

	NOTE	Sep-26	Sep-25
		EGP (Egyptian Pound)	EGP (Egyptian Pound)
Cash Flows from Operating Activities			
Net Profit for the Year Before Tax		255 226 945	172 382 602
Adjustments to Net Profit to Arrive at Net Cash Flows from Operating Activities			
Depreciation	7-9-12-17-18	8 423 729	10 232 248
Amortization	15	927 360	789 270
Technical Provisions	20	16 229 381	1 149 700
Technical Provisions		80 179 863	11 113 027
Net Investment Income	33	(296 627 916)	(302 444 036)
Gains on Sale and Revaluation Differences of Financial Investments		(49 099 914)	
(Gains) on Sale of Fixed Assets	34	-	(2 960 657)
Operating Profit Before Changes in Operating Assets and Liabilities		**15 259 448**	**(109 737 846)**
Decrease / (Increase) in Insurance Contract Assets	14	11 073 560	(7 906 734)
Decrease / (Increase) in Reinsurance Contract Assets	13	(370 204 564)	(233 755 035)
Decrease / (Increase) in Other Assets	١٦	(70 571 186)	(58 918 655)
Increase / (Decrease) in Insurance Contract Liabilities	١٣	617 284 462	411 496 354
Increase / (Decrease) in Reinsurance Contract Liabilities	14	79 126	(10 226 395)
Increase / (Decrease) in Creditors and Other Credit Balances	22	105 134 307	30 855 119
Income Taxes Paid		(8 048 029)	(14 441 506)
Net Cash Flows Generated from Operating Activities		**300 007 124**	**7 365 302**
Cash Flows from Investing Activities			
Changes in Bank Deposits with Maturities Exceeding Three Months		10 000	-
Proceeds from Returns on and Sale of Other Financial Investments	٩	1 481 402 022	159 212 803
Proceeds from Sale of Fixed Assets	٣٤-١٨	-	3 000 000
Payments for Purchase of Other Financial Investments	9	(1 523 723 689)	(138 439 870)
Payments for Purchase of Fixed Assets	18	(12 693 364)	(14 063 833)
Net Cash Flows (Used in) / Generated from Investing Activities		**(55 005 031)**	**9 709 100**
Cash Flows from Financing Activities			
Dividends Paid		(35 169 279)	(25 467 778)
Net Cash Flows Used in Financing Activities		**(35 169 279)**	**(25 467 778)**
Net Change in Cash and Cash Equivalents		209 832 814	(8 393 376)
Cash and Cash Equivalents at Beginning of the Year		255 337 714	1 210 029 933
Cash and Cash Equivalents at End of the Year, Comprising:		**465 170 528**	**1 201 636 557**
Cash on Hand and Balances with Banks	6	48 927 414	75 690 673
Bank Deposits with Maturities Not Exceeding Three Months	٧	416 243 114	1 125 945 884
Cash and Cash Equivalents	٦	**465 170 528**	**1 201 636 557**

Al Mohandes Insurance Company (S.A.E.)
Separate Statement of Changes in Shareholders' Equity
For the Financial Period Ended Sep 2026

	Issued and Paid-up Capital	Legal Reserve	General Reserve	Capital Reserve	Reserve for Application of Egyptian Accounting	Currency exchange rate reserve	Special Reserve Standard 17	Fair Value of Financial Investments Available-for-Sale	Retained Earnings	Net Profit for the Year	Total
	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Poun	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Pound	EGP / Egyptian Poun
Balance at 31 December 2024	350 000 000	79 887 920	4 218 124	2 803 863	0	0		142 431 474	150 267 798	136 502 926	866 112 105
Balance at 1 January 2025					0	0	100 850 623		(129 182 043)	129 182 043	100 850 623
Fair value	0	0	0	0	0	0	0	7 937 348	1 491 429	0	9 428 777
Net profit for the year	0	0	0	0	0	0	0	0	0	152 227 642	152 227 642
Total comprehensive income	0	0	0	0	0	0	0	7 937 348	1 491 429	152 227 642	161 656 419
Dividends	0	6 825 146	0	0		0	0	0	233 392 045	(265 684 969)	(25 467 778)
Capital increase Used	150 000 000	0	0	0	0	0	0	0	(150 000 000)	0	0
Balance at 30 Sep 2025	500 000 000	86 713 066	4 218 124	2 803 863	0	0	100 850 623	150 368 822	105 969 229	152 227 642	1 103 151 369
Balance at 31 December 2025	650 000 000	36 713 066	4 218 124	2 803 863	0	0	78 159 233	147 934 590	8 247 758	181 000 025	1 109 076 659
Fair value	0	0	0	0	0	0		32 644 431	181 000 025	(181 000 025)	32 644 431
Net profit for the year	0	0	0	0	0	0	0		0	225 869 492	225 869 492
Impact of Standard 17 on retained earnings	0	0	0	0	0	0	(1 986 462)		1 986 462		0
Dividends	0	9 050 001	-	2 960 657	0	0	0	0	(47 179 937)	-	(35 169 279)
Balance at 30 Sep 2026	650 000 000	45 763 067	4 218 124	5 764 520	0	0	76 172 771	180 579 021	144 054 308	225 869 492	1 332 421 303

1. Company Activities

El Mohandes Insurance Company (an Egyptian joint stock company) was established on January 26, 1980, in accordance with the provisions of Law No. 159 of 1981 and the Insurance Supervision and Control Law No. 10 of 1981 and its Executive Regulations. In accordance with its establishment' decision and the license issued by the Financial Regulatory Authority (formerly the Egyptian Insurance Supervisory Authority), the Company engages in insurance and reinsurance operations in the property and liability insurance branches through its head office in Giza and 18 branches.

The Company was registered in the Commercial Register under No. 303278 at the Cairo Commercial Registration Office on April 26, 1980. The Company's term is 50 years, renewable, commencing from the date of its registration in the Commercial Register. The Company's head office is located at 3 Al-Masaha Square, Dokki, Giza.

The Company has been listed on the Egyptian Exchange since September 15, 1985. The Board of Directors approved the financial statements on 11/11/ 2026.

2. Significant Estimates in the Application of Accounting Policies

The preparation of the Separate financial statements in accordance with Egyptian Accounting Standards, — and in light of the "Guide for Egyptian Accounting Standards to the Insurance Sector issued by the Financial Regulatory Authority, requires management to exercise professional judgment and make estimates and assumptions that affect the application of accounting policies and the reports of the assets, liabilities, income, and expenses. These estimates and assumptions are based on past experience and other factors that considered reasonable under the circumstances. The results of these estimates and assumptions form the basis for professional judgments regarding the booking amounts of assets and liabilities. Actual results may differ from these estimates.

The estimates and assumptions related to them are constantly being reviewed. Accounting adjustments to estimates are recognized in the period in which the estimate is revised, as well as in future periods if the revision affects those future periods.

The following are the most significant estimates made by management in applying the Company's accounting policies, which have the greatest effect on the amounts recognized in the separate financial statements:

– Expected Credit Losses on Bank Balances, Financial Assets Classified at Cost consumed, Insurance Operations Debtors, debit balances due from Insurance and Reinsurance Companies, and Other Current Assets

Expected credit loss are recognized for the above items to account for potential losses arising from events such as customer 'defaults. The booking amount of the expected credit loss for the above items as at Sep, 2026, amounted to EGP 129737219 , compared with EGP 101,305,949 as at Sep, 2025.

In determining the impairment amount, several factors are taken into consideration, including an analysis of the aging of balances, the customer's current financial position, and past experience in writing off debts. The actual volume of bad debts and/or impairment charges may exceed initial expectations if the actual financial position of customers and other parties proves to be worse than originally anticipated.

– Provisions

Provisions for potential claims amounted to EGP 113200000 at Sep, 2026, compared with EGP 63,000,000 at December 31, 2025. These provisions relate to claims expected from certain authorities and entities in connection with the Company's activities. The amounts of these claims cannot be determined accurately and may therefore change in the future.

-Policyholders' Rights (Technical Provisions)

The value of policyholders' rights (technical provisions) amounted to EGP 117816381 at Sep, 2026, compared to EGP 101,587,000 at December 31, 2025 (Note 20). These represent the technical provisions required to be established by the Financial Regulatory Authority in relation to the company's activities.

– Deferred Income Taxes

The assessment of the deferred income tax assets and liabilities depends on management's judgment. Deferred tax assets are recognized only if there is a

possibility of their use. Deferred tax assets arising from tax losses carried forward are recognized to the extent that it is probable that future taxable profits will be available against which such losses can be utilized. This assessment is based on various factors, including future operating results.

If actual results differ from estimates, this may lead to a reassessment of the extent to which future taxable profits will be sufficient to utilize the deferred tax asset.

The balance of deferred tax liabilities amounted to EGP 95881933 as at Sep, 2026, compared with EGP 86,208,799 as at December 31, 2025, taking into consideration that deferred tax has been recognized in respect of the reserve under Egyptian Accounting Standard No. 50.

3. Basis of Preparation of the Separate Financial Statements

The financial statements have been prepared in accordance with Egyptian Accounting Standards, taking into consideration the requirements of Law No. 10 of 1981(as amended), its Executive Regulations, and the principles, rules, and instructions issued by the Financial Regulatory Authority, including the Guide for Applying Egyptian Accounting Standards to the Insurance Sector in Egypt, issued on September 21, 2016. Furthermore, they incorporate the requirements of Egyptian Accounting Standard (EAS) No. 47, "Financial Instruments," as well as the revised Egyptian Accounting Standards issued in 2019 (and subsequent amendments thereto) and other relevant local laws.

Effective July 1, 2021, and in light of directives issued by the Financial Regulatory Authority mandating the adoption of EAS No. 47, "Financial Instruments," the management has—in preparing the periodic financial statements for the period ending December 31, 2025—adjusted certain accounting policies and measurement bases in accordance with Egyptian Accounting Standards No. 47 ("Financial Instruments"), No. 48 ("Revenue from Contracts with Customers"), and No. 49 ("Leases").

The preparation of the Separate financial statements in accordance with Egyptian Accounting Standards requires certain accounting estimates, in addition to management's exercise of judgment in selecting and applying the Company's accounting policies. Note (2) to the Separate financial statements sets out the items and components for which significant accounting estimates have been made.

The Separate financial statements are prepared on the historical cost basis, adjusted for the effects of remeasurement of financial assets—except for financial assets measured at cost consumed—and financial liabilities at fair value.
The financial statements are presented in Egyptian pounds (EGP).

Changes in Accounting Policies

Pursuant to Financial Regulatory Authority Decision No. 183 of 2024, dated August 28, 2024, and in accordance with Article 3 of the Decision, which stipulates that Egyptian Accounting Standard No. 50, Insurance Contracts, shall be applied starting with the financial statements for the year 2025.

Egyptian Accounting Standard No. 50 – Insurance Contracts

The key principles of Egyptian Accounting Standard No. 50 are as follows:

- Identifying insurance contracts as contracts under which the Company accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.
- Separating implied derivatives within contracts, distinctive investment components, and distinctive goods or services other than insurance contract services.
- Recognizing and measuring insurance contracts as follows:
    - The present value, adjusted for risk, of future cash flows (fulfilment cash flows), combine all available information regarding the cash flows required to fulfill the obligations.
      Plus:
    - • An amount representing the unearned profit from a group of contracts (the contractual service margin).
    - • Recognizing profit from a group of insurance contracts over each period in which the entity provides insurance contract services and is released from risk. If a group of contracts is onerous (loss-making) over the remaining insurance coverage period, the entity must recognize such losses immediately.
    - Recognizing an asset for insurance acquisition cash flows relating to cash flows paid before the recognition of the relevant group of insurance contracts. This asset is derecognized when the insurance acquisition cash flows are included in the measurement of the relevant group of contracts.

-Under Egyptian Accounting Standard No. 50, the Company's issued insurance contracts and its reinsurance contracts held are qualified for measurement using the Premium Allocation Approach (PAA). The Premium Allocation Approach simplifies the measurement of insurance contracts compared with the General Measurement Model under Egyptian Accounting Standard No. 50.

-The measurement principles under the Premium Allocation Approach differ from the "earned premium" method used by the Company under Egyptian Accounting Standard No. 37 in the following key respects:

- The liability for remaining coverage reflects premiums received, less deferred insurance acquisition cash flows and amounts recognized as insurance revenue for services provided.
- The measurement of the liability for incurred claims (previously unpaid claims and claims incurred but not reported) is based on the probability-weighted expected present value of future cash flows and includes an explicit adjustment for non-financial risk. This liability also includes the Company's obligation to pay other insurance service expenses.

- The measurement of the asset for remaining coverage (which reflects premiums paid for reinsurance contracts held) is adjusted to include a loss-recovery component reflecting the recovery of losses on onerous underlying contracts.

Management has determined that the majority of the Company's insurance contracts are eligible for the Premium Allocation Approach (PAA). Accordingly, the Company has elected to apply the Premium Allocation Approach as its accounting policy for insurance contracts whenever they qualify for this approach.

The application of the Premium Allocation Approach is optional. This means that, if a group of insurance contracts meets the eligibility criteria for the simplified approach (the Premium Allocation Approach), the Company may choose to measure such contracts under either the General Measurement Model (GMM) or the Premium Allocation Approach.

Accordingly, the following conditions must be met to apply the simplified approach (the Premium Allocation Approach):

1. The insurance coverage period is one year or less.
2. The liability for remaining coverage would not differ materially from the liability for remaining coverage under the General Measurement Model in any reporting period.
3. Historical variability in estimates is low, meaning that estimates remain stable over time.

Assessment of the Suitability of Applying the Premium Allocation Approach

The Company calculated the liability for remaining coverage (LRC) and the asset for remaining coverage (ARC) for the respective groups of issued insurance contracts and reinsurance contracts held for which the coverage period exceeded one year. After calculating the insurance contract liabilities and insurance contract assets using the Premium Allocation Approach and the General Measurement Model, respectively, the Company assesses whether any material differences arise for contracts with coverage periods exceeding one year.
If the Company identifies any material differences, it applies the General Measurement Model. Where no material differences exist, the Company has elected to apply the Premium Allocation Approach. The calculations were performed under both approaches: the simplified Premium Allocation Approach (PAA) and the General Measurement Model (GMM).

Situations that May Cause the Liability for Remaining Coverage and/or the Asset for Remaining Coverage Under the Premium Allocation Approach to Differ from Those Under the General Measurement Model

- When the expected profitability of the remaining coverage changes at an assessment date during the coverage period of a group of contracts.
- When yield curves change significantly compared with those prevailing at the Company's initial recognition date.
- When the incidence of claims differs from the units of coverage.

Onerous / (loss-bearing) Insurance Contracts

The Company recognizes insurance contracts as onerous when they are expected to be loss-making at initial recognition. The loss component is measured by comparing the expected fulfilment cash flows of the contract or group of contracts with the cash inflows arising from that contract or group of contracts. The Company discloses the loss component when the Contractual Service Margin (CSM) is zero. This requirement applies to the General Measurement Model and the Variable Fee Approach (VFA).

The following is a statement of the insurance branches and the approach applied to measure insurance and reinsurance contracts.

Insurance Contracts		**Reinsurance Contracts**	
Insurance Branch	**Measurement Approach**	**Insurance Branch**	**Measurement Approach**
Fire	Premium Allocation Approach	Fire	Premium Allocation Approach
Marine Cargo	Premium Allocation Approach	Marine Cargo	Premium Allocation Approach
Inland Transit	Premium Allocation Approach	Inland Transit	Premium Allocation Approach
Hull	Premium Allocation Approach	Hull	Premium Allocation Approach
Motor Comprehensive	Premium Allocation Approach	Motor Comprehensive	Premium Allocation Approach
Compulsory Motor	Premium Allocation Approach	Compulsory Motor	Premium Allocation Approach
Engineering	Premium Allocation Approach	Engineering	Premium Allocation Approach
Miscellaneous Accidents	Premium Allocation Approach	Miscellaneous Accidents	Premium Allocation Approach

Credit and Guarantee	Premium Allocation Approach	Credit and Guarantee	Premium Allocation Approach
Aviation	Premium Allocation Approach	Aviation	Premium Allocation Approach
Petroleum	Premium Allocation Approach	Petroleum	Premium Allocation Approach
Medical	Premium Allocation Approach	Medical	Premium Allocation Approach

Level of Aggregation

Egyptian Accounting Standard No. 50 requires the Company to determine the level of aggregation for the purpose of applying the requirements of the Standard.

The level of aggregation is determined by dividing the Company's issued business into portfolios. Portfolios comprise groups of contracts that have similar risks and are managed together.

Profitability Level

Groups of contracts are classified into the following categories based on the net expected cash flows from the contracts and the accounting approach used to account for those contracts:

- Contracts that have no significant possibility of becoming onerous at initial recognition.
- Onerous contracts(loss-bearing).
- Any other contracts.

The profitability of a group of contracts is assessed using actuarial valuation models that take into account both existing and new business. The Company assumes that no contracts in a portfolio are onerous (loss-bearing) at initial recognition unless facts and circumstances indicate otherwise. For contracts that are not onerous, the Company assesses at initial recognition whether there is a significant possibility that they may become onerous subsequently, by evaluating the likelihood of changes in relevant facts and circumstances.

The Company considers the facts and circumstances to determine whether a group of contracts is onerous(loss-bearing)., as follows:

- Pricing information.
- Results of similar contracts.
- Environmental factors, such as changes in market experience or regulations.

Recognition

The Company recognizes groups of insurance contracts at the earliest of the following dates:

-The beginning of the coverage period of the group of contracts.
- The due date for the first payment by the policyholder to the company, or the date of receipt of the first payment if no due date exists.

The Company recognizes groups of reinsurance contracts held at the earlier of the following dates:

- Beginning of the coverage period for a group of held reinsurance contracts
-The date on which the Company recognizes a group of onerous underlying insurance contracts, if the Company entered into the related reinsurance contract on or before the date on which the group of underlying insurance contracts was recognized.

Changes in Presentation and Disclosure

For presentation purposes in the statement of financial position (Balance Sheet), the Company aggregates issued insurance contracts and outward reinsurance contracts held separately and presents them as follows:

- Issued insurance and outward reinsurance contracts that represent assets
- Issued insurance and outward reinsurance contracts that represent liabilities
- Held / retained insurance contracts that represent assets
- Held / retained insurance contracts that represent liabilities

Expenses

Classification of Expenses

The Standard requires expenses to be classified into the following categories:
- **Attributable Acquisition Expenses**: expenses incurred in selling, underwriting, and initiating a group of insurance contracts.
- **Attributable Maintenance Expenses**: costs related to policy administration costs, claims handling costs, and the allocation of fixed and variable expenses.
- **Non-attributable Expenses**: all remaining expenses, including development and training costs.

Allocation to a Group of Insurance Contracts

The Standard requires both actual and expected expense cash flows to be allocated at the group of insurance contracts level to the Liability for Remaining Coverage, and at the portfolio level to the Liability for Incurred Claims.

Reinsurance Expenses

The Standard requires consistent treatment of expense assumptions between the underlying insurance contracts and the related reinsurance contracts.

Acquisition Costs Before Recognition

The Standard requires the use of a systematic and logical method to allocate insurance acquisition cash flows to groups of insurance contracts when these costs

relate to more than one group. The expenses are not recognized immediately when incurred. The Standard requires the Company to recognize an asset for acquisition cash flows paid in respect of groups of contracts that have not yet been recognized. This asset is subsequently derecognized once the relevant group of contracts is recognized.

The Standard stipulates that the Company allocates insurance acquisition cash flows directly attributable to a group of insurance contracts to that group, as well as to groups that include insurance contracts expected to arise from the renewal of insurance contracts in that group. In such cases, the acquisition costs may be allocated to future groups using a systematic and logical method. The Standard essentially assumes that these costs will be recovered from future contracts and, therefore, they are not required to be allocated to the current group of contracts.

The Standard requires an assessment of any changes in the expected recoverability of acquisition costs from future groups of contracts at each valuation date. Based on the assessment, the asset's value must be reduced or the reduction must be reversed to the previous value. Such changes must be recognized directly in the statement of profit or loss

The standard requires that no portion of an asset allocated to a group of future contracts shall exceed the net income expected from that contract. In such cases, allocating acquisition costs to a group of contracts would render the group loss-making. Consequently, the value of the asset must be reduced—down to a minimum value of zero—to ensure that the allocated amount does not cause the contract to become loss-making, thereby preventing the deferral of losses to future periods.

Egyptian Accounting Standard No. 47 – Financial Instruments

Effective July 1, 2021, the Company applied Egyptian Accounting Standard No. 47, Financial Instruments, issued in March 2019. The requirements of this Standard differ significantly from those of Egyptian Accounting Standard No. 26, Financial Instruments: Recognition and Measurement, particularly with regard to the classification, measurement, and disclosure of certain financial assets and financial liabilities.

The following is a summary of the main changes to the Company's accounting policies resulting from the application of the Standard.

Classification of Financial Assets and Liabilities

Financial assets are classified into the following three main categories:

- Financial assets measured at cost consumed.
- Financial assets measured at fair value through other comprehensive income.
- Financial assets measured at fair value through profit or loss.

Classification under Egyptian Accounting Standard No. 47 is generally based on the Company's business models for managing financial assets and the contractual cash flow related them. Therefore, the categories of Egyptian Accounting Standard No. (26) (Financial investments held to maturity, loans and receivables, financial investments available for sale) were cancelled.

Changes in financial liabilities at fair value through profit or loss are presented as follows:

- Changes in fair value related to changes in credit rating are presented in the statement of other comprehensive income.
- The remaining portion of the change in fair value is presented under the line item "Net income from other financial instruments at fair value through profit or loss" in the statement of profit or loss.

Impairment/ deterioration of Financial Assets

The "Expected Credit Losses" model has been adopted instead of the "Incurred Credit Losses" model under Egyptian Accounting Standard No. (26) for measuring reduction of all financial assets measured at cost consumed , debt instruments measured at fair value through other comprehensive income, and financial guarantee contracts, if any.

4. Significant Accounting Policies

4/1 Foreign Currency Transactions

The Company maintains its accounts in Egyptian pounds. Transactions in other currencies during the financial period are recorded using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are revalued at the date of the separate financial statements using the exchange rates prevailing on that date. The resulting exchange differences are recognized in the separate income statement or statement of income and expenses, as applicable, under Other Operating Income/Expenses.

4/2 Cash and Cash Equivalents

For the purpose of preparing the separate statement of cash flows, cash and cash equivalents comprise balances of current accounts and bank deposits with maturities of three months or less. It also includes treasury bills and other government securities that are discountable with the Central Bank of Egypt and have a maturity of three months or less from the date of acquisition.

Financial Assets and Liabilities –Policy Applied Effective July 1, 2021

E/1– Initial Recognition and Measurement

The Company initially recognizes financial assets and liabilities on the date on which it becomes a party to the contractual provisions of the financial instrument.

A financial asset or financial liability is initially measured at fair value. For those not subsequently measured at fair value through profit and loss, they are measured at fair value plus the transaction cost directly related to the acquisition or issuance process.

E/2– Classification

Upon initial recognition, the Company classifies financial assets as financial assets measured at cost consumed, financial assets measured at fair value through other

comprehensive income, or financial assets measured at fair value through profit or loss.

A financial asset is measured at cost consumed if both of the following conditions are met and the asset has not been designated by the Company's management, upon initial recognition, as measured at fair value through profit or loss:

- The financial asset is retained within a business model whose objective is solely to retain the financial asset in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise, on specified dates, to contractual cash flows that represent solely payments of principal and returns on the outstanding amount of the financial instrument.

A debt instrument is measured at fair value through other comprehensive income, unless it has been designated upon initial recognition as measured at fair value through profit or loss, if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial asset.
- The contractual terms of the financial asset give rise, on specified dates, to contractual cash flows that do not represent solely payments of principal and returns on the outstanding amount.

Upon initial recognition of an equity instrument that is not held for trading, the Company may make an irrevocable election to present subsequent changes in its fair value in the statement of other comprehensive income. This election is made separately for each investment.
All other financial assets are classified as financial investments measured at fair value through profit or loss.
In addition, upon initial recognition, the Company may irrevocably designate a financial asset as measured at fair value through profit or loss, even if it meets the criteria for classification as a financial asset measured at amortized cost or at fair value through other comprehensive income, if doing so eliminates or significantly reduces an accounting measurement inconsistency that would otherwise arise.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset when the Company has a legally enforceable right to offset the recognized amounts and intends either to settle on a net basis or to receive the asset and settle the liability at the same time.

The Company prepares, documents, and approves its Business Model(s) in accordance with the requirements of Egyptian Accounting Standard No. (47), reflecting the Company's established strategy for managing financial assets and their cash flows.
Business model at the portfolio level: The business model is determined at the level of the portfolio in which the financial asset is retained, as this reflects the way the business is managed and the manner in which information is provided to management. The information considered when assessing the objective of the business model includes the following:

- The approved and documented policies, portfolio objectives, and the application of these policies in practice. In particular, whether the management strategy focuses solely on collecting the contractual cash flows of the asset and maintaining a certain rate of return, to match the maturity dates of the financial assets with the maturity dates of the liabilities that fund those assets, or generating cash flows through the sale of those assets.
- How the portfolio's performance is evaluated and reported to senior management.
- The risks affecting the performance of the business model, including the nature of the financial assets held within that model and the manner in which such risks are managed.
- How the performance of business managers is evaluated (based on fair value, portfolio return, or both).

- The frequency, value, and timing of sales in previous periods, the reasons for such sales, and expectations regarding future sales activities. However, information about sales activities is not considered in isolation, but rather as part of an overall assessment of how the Company achieves its objective in managing financial assets and generating cash flows.
- Financial assets held for trading or managed and whose performance is evaluated on the basis of fair value are measured at fair value through profit and loss, as they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.

Assessing Whether Contractual Cash Flows Represent Solely Payments of Principal and Interest

For the purpose of this assessment, the Company defines the "principal" of a financial instrument as the fair value of the financial asset at initial recognition. "Interest" is defined as consideration for the time value of money, the credit risk associated with the principal amount over a specific period, other basic lending risks and costs (such as liquidity risk and administrative costs), and a profit margin.

To assess whether the contractual cash flows consist solely of payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows so that it would not meet this condition. In making this assessment, the Company considers the following:

- Potential events that would change the amount and timing of cash flows.
- Early Repayment and Extension of Maturity Terms.
- Terms that limit the Company's ability to claim cash flows from specific assets.
- Features that modify consideration for the time value of money.

Financial Liabilities – Policy Applicable from July 1, 2021

- Upon initial recognition, the Company classifies financial liabilities into financial liabilities at cost consumed, and financial liabilities at fair value through profit or loss, based on the Company's business model objective.
- All financial liabilities are recognized initially at fair value on the date that the Company becomes a party to the contractual provisions of the financial instrument.
- Financial liabilities classified at cost consumed are subsequently measured at cost consumed using the effective interest method.
- Financial liabilities at fair value through profit or loss are subsequently measured at fair value, and changes in fair value relating to changes in the Company's own credit rating are recognized in other comprehensive income while the remaining amount of the change in fair value is presented in profit or loss.

Reclassification

- Financial assets are not reclassified subsequent to their initial recognition unless and only the Company changes its business model for managing those assets.
- In all cases, there is no reclassification between financial liabilities at fair value through profit and loss and financial liabilities at cost consumed.

Exclusion

1. Financial Assets

- A financial asset is derecognized/ excluded when the contractual rights to receive cash flows from the financial asset expire, or when the Company transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred to another party.
- Upon exclusion of a financial asset, the difference between the asset's booking amount (or the booking amount allocated to the portion of the asset excluded) and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been previously recognized in the fair value reserve of financial investments at fair value through other comprehensive income is recognized in profit or loss.
- Effective from July 1, 2021, any accumulated gain or loss recognized in other comprehensive income relating to investments in equity instruments designated as financial investments at fair value through other comprehensive income is not recognized in profit or loss upon derecognition of such asset. Any interest created or retained in eligible derecognized financial assets is recognized as a separate asset or liability.
- When the Company enters into transactions whereby it transfers assets previously recognized in its statement of financial position, but retains all or substantially all of the risks and rewards of ownership of the transferred asset or part of it, the transferred asset is not derecognized.
- For transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of an asset and retains control over the asset, the Company continues to recognize the asset to the extent of its continuing involvement in the financial asset. The Company's

  continuing involvement in the financial asset is determined by the extent to which it is exposed to changes in the value of the transferred asset.
- In certain transactions, the Company retains an obligation to service the transferred asset for a fee; in such cases, the transferred asset is excluded if it meets the exclusion criteria. An asset or liability for the servicing contract is recognized if the servicing fee is higher than adequate (asset) or lower than adequate (liability) for performing the service.

E) Investment Properties /Real Estate Investments

Purchased investment Real Estate/ properties acquired wholly or partially on credit terms and not qualifying for capitalization of borrowing costs are assessing after deducting deferred interest, provided that the resulting liabilities are recorded under liabilities in the separate statement of financial position. In this regard, the cost of land purchased through borrowing or on credit terms shall not be loaded with any financing interest calculated on such loans. In all cases, such financing costs are charged to "Net Investment Income" in the separate income statement / separate statements of revenues and expenses, as applicable, using the effective interest method.

In the event of additions, renovations, or comprehensive modifications to the property that result in an increase in the size, useful life, or rental value of the property (such as major restructuring or dismantling/rebuilding operations), such costs are added to the property amount. Technical experts shall estimate the remaining useful life of the property following these renovations, and the new total cost shall be depreciated over this revised useful life,

After deducting the residual value at the end of the property's useful life. Investment properties are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

f) Investments in Subsidiaries

Investments in subsidiaries are recorded at acquisition cost. In the event of a decline in their value, the booking amount of the investment is adjusted by the amount of such reduction and charged to the separate income statement for each investment individually

A subsidiary is an entity controlled by another entity known as the parent company. Control is achieved when the Company has power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect the amount of its returns from the investee. .

The company reassesses whether it continues to exercise control over an investee whenever facts and circumstances indicate a change in one or more of the elements of control.

g) Investments in Associates

An associate is an entity over which the investor directly or indirectly holds (through subsidiaries) **20% or more** of the voting rights in the investee, with the assumption that the investor has significant influence.

The investment is initially recognized at cost. In the event of decline in value, the booking amount is reduced by the impairment loss and charged to the income statement for each investment individually.

4/4 Other Assets

Asset balances are valued at their amortized cost, which is the book value of those accounts less accumulated impairment losses

Fixed Assets

- Property, plant, and equipment are initially evaluated at cost, which includes all costs necessary to acquire the tangible asset, provided that such cost does not exceed the fair value of those assets (or similar assets) at the time of acquisition. Tangible assets (fixed assets) are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.
-
- The straight-line method of depreciation is used to allocate the historical cost of the fixed asset over the periods during which the asset is expected to be used, thereby reducing the value of the asset to its salvage value over its estimated useful life, except for land, which is not considered a depreciable asset. The estimated useful lives for each type of fixed asset are as follows:

Asset Type	Estimated Useful Life
Buildings occupied by the Company	**5 years**
Furniture	**5 years**
Transportation and vehicles	**5 years**
Integrated automated systems	**5 years**

When the value of a fixed asset exceeds its recoverable amount—the value expected to be recovered through its use—its booking value is immediately reduced to that recoverable amount. The gains and losses from disposal are determined by comparing the selling value of

the asset - if any - with its net book value and are recognized as income from the activity in the separate income statement.

4/6 Intangible Assets

Intangible assets comprising computer software, licenses, and others are initially evaluated at cost, which includes all costs necessary to acquire the asset, provided that such cost does not exceed the fair value of those assets (or similar assets) at the time of acquisition. Intangible assets with finite useful lives are subsequently measured at cost less accumulated amortization and accumulated impairment losses. They are amortized over a period of **5 years**.

Provision for Impairment of Debts
- Impairment of Financial Assets

Policy Applicable Effective July 1, 2021

- Impairment losses are recognized for expected credit losses on the following financial instruments that are not measured at fair value through profit or loss:
    1. Financial assets that are debt instruments.
    2. Receivables/ outstanding debts.
    3. Financial guarantee contracts - if any.
- Impairment losses are not recognized on investments in equity instruments.

Debt Instruments Related to Insurance and Microinsurance Products

- The Company groups debt instruments related to insurance and microinsurance products into portfolios with similar credit risk characteristics based on the type of insurance product.
- Financial assets originated or acquired by the Company that indicate a high credit risk level compared to the Company's low-risk financial assets at initial recognition are classified directly into Stage 2.

Measurement of Expected Credit Losses

- The Company evaluates debt instrument portfolios on a quarterly basis at the portfolio level for all financial assets—including insurance and investment portfolios—and on a periodic basis regarding financial assets of corporate clients classified under the watch list to monitor their credit risk. This assessment is also performed at the counterparty level on a

periodic basis. The criteria used to determine a significant increase in credit risk are reviewed and monitored periodically by the credit risk management department.

• The company estimates the allowance for impairment losses for the financial instrument at the reporting date at an amount equal to lifetime expected credit losses, except for the following cases where the allowance for impairment losses is estimated at an amount equal to 12-month expected credit losses:

1. Debt instruments that are determined to have low credit risk at the reporting date (Stage 1 debt instruments).
2. Other financial instruments for which credit risk has not increased significantly since initial recognition as of the reporting date (Stage 1 debt instruments).

- **The Company considers expected credit losses to be a probability-weighted estimate of expected credit losses, measured as follows:**

• The Company defines expected credit losses (ECL) as a probability-weighted estimate of expected credit losses, measured as follows:

* For financial assets in Stage 1, expected credit losses are measured based on the present value of total cash shortfalls. These are calculated using historical probability-of-default (PD) rates—adjusted for macroeconomic indicator

forecasts (based on a weighted average of scenarios) over the next twelve months—multiplied by the exposure at default. When calculating the loss rate, the estimate incorporates expected recovery rates for each group of debt instruments with similar credit risk profiles. Since expected credit losses account for both the amount and timing of payments, a credit loss may arise even if the Company expects full repayment, provided that such repayment occurs after the contractual due date. The 12-month expected credit losses represent a portion of the lifetime expected credit losses; they reflect potential default events for a financial instrument that could occur within twelve months following the financial reporting date.

* For financial assets in Stage 2, expected credit losses are measured based on the present value of total cash shortfalls. These are calculated using historical probability-of-default

rates—adjusted for macroeconomic indicator forecasts (based on a weighted average of scenarios) over the entire remaining life of the financial asset—multiplied by the exposure at default. When calculating the loss rate, the estimate incorporates expected recovery rates for each group of debt instruments with similar credit risk profiles.

Financial assets that are credit-impaired at the reporting date are measured at the difference between the asset's gross carrying amount and the present value of expected future cash flows.

When calculating loss rates, the Company takes into account expected recovery rates based on the present value of expected cash flows from cash and non-cash collateral, as well as historical or expected future repayment rates, as follows:

- For debt instruments classified in Stage 1, only the value of cash collateral and cash equivalents is taken into account, comprising cash and other financial instruments that can readily be converted into cash within a short period (three months or less) without any change (loss) in their value arising from credit risk.
- For debt instruments classified in either Stage 2 or Stage 3, only 50% of the value of real estate collateral and 30% of the value of commercial collateral, respectively, are taken into account, if any.
- For debt instruments held with banks operating outside Egypt, default probability rates are determined based on the credit rating of the head office of the bank operating outside Egypt, provided that such rating does not exceed the sovereign credit rating of the country in which the head office is located, and taking into consideration the Central Bank's instructions regarding country risk. The loss rate is calculated at 45%.

- For debt instruments issued by entities other than banks, default probability rates are calculated based on the credit ratings assigned to the issuers of the financial instruments by external international credit rating agencies. For foreign entities, the issuer's credit rating shall not exceed the sovereign credit rating of the country in which the issuer is located. The loss rate is set at 45%.

- The impairment allowance relating to financial assets recognized in the statement of financial position is deducted from the carrying amounts of those financial assets when presenting the statement of financial position. However, impairment allowances relating to financial guarantee contracts and contingent liabilities, if any, are recognized under the "Other Provisions" line item within liabilities in the statement of financial position.

- For financial guarantee contracts, the Company estimates expected credit losses based on the difference between the payments expected to be made to the holder of the guarantee and any other amounts that the Company expects to recover.

Transfer from Stage 2 to Stage 1

- The Company does not transfer a financial asset from Stage 2 to Stage 1 until all quantitative and qualitative criteria applicable to Stage 1 have been met.

Transfer from Stage 3 to Stage 2

- The Company does not transfer a financial asset from Stage 3 to Stage 2 until all quantitative and qualitative criteria applicable to Stage 2 have been met.
-

Restructured Financial Assets

If the terms of a financial asset are renegotiated or modified, or a new financial asset replaces an existing financial asset due to financial difficulties affecting the entire insurance policy, an assessment is performed to determine whether the existing financial asset should be derecognized (excluded from books). Expected credit losses are measured as follows:

If the restructuring does not result in derecognition/exclusion of the existing asset: The expected cash flows arising from the modified financial asset are used to calculate the cash deficit on the existing asset. Expected credit losses are calculated over the lifetime of the instrument.

If the restructuring results in derecognition/exclusion of the existing asset: The expected fair value of the new asset is treated as the final cash flow from the existing financial asset upon its derecognition. This value is used to calculate the cash deficit on the existing financial asset and is discounted from the expected derecognition date to the reporting date using the original effective interest rate of the existing financial asset.

Presentation of Expected Credit Loss Provisions in the Statement of Financial Position

Expected credit loss provisions are presented in the statement of financial position as follows:

- **Financial assets measured at cost consumed:** As a deduction from the gross booking amount of the assets.
- **Financial guarantee contracts:** Generally, as a provision.

Debt instruments measured at fair value through other comprehensive income are not subject to the recognition of an impairment provision in the statement of financial position, as the booking amount of these assets is their fair value. However, the impairment provision is disclosed and recognized in the fair value reserve.

Write-off of Debts (Bad Debts)

Debts are written off, either partially or in full, when there is no reasonable expectation of recovery. Generally, this is the case when the Company determines that the insurance policyholder has no assets, resources, or sources of income that could generate sufficient cash flows to repay the debts to be written off. Nevertheless, the bad financial assets may remain subject to monitoring as part of the Company's procedures for recovering outstanding amounts.

Bad Debts are charged against the impairment provision, whether or not a provision has been established for them. Any recoveries of bad debts previously written off are credited to the impairment provision.

Accounting Impacts of Applying Egyptian Accounting Standard No. (47), "Financial Instruments"

At the beginning of the application period (1 July 2021), if the impairment provisions calculated in accordance with the requirements of Egyptian Accounting Standard No. (47) exceed the provisions calculated in accordance with the instructions currently in force, the difference is charged to the retained earnings balance, regardless of whether the resulting balance of retained earnings is a debit or a credit balance.

If the impairment provisions calculated in accordance with the requirements of Egyptian Accounting Standard No. (47), "Financial Instruments," are lower than the provisions calculated in accordance with the instructions in force up to the end of September 2021, the difference is added to the reserve for risks associated with the application of Egyptian Accounting Standard No. (47).

In all cases, the balance of this reserve shall not be used or otherwise disposed of without the approval of the Financial Regulatory Authority (FRA).

Egyptian Accounting Standard No. (49), "Lease Contracts"

Egyptian Accounting Standard (EAS) No. (49) replaces Egyptian Accounting Standard (EAS) No. (20) - "Accounting Rules and Standards Related to Financial Leasing Operations.
Accounting Impacts Resulting from the Adoption of Egyptian Accounting Standard (EAS) No. (49) "Leases"

The Company as a Lessee

Egyptian Accounting Standard (EAS) No. 49 "Leases" introduces a single accounting model for lessees, whereby the lessee recognizes a right-of-use asset within the company's assets and a lease liability representing the present value of unpaid lease payments within the company's liabilities. It should be noted that leases for lessees are no longer classified as operating leases or finance leases.

Optional recognition exemptions exist for short-term leases and leases of low-value assets.

The Company as a Lessor

The Company classifies each of its leases as either an operating lease or a finance lease.

- **Finance Leases:** The lessor shall recognize assets held under a finance lease in the statement of financial position and present them as receivables at an amount equal to the net investment in the lease.

- **Operating Leases:** The lessor shall recognize lease payments from operating leases as income on either a straight-line basis or another systematic basis.

Leases

At inception of a contract, the company assesses whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessee

The Company recognizes lease liabilities representing its obligation to make lease payments and right-of-use assets representing its right to use the underlying assets.

Lease Liability:

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments that have not been paid at that date, using the interest

rate implicit in the lease, if that rate can be readily determined; otherwise, the Company uses its incremental borrowing rate.

Subsequently, the Company increases the carrying amount of the lease liability to reflect the interest accrued on the lease liability and reduces the carrying amount to reflect lease payments made.

Right-of-Use Asset:

At the commencement date of the lease, the right-of-use asset is measured at an amount comprising the initial measurement of the lease liability, plus any initial direct costs and lease payments made to the lessor at or before the commencement date, less any lease incentives received from the lessor, if any. The measurement also includes the costs that the Company expects to incur in dismantling and removing the underlying asset, restoring the site on which it is located to its original condition, or restoring the underlying asset itself to the condition required under the terms and conditions of the lease.

After the commencement date, the Company measures the right-of-use asset at cost, less accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

The right-of-use asset is depreciated from the commencement date of the lease until the end of the asset's useful life if the lease transfers ownership of the underlying asset to the Company at the end of the lease term or if the Company is reasonably certain to exercise a purchase option. Otherwise, the Company depreciates the right-of-use asset from the commencement date until the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease; that is, whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a Lessee

The Company recognizes lease liabilities representing its obligation to make lease payments and right-of-use assets representing its right to use the underlying assets.

Lease Liability:

At the commencement date of the lease, the Company measures the lease liability at the present value of the lease payments.

The Company as a Lessor

The Company classifies each of its leases as either an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of the underlying asset.

Finance Leases: The Company recognizes assets held under finance leases in the statement of financial position and presents them as receivables at an amount equal to the net investment in the lease.

The Company uses the interest rate implicit in the lease to measure the net investment in the lease.

Lease payments included in the measurement of the net investment in the lease comprise payments for the right to use the underlying asset over the lease term that have not been received at the commencement date of the lease.

The Company recognizes finance income over the lease term on a basis that reflects a constant periodic rate of return on the lessor's net investment in the lease.

Operating Leases: The Company recognizes payments received under operating leases as income on a straight-line basis or on another systematic basis, if that basis better reflects the pattern in which the benefits from the use of the underlying asset are diminished.

All of the Company's leases are currently classified as operating leases.

4/9 Technical Provisions for Property and Liability Insurance

- Provision for Unearned Premiums (Unexpired Risks)

A provision for unexpired risks is established to cover the Company's obligations arising from insurance business written before the end of the financial period that remains in force after the end of that period.

- Provision for Outstanding Claims

The provision for outstanding claims is estimated separately for each insurance branch to cover claims arising from accidents reported before the end of the financial period that remain

outstanding as at the date of the separate statement of financial position, as well as claims arising from accidents that have occurred but have not been reported as at the date of preparation of the separate statement of financial position.

- Provision for Adverse Fluctuations

A provision for adverse fluctuations is calculated to cover unexpected deviations in losses, particularly those resulting from natural hazards and riots and vandalism risks. The provision was established and utilized in accordance with the rules set out in the Executive Regulations of Law No. 10 of 1981.

4/11 Provisions

Provisions are recognized after being reviewed as at the date of the separate statement of financial position.

4/12 Revenue Recognition

All revenue items are accounted on an due/ maturity basis.

Dividend income from shares is recognized from the date on which the General Assembly approves the distribution, unless practical difficulties prevent the Company from determining the date of such approval. In such cases, dividend income is recognized on the date the coupon is actually collected.

Net income from allocated or unallocated investments is recognized after deducting impairment losses and investment expenses, and adding back the reversal of impairment losses.

Revenue relating to inward reinsurance agreements for which a full insurance year has not yet been completed are deferred, in addition to other exceptional or estimated cases in which certain deferred calculations have not been completed and

are carried forward to subsequent years beyond the period covered by the separate financial statements.

When the Company receives bonus shares or additional investment fund units, these are not considered revenue of the Company. Instead, the value of the investment contribution remains unchanged in the Company's books and records, while the number of shares or units increases by the number of bonus shares or units received. Accordingly, the average carrying cost per share or unit is reduced.

If the Company holds shares in an investee as a result of its merger with another company, the investment cost continues to be recognized in accordance with the amount recorded in the Company's books and records, with the book value per share adjusted to reflect the new number of shares held.

4/13 Basis of Fair Value Measurement

Financial instruments are initially measured at fair value. If there is a difference between the fair value of the instrument and the consideration given or received, such difference is considered a "day-one" gain or loss, which is not recognized except upon disposal, derecognition, or sale of the financial instrument, or at its maturity date.

Transaction costs relating to financial assets measured at cost consumed are adjusted for transaction costs, which are then consumed over the life of the instrument using the effective interest method in the separate statement of income / separate revenue and expenses statements, as applicable, under the "Net investment income" line item

Determination of Fair Value and Fair Value Hierarchy (staircase)

The Company uses the following hierarchy when measuring and presenting the fair value of financial instruments:

Level 1: Quoted prices in active markets for identical financial assets or liabilities (unadjusted).

Level 2: Quoted prices in markets for similar financial assets and liabilities, or other valuation techniques for which all significant inputs are based on market-observable information, either directly (such as prices) or indirectly (i.e., derived from prices).

4/14 Derecognition (Exclusion)

Financial assets are excluded when they have been collected, have reached maturity, or have been transferred as a result of the Company's loss of control over the contractual rights associated with those assets.
Financial assets disposed of through sale are excluded once the consideration has been collected from the purchaser, as the sale is recognized when all rights, rewards, and risks associated with these assets have been transferred to the purchaser.

Financial liabilities are derecognized when the obligations to the other parties relating to such liabilities have been extinguished.

4/15 Employee Benefits

The Company is required to pay its share of social insurance contributions to the Social Insurance Authority for the benefit of its employees, in accordance with the provisions of Social Insurance Law No. 79 of 1975 and its amendments. The Company bears the cost of these contributions, which is included under wages and salaries (general and administrative expenses / production costs) in the separate statement of revenues and expenses, on an due basis.

4/16 Takaful Contribution

The provisions of Law No. 2 of 2018 issuing the Comprehensive Health Insurance System Law (Takaful Contribution) are applied effective from its enforcement date on July 12, 2018, to all individual enterprises and corporate entities, regardless of their nature or the legal system to which they are subject.

4/17 Income Tax

Income tax on the profits or losses for the year comprises both current income tax and deferred tax. These taxes are recognized in the separate income statement, except for income tax relating to items recognized in equity, which is recognized directly in equity.

Income tax is recognized based on net taxable profit, using the tax rates in effect as at the date of preparation of the separate financial statements.

Deferred tax is recognized on temporary differences between the booking amounts of assets and liabilities in accordance with accounting principles and their values determined in accordance with tax rules. Deferred tax is measured based on the expected manner of realization or settlement of the booking amounts of assets and liabilities, using the tax rates in effect as at the date of preparation of the separate financial statements.

Deferred tax assets are recognized when it is probable that future taxable profits will be available against which these assets can be utilized. Deferred tax assets are reduced by the amount of any portion for which the expected tax benefit will not be realized in subsequent years. If the expected

tax benefit subsequently increases, deferred tax assets are increased, but only to the extent of the amounts previously reduced.

Financial Instruments and Related Risk Management

The Company's financial instruments comprise financial assets and financial liabilities. Financial assets include cash balances, current accounts, bank deposits, financial investments, premiums receivable, and reinsurance balances. Financial liabilities include policyholders' balances. The Company's financial instruments also include rights and commitments in favor of third parties that are disclosed off the separate statement of financial position.

Note (4) to the notes accompanying the separate financial statements sets out the accounting policies adopted for the recognition and measurement of the principal financial instruments. The main risks associated with these financial instruments and the procedures adopted by the Company to mitigate the impact of such risks are set out below.

Management of Risks Related to Financial Instruments

The Company's principal risks are credit risk, market risk, and liquidity risk. The Company's accounting policies are designed to monitor these risks.

4-2 Management of Risks Related to Financial Instruments

(a) Credit Risk Management

- Credit risk arises when external counterparties are unable or unwilling to comply with the terms of their contractual relationships with the Company, thereby being unable or unwilling to pay part or all of the amounts due from them on their respective due dates.
- Credit risk arises from financial investments and other activities undertaken by the Company.
-The Company's management is responsible for the quality of the investment
- portfolio and for establishing and delegating authority for the execution of investment transactions, with the aim of ensuring a high standard of credit risk assessment.
-The Company has a system in place to ensure the quality of investment transactions and to enhance their quality, with ongoing reviews and monitoring.
-The investment portfolio is diversified across different sectors to avoid risk concentration.
-Customers and banks are periodically monitored and assessed to evaluate their financial and credit positions and determine the required allowances for debts and balances that may be doubtful of collection.
-The Company seeks to mitigate these risks by dealing with entities that have sound credit reputations, including banks, financial institutions, insurance companies, and reinsurance companies, while avoiding concentration of its assets with any single entity.

(b) Market Risk Management

Market risk is the risk of fluctuations in the fair value or future cash flows of financial instruments resulting from changes in market prices. Market risk includes the following:

- Interest Rate Risk

The Company's income and cash flows are exposed to fluctuations in prevailing market interest rates. The Company's primary objective in managing interest rate 39

risk is to reduce the expected adverse effects of changes in interest rates on the net returns earned by the Company.

The Company generally seeks to mitigate interest rate risk by closely monitoring market interest rates and investing in financial assets whose risk is expected to be minimal.

- Foreign Currency Risk

The Company is exposed to foreign currency risk, primarily in respect of the US dollar and the euro. To minimize this risk, the Company maintains a balance in its foreign currency positions to the extent necessary for conducting its business.

- Other Price Risk

Other price risk is the risk of changes in the value of financial instruments resulting from fluctuations in market prices, excluding those arising from interest rate risk or foreign currency risk. Such changes may relate to a specific security, its issuer, or factors affecting the trading of securities.

Financial instruments in the market as a whole. The Company mitigates other price risks by maintaining a diversified investment portfolio and actively monitoring the key factors affecting movements in the stock and bond markets.

Liquidity Risk Management

To address liquidity risk, management maintains an adequate level of cash and marketable securities, taking into account the provisions of Law No. 155 of 2024 regarding funds allocated to cover policyholders' rights.

Insurance Business Risks

Risk Management Governance Framework

The objective of the Company's Risk Management and Finance Departments is to protect the Company's shareholders against events that may hinder the continued achievement of financial performance objectives, including the failure to capitalize on opportunities. The Risk Management Department also seeks to protect policyholders' rights by ensuring that all obligations towards policyholders are fulfilled in accordance with established practices.

Senior management recognizes the need to maintain effective and efficient risk management systems.

Insurance Risk

Insurance contract risk is the possibility of the insured event occurring, resulting in a claim under the insurance contracts. Under insurance contracts, risks occur randomly and are therefore unpredictable. The risks faced by the Company relate to the occurrence of insured events and the amount of claims reported.
With regard to property and casualty insurance, the Company operates across various insurance lines, including fire, marine, motor, engineering, petroleum,
medical, and other risks. The Company conducts comprehensive risk assessments, taking into account the risks of recurrence and concentration of large claims, as well as geographical concentration within each insurance line separately. This assessment also considers each line's relative weighting in relation to the Company's total business, with a view to maintaining a balanced underwriting portfolio.

To mitigate insurance risk, the Company establishes underwriting and retention policies and limits of authority, in addition to underwriting authorities specifying the persons authorized and responsible for entering into insurance and reinsurance contracts. Compliance with these instructions is reviewed periodically, and market developments are closely monitored. Appropriate measures are taken to reflect such developments in the underwriting instructions whenever necessary.

The Company also uses reinsurance to manage insurance risk by entering into proportional and non-proportional reinsurance agreements with other parties.

Reinsurance Business Risks

As is common practice among insurance companies, the Company enters into reinsurance agreements with other parties to reduce the likelihood of incurring losses arising from large insurance claims. These reinsurance arrangements provide greater diversification of business, enable management to control its exposure to losses arising from major risks, and provide additional capacity for growth.

However, these arrangements do not relieve the Company of its obligations to its insureds. The Company remains liable to its policyholders for the reinsured portion

of outstanding claims if the reinsurers fail to meet their obligations under the reinsurance contracts. Accordingly, credit risk remains in respect of reinsurance to the extent that any reinsurer is unable to settle its obligations.

To mitigate the risk of incurring significant losses as a result of reinsurers' financial difficulties, the Company assesses the current financial position of the reinsurance companies with which it deals and periodically monitors the concentration of credit risk.

The Company enters into reinsurance arrangements only with counterparties that have good credit ratings, and these ratings are reviewed periodically. The geographical analysis of the Company's reinsurance risk exposure...

Liquidity Risk

Liquidity risk comprises all factors that affect the Company's ability to settle part or all of its obligations as they fall due. In accordance with the Company's policies, an adequate level of liquidity is maintained, including arrangements with banks for additional credit facilities, to minimize this risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument (including amounts due from insurance and reinsurance companies, insurance operations receivables, savings schemes, and bank balances) will be unable to meet its obligations. The Company mitigates this risk by dealing with a diversified customer base with strong and stable financial positions. Bank balances are held with financial institutions with high credit ratings.

Market Risk

Market risk includes interest rate risk, foreign currency risk, and price risk.

Interest Rate Risk

Interest rate risk arises from changes in interest rates affecting the Company's financial assets and financial liabilities. The Company invests its funds in fixed-interest-rate investments and invests any surplus cash and cash equivalents in

short-term investments to reduce the likelihood of exposure to this risk.

Interest Rate Sensitivity Analysis

Interest rate sensitivity analysis is performed when balances are material and significant, such as savings schemes held with banks and deposits retained with or by reinsurers.
The sensitivity of the income statement to a reasonably possible change in interest rates of 300 basis points (i.e., 3%) on interest income from savings schemes held
with banks and deposits retained with reinsurers, or a change of 300 basis points (i.e., 3%) in interest expense on deposits withheld from reinsurers, is assessed assuming all other variables remain constant.

The sensitivity of the separate income statement represents the effect of hypothetical changes in interest rates over one period, based on the variable-rate financial assets and liabilities held as at the date of the separate financial statements. The results of this analysis indicated that there were no material differences in the returns on savings schemes held with banks or on deposits retained with reinsurers.

5/3/2 Foreign Currency Risk

Foreign currency risk arises from changes in exchange rates that affect foreign currency payments and receipts, as well as the valuation of assets and liabilities denominated in foreign currencies. The Company seeks to mitigate this risk by avoiding open foreign currency positions, thereby reducing its exposure to a minimum.

5/3/3 Price Risk

Price risk is the risk of changes in the value of financial instruments resulting from fluctuations in market prices, whether such changes relate to a specific security, its issuer, or factors affecting securities trading in the market as a whole. The Company mitigates market risk by maintaining a diversified investment portfolio and actively monitoring the key factors affecting movements in the stock and bond markets.

5/4 Fair Value of Financial Instruments

The table below presents the financial assets and liabilities measured at fair value in the separate financial statements as at 30 June 2026, classified within the fair value hierarchy according to the levels of inputs that are significant to the fair value measurement as a whole:

- **Level 1 inputs:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2 inputs:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3 inputs:** Unobservable inputs for the asset or liability.

5/15/3 Market Risk

Market risk includes interest rate risk, foreign currency risk, and price risk.

5/3/1 Interest Rate Risk

Interest rate risk arises from changes in interest rates affecting the Company's financial assets and financial liabilities. The Company's management invests its funds in fixed-interest-rate investments and invests any surplus cash and cash equivalents in short-term investments to reduce the likelihood of exposure to this risk.

Interest Rate Sensitivity Analysis

Interest rate sensitivity analysis is performed when balances are material and significant, such as savings schemes held with banks and deposits retained with or by reinsurers.
The sensitivity of the income statement to a reasonably possible change in interest rates of 300 basis points (i.e., 3%) on interest income from savings schemes held with banks and deposits retained with reinsurers, or a change of 300 basis points (i.e., 3%) in interest expense on deposits withheld from reinsurers, is assessed assuming all other variables remain constant.
The sensitivity of the separate income statement represents the effect of hypothetical changes in interest rates over one period, based on the variable interest rates applicable to financial assets and liabilities held as at the date of the separate financial statements. The results of this analysis indicated that there were no material differences in the returns on savings schemes held with banks or on deposits retained with reinsurers.

5/3/2 Foreign Currency Risk

Foreign currency risk arises from changes in exchange rates that affect foreign currency payments and receipts, as well as the valuation of assets and liabilities denominated in foreign currencies. The Company seeks to mitigate this risk by avoiding open foreign currency positions, thereby reducing its exposure to a minimum.

5/3/3 Price Risk

Price risk is the risk of changes in the value of financial instruments resulting from fluctuations in market prices, whether such changes relate to a specific security, its issuer, or factors affecting securities trading in the market as a whole.

The Company mitigates market risk by maintaining a diversified investment portfolio and actively monitoring the key factors affecting movements in the stock and bond markets.

5/4 Fair Value of Financial Instruments

The table below presents the financial assets and liabilities measured at fair value in the separate financial statements as at 30 June 2026, classified within the fair value hierarchy according to the levels of inputs that are significant to the fair value measurement as a whole:

- **Level 1 inputs:** Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- **Level 2 inputs:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3 inputs:** Unobservable inputs for the asset or liability.

5/5 Capital Management

The Company's objective in managing its capital is to ensure business continuity by maintaining strong financial ratios to support its operations, maximize the value of shareholders' equity and stakeholders' interests, and maintain an optimal capital structure to reduce the cost of capital. Accordingly, management's policy is to maintain a strong capital base, conduct capital studies to address changes in market conditions, and diversify its customer base.

5/6 Stress Testing

Stress testing is one of the requirements that must be considered as part of the calculation process for measuring expected credit losses. The Company has developed three scenarios to assess future forecasts and determine their impact on the variables used in the expected credit loss measurement model. These scenarios comprise a base-case scenario (**BASE**), a worst-case scenario, and a best-case scenario.

In accordance with the requirements of Egyptian Accounting Standard No. 47, *Financial Instruments*, the calculation of expected credit losses must reflect an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes, rather than relying solely on the best-case or worst-case scenario.

(6) Cash at Banks

Cash and cash equivalents included in the separate statement of cash flows comprise the following balances presented in the separate statement of financial position:

	Sep-26 Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Cash		-
Current accounts at banks		
Local Currency	20 397 203	15 229 623
Foreign Currency	28 530 211	10 337 730
Cash Cover for Letters of Guarantee	168 473	168 473
Impairment losses	**(733 911)**	
Cash at banks	**48 361 976**	**25 735 826**

(7) Savings Deposits with Banks

	Sep-26			Dec-25
	Allocated Egyptian Pound (EGP)	Unallocated Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Total Egyptian Pound (EGP)
Time and Notice Deposits				
Local Currency		60 260 043	60 260 043	31 690 644
Foreign Currency	124 136 487	184 980 304	309 116 791	155 089 717
Impairment Losses on Bank Deposits	(541 482)	(806 882)	(1 348 364)	(676 500)
Total Deposits	**123 595 005**	**244 433 465**	**368 028 470**	**186 103 861**
Represented as follows:				
Within 3 months	124 136 487	245 230 347	369 366 834	186 770 361
More than 3 months		**10 000**	10 000	**10 000**
Impairment Losses on Bank Deposits	(541 482)	(806 882)	(1 348 364)	(676 500)
	123 595 005	**244 433 465**	**368 028 470**	**186 103 861**

,the realized foreign exchange gains arising from US dollar-denominated deposits and recognized as income in the Income Statement amounted to EGP 13.8 million

	Cash Egyptian Pound (EGP)	Deposits Egyptian Pound (EGP)	Investments at amortized cost Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Impairment losses					
Beginning Impairment Losses	-	676 500	5 025 743	5 702 243	5 411 182
Component of Impairment Losses	733 911	671 864	454 374	1 860 149	291 061
Balance	**733 911**	**1 348 364**	**5 480 117**	**7 562 392**	**5 702 243**

(8) Securities

A - At fair value through other comprehensive income

	Sep-26				Dec-25	
	Number of Shares	Allocated Egyptian Pound (EGP)	Unallocated Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Number of Shares	Total Egyptian Pound (EGP)
Shares						
(B) Contributions to the Share Capital of Other Companies						
*Al Mohandes Pasta Manufacturing Company	10 000	-	1	1	10 000	1
**Egyptian Export Credit Guarantee Company	-	-	-	-	15 000	
***African Reinsurance Corporation	6 000	-	202 907 373	202 907 373	6 000	171 946 732
***National Company for Seed Production	353 203	33 388 282	-	33 388 282	353 203	22 227 065
*Al Mohandes National Food Products Company	4 285	-	1	1	4 285	1
*National Food Security Company	10 000	-	1	1	10 000	1
*Damietta Spinning and Weaving Company	700	-	1	1	700	1
*Ismailia Ready-Made Garments Company	83 242	-	1	1	83 242	1
*Hebi Pharmaceutical Supplies Company	10 000	1	-	1	10 000	1
Total		**33 388 283**	**202 907 378**	**236 295 661**		**194 173 803**
:Available-for-Sale Financial Assets Comprise						
Financial assets listed on the Stock Exchange		-	-	-		-
Financial assets not listed on the Stock Exchange		33 388 283	202 907 378	236 295 661		194 173 803
Total		**33 388 283**	**202 907 378**	**236 295 661**		**194 173 803**

These investments are stated at a nominal value of EGP 1, as the Company recognized an impairment loss for their full value during the 2012/2013 financial year, since .these companies are bankrupt and no economic benefit is expected from them

The African Reinsurance Corporation and the National Company for Seed Production were measured at fair value. The African Reinsurance Corporation was valued at .USD 602, equivalent to EGP 178.9 million, while the National Company for Seed Production was valued at EGP 62.93 per share, with a total value of EGP 22.23 million The Egyptian Export Credit Guarantee Company was also measured at fair value at EGP 228.7 per share, with a total value of EGP 3.43 million. The resulting valuation .differences were recognized in other comprehensive income

B - At fair value through profit or loss

	Sep-26				Dec-25	
	Number of Shares	Allocated Egyptian Pound (EGP)	Unallocated Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Number of Shares	Total Egyptian Pound (EGP)
Shares						
Commercial International Bank (Egypt)	27,573	-	3,482,470	3,482,470	-	-
Valmore Holding	40,000	-	1,160,000	1,160,000	-	-
Talaat Moustafa Group	15,295	-	1,330,359	1,330,359	30,000	1,600,000
Sidi Kerir	-	-	-	-	115,000	1,960,000
Misr Fertilizers Production Company (MOPCO)	20,000	-	898,000	898,000	155,988	961,330
Juhayna Company	-	-	-	-	155,000	632,000
Egyptian Media Production City	-	-	-	-	15,000	2,137,500
Orascom Construction	-	-	-	-	10,000	4,300,000
Elsewedy Electric	-	-	-	-	1,500,000	1,239,402
National Printing Company	-	-	-	-	23,000	323,550
Egyptian Resorts Company	-	-	-	-	58,750	209,325
El Nasr Civil Works	-	-	-	-	34,587	211,672
Nile Pharmaceuticals	-	-	-	-	20,000	1,428,135
Cairo Educational Services	-	-	-	-	250,000	339,742
U for Finance (Valu)	-	-	-	-	19,500	470,000
Prime Holding	-	-	-	-	10,000,000	960,000
EFG Hermes	60,000.00	-	1,428,000	1,428,000	-	-
Belton Holding	700,000.00	-	1,953,000	1,953,000	-	-
Ibnsina Pharma	75,000.00	-	862,500	862,500	-	-
Eastern Company	16,051	-	457,615	457,615	-	-
El Obour for Real Estate Investment	40,000	-	960,000	960,000	-	-
Cairo for Housing and Development	1,000,000	-	1,490,000	1,490,000	-	-
Electro Cable Egypt	500,000	-	900,000	900,000	-	-
Egypt for Poultry	30,000	-	285,000	285,000	-	-
Premium Healthcare Group	10,000,000	-	810,000	810,000	-	-
Egypt Gas	25,000	-	1,376,250	1,376,250	-	-
Cleopatra Hospitals Group	50,612	-	766,772	766,772	-	-
Midbank First Fund (Free Equity)	122,930.00	-	28,057,543	28,057,543	-	23 641 264
CIB Aman Fund (Free)	2,956.00	-	1,550,777	1,550,777	-	-
National Bank of Egypt Third Fund	11,730.00	7,402,451.00	-	7,402,451	-	5 628 758
Banque Misr Second Fund	1,467,287	33,278,069.00	-	33,278,069	-	30 121 289
Arab African Bank (Kenz-Opportunities) Fund	54,464	8,116,225.00	-	8,116,225	-	7 426 605
Arab African Bank (Shield) Fund	16,690	13,703,491.00	-	13,703,491	-	15 769 888
Banque Misr Third Fund	1,061,333	35,544,042.00	-	35,544,042	-	29 160 645
Pharos	20,584	16,440,441.00	-	16,440,441	-	5 720 439
B-Alpha	3,904,750	-	5,626,276	5,626,276	-	-
Sahmy 70 Fund	450,618	-	8,912,143	8,912,143	-	-
Beltone Real Estate Fund	121,802	-	231,465	231,465	-	-
Real Estate Investment Fund (first and second)	20,000	-	19,452,800	19,452,800	-	10 258 400
[illegible]	15,844	3,578,724	-	3,578,724	-	3 126 176
Midbank Cash Fund (Allocated)	28,472	29,788,309	-	29,788,309	-	28 472 479
Commercial International Bank Cash Assets Fund	18,700	21,000,661	-	21,000,661	-	18 343 578
Diamond (Allocated Cash)	790	172,129	-	172,129	-	-
Midbank (Unallocated Cash)	7,582	-	7,932,529	7,932,529	-	-
Afaq	6,350	-	1,705,764	1,705,764	-	-
Al-Ahly Tamayoz – Unallocated	763,042	-	13,061,745	13,061,745	-	-
Bareeq Fund	23,489	-	5,066,708	5,066,708	-	-
Iskan Cash Fund	548,723	-	11,031,944	11,031,944	-	-
Zaldi Star Fund	58,521	-	6,522,308	6,522,308	-	-
USD Money Market Fund		-	38,453,768	38,453,768	-	-
Maaden-AZ Fund		-	3,140,270	3,140,270	-	-
B-Cobonat Fund	583,185	-	607,212	607,212	-	-
Total		**169 024 542**	**169 513 218**	**338 537 760**		**194 442 177**
:Financial assets comprise						
Financial assets listed on the Stock Exchange		169 024 542	169 513 218	338 537 760		194 442 177
Financial assets not listed on the Stock Exchange		-	-	-		-
Total		**169 024 542**	**169 513 218**	**338 537 760**		**194 442 177**

Financial Investments at (9)
Amortized Cost

	Sep-26			Dec-25
	Allocated Egyptian Pound (EGP)	Unallocated Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Total Egyptian Pound (EGP)
Egyptian Treasury Bonds	171 500 278	-	171 500 278	172 798 470
Government Bonds (Housing)	1 845 240	-	1 845 240	1 845 240
Dollar Bonds	342 505 826	-	342 505 826	314 107 556
Treasury Bills	1600 950 000	-	1600 950 000	1462 400 000
Issuance Discount / Premium	(127 863 430)	-	(127 863 430)	(224 900 758)
Expected Credit Losses on USD-Denominated Bor	(5 480 117)	-	(5 480 117)	(5 025 743)
Total	**1983 457 797**	**-**	**1983 457 797**	**1721 224 765**

the realized foreign exchange gains arising from US dollar-denominated investments and recognized in the Income .Statement amounted to EGP 28.5 million

:Investments at amortized cost comprise

	Sep-26			Dec-25
	Allocated Egyptian Pound (EGP)	Unallocated Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Total Egyptian Pound (EGP)
Financial investments listed on the Stock Exchange				
Financial investments not listed on the Stock Exchange	1988 937 914	-	1988 937 914	1726 250 508
Impairment Losses on Treasury Bills and Bonds	(5 480 117)	-	(5 480 117)	(4 825 202)
Total	**1983 457 797**	**-**	**1983 457 797**	**1721 425 306**

Investments in Subsidiaries (10)

	Onership Shareholding	Number of shares Shares	Sep-26 Allocated Egyptian Pound (EGP)	Sep-26 Unallocated Egyptian Pound (EGP)	Sep-26 Total Egyptian Pound (EGP)	Dec-25 Total Egyptian Pound (EGP)
Al Mohandes Life Insurance *Company	99.90%	284 715 000	24 975 000	34 965 000	59 940 000	59 940 000
Al Mohandes Automotive **Maintenance Company	56.50%	229 768	1 159 393	40 740 795	41 900 188	41 900 188
Total			**26 134 393**	**75 705 795**	**101 840 188**	**101 840 188**

Al Mohandes Life Insurance Company has been classified as an investment in a subsidiary, as the Company has the ability to control variable returns and the financial and operating policies of the company through its representation in voting rights

through representation on the Board of Directors and participation in the General Assembly. The nominal value per share is EGP 1. The company's capital as recorded in the books of Al Mohandes Life Insurance Company amounts to EGP 285 million, whereas the amount recorded in the books of Al Mohandes General Insurance Company is EGP 59.94 million, due to the increase in share capital through the issuance of bonus shares

Al Mohandes Automotive Maintenance Company has been reclassified as an investment in a subsidiary, having previously been classified as an investment in an associate following the Company's acquisition, at fair value, of the 45% stake held by the Employees' Fund in El Nasr Automotive Manufacturing Company

Investments in Associates (11)

	Onership Shareholding	Number of shares Shares	30-Sep-26 Allocated Egyptian Pound (EGP)	30-Sep-26 Unallocated Egyptian Pound (EGP)	30-Sep-26 Total Egyptian Pound (EGP)	Dec-25 Total Egyptian Pound (EGP)
**Inaya Misr	20.00%	60 000	900 000	-	900 000	900 000
Total			**900 000**		**900 000**	**900 000**

Enaya Misr has been classified as an investment in an associate, as the Company owns 20% of Enaya Misr's shares and has representation on its Board of Directors

(12) Investment Properties

	Sep-26			Dec-25
	Allocated Egyptian Pound (EGP)	Unallocated Egyptian Pound (EGP)	Total Egyptian Pound (EGP)	Total Egyptian Pound (EGP)
Cost as of December 31, 2025	10 334 559	3 616 750	13 951 309	12 268 802
Additions		-		1 722 000
Disposals		-	0	(39 493)
Cost as of Sep 31, 2026	**10 334 559**	**3 616 750**	**13 951 309**	**13 951 309**
Accumulated Depreciation as of December 31, 2025	4 496 214	322 251	4 818 465	4 642 712
Additions	107 655	43 944	151 599	202 127
Disposals	-	-	-	(26 374)
Accumulated Depreciation	**4 603 869**	**366 195**	**4 970 064**	**4 818 465**
Carrying Amount of Investment Properties	**5 730 690**	**3 250 555**	**8 981 245**	**9 132 844**

The real estate cost balance is represented as follows:

	Sep-26 Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Land and buildings leased to others	13 951 309	12 268 802
Land held for investment purposes	-	-
Closing balance	**13 951 309**	**12 268 802**

Insurance Contract Assets (13)

Insurance Contract Assets and Liabilities – Sep 2026	Liability for Remaining Coverage		Liability for Incurred Claims		Total
	Excluding the Loss C	Loss Component	Best Estimate of the	Risk Adjustment for	
Insurance Contract Liabilities – Beginning of the Period	379,266,185	5,271,301	925,991,141	37,112,846	1,347,641,473
Insurance Contract Assets – Beginning of the Period	76,927,779	-3,818,294	-61,876,346	-159,579	11,073,560
Net liabilities (assets) of insurance contracts - beginning of t	302,338,405	9,089,595	987,867,487	37,272,425	1,336,567,912
Insurance Revenue	-1,492,695,790	-	-	-	-1,492,695,790
Claims incurred and other contract-related expenses	-	-	1,108,855,982	14,006,641	1,122,862,623
Derecognition of Other Acquisition Costs Previously Recogn	-	-	-	-	-
Changes in Future Cash Flows Relating to Liabilities for Incu	-	-	304,998,499	6,671,223	311,669,722
Recognition (Reversal) of Losses on Onerous Contracts	-	24,928,415	-	24,928,415	49,856,830
Insurance Acquisition Costs Amortized During the Period	348,594,141	-	-	-	348,594,141
Insurance Service Expenses	348,594,141	24,928,415	1,413,854,482	45,606,279	1,832,983,317
Insurance Service Result	-1,144,101,649	24,928,415	1,413,854,482	45,606,279	340,287,527
Insurance Finance Income (Expenses)	-	-	87,807,300	3,474,706	91,282,006
Net Amount Recognized in Profit or Loss	-1,144,101,649	24,928,415	1,501,661,781	49,080,985	431,569,532
Cash Flows	-	-	-	-	-
Cash Received from Insurance Contracts Issued	1,600,176,685	-	-	-	1,600,176,685
Claims Paid and Other Expenses Related to Insurance Contr	-	-	-968,305,857	-	-968,305,857
Acquisition Costs Paid	-392,732,641	-	-	-	-392,732,641
Total Cash Flows	1,207,444,044	-	-968,305,857	-	239,138,187
Insurance Contract Liabilities – End of the Period	442,608,614	30,199,716	1,459,347,064	61,265,549	1,993,420,943
Insurance Contract Assets – End of the Period		-	-	-	-
Net Insurance Contract Liabilities (Assets) – End of the Perio	442,608,580	30,199,716	1,459,347,064	61,265,416	1,993,420,776

Insurance Contract Assets and Liabilities – Dec 2024	Liability for Remaining Coverage		Liability for Incurred Claims		Total
	Excluding the Loss Con	Loss Component	Best Estimate of the Li	Risk Adjustment for Nc	
Insurance Contract Liabilities – Beginning of the Period	297 414 269	0	712 576 064	25 506 723	1035 497 056
Insurance Contract Assets – Beginning of the Period	0	0	0	0	0
Net liabilities (assets) of insurance contracts - beginning of the period	297 414 269	0	712 576 064	25 506 723	1035 497 056
Insurance Revenue	(1666 825 096)	0	0	0	(1666 825 096)
Claims incurred and other contract-related expenses	0	0	1287 783 961	23 358 851	1311 142 812
Derecognition of Other Acquisition Costs Previously Recognized as Assets	0	0	0	0	0
Changes in Future Cash Flows Relating to Liabilities for Incurred Claims	0	0	(141 378 093)	(14 140 063)	(155 518 156)
Recognition (Reversal) of Losses on Onerous Contracts	0	5 271 301	0	5 271 301	10 542 602
Insurance Acquisition Costs Amortized During the Period	417 719 077	0	0	0	417 719 077
Insurance Service Expenses	417 719 077	5 271 301	1146 405 868	14 490 089	1583 886 335
Insurance Service Result	(1249 106 019)	5 271 301	1146 405 868	14 490 089	(82 938 761)
Insurance Finance Income (Expenses)	0	0	68 560 133	2 387 335	70 947 468
Net Amount Recognized in Profit or Loss	(1249 106 019)	5 271 301	1214 966 001	16 877 424	(11 991 293)
Cash Flows	0	0	0	0	0
Cash Received from Insurance Contracts Issued	1746 539 735	0	0	0	1746 539 735
Claims Paid and Other Expenses Related to Insurance Contracts	0	0	(1001 550 924)	0	(1001 550 924)
Acquisition Costs Paid	(415 581 800)	0	0	0	(415 581 800)
Total Cash Flows	1330 957 935	0	(1001 550 924)	0	329 407 011
Insurance Contract Liabilities – End of the Period	456 193 964	1 453 007	864 114 794	36 953 266	1358 715 031
Insurance Contract Assets – End of the Period	76 927 779	(3 818 294)	(61 876 346)	(159 579)	11 073 560
Net Insurance Contract Liabilities (Assets) – End of the Period	379 266 185	5 271 301	925 991 141	37 112 846	1347 641 473

Reinsurance Contract Assets (Liabilities) (14)

Assets (Liabilities) of Reinsurance Contracts Held as of sep2026	Liability for Remaining Coverage		Liability for Incurred Claims		Total
	Excluding the Loss	Loss Component	Present Value of Fu	Risk Adjustment fo	
Reinsurance Contract Assets – Beginning of the Period	69,704,262	2,946,349	425,905,860	30,575,825	529,132,296
Reinsurance Contract Liabilities – Beginning of the Period	1,198,749	-	44,296,951	-654,899	44,840,801
Net Reinsurance Contract Assets (Liabilities) – Beginning of the Period	68,505,513	2,946,349	381,608,909	31,230,724	484,291,495
Reinsurance Contract Income (Expenses)	-	-	-	-	-
Reinsurance Contract Expenses	492,003,093	-	-	-	492,003,093
Other Expenses Related to Insurance Contracts	-	-	5,383,942	-	5,383,942
Claims Recoveries	-	-	-303,275,656	-7,147,561	-310,423,217
Derecognition of Other Acquisition Costs Previously Recognized as Assets	-	-	-	-	-
Changes in Future Cash Flows Relating to Recoveries of Incurred Claims	-	-	-582,516,001	-8,539,172	-591,055,173
Recognition (Reversal) of the Loss-Recovery Component	-	-5,901,518	-	-	-5,901,518
Effect of Changes in the Risk of Non-Performance	-	-	-	-	-
Net Income (Loss) from Reinsurance Contracts	492,003,093	-5,901,518	-880,407,715	-15,686,733	-409,992,873
Reinsurance Finance Income (Expenses)	-	-	-60,044,679	-2,739,911	-62,784,590
Net Amount Recognized in Profit or Loss	492,003,093	-5,901,518	-940,452,394	-18,426,644	-472,777,463
Cash Flows	-	-	-	-	-
Premiums Paid	-407,184,427	-	-	-	-407,184,427
Claims Recovered from Reinsurers	-	-	534,741,320	-	534,741,320
Expenses Related to Insurance Contracts Paid	-	-	-5,383,942	-	-5,383,942
Total Cash Flows	-407,184,427	-	529,357,379	-	122,172,952
Reinsurance Contract Assets – End of the Period	-7,120,106	8,847,867	848,422,113	49,186,986	899,336,860
Reinsurance Contract Liabilities – End of the Period	9,193,047	-	55,718,188	-470,382	64,440,853
Reinsurance Contract Assets (Liabilities) – End of the Period	-16,313,153	8,847,867	792,703,924	49,657,368	834,896,006

Reinsurance Contract Assets (Liabilities) (14)

Assets (Liabilities) of Reinsurance Contracts Held as of December 2025	bility for Remaining Cover		Liability for Incurred Claims		Total
	Excluding the	Loss Compo	Present Value	Risk Adjustme	
Reinsurance Contract Assets – Beginning of the Period	44 530 713		323 520 602	19 602 082	387 653 397
Reinsurance Contract Liabilities – Beginning of the Period	(788 560)		50 422 214	(804 620)	48 829 034
Net Reinsurance Contract Assets (Liabilities) – Beginning of the Period	45 319 272		273 098 389	20 406 702	338 824 363
Reinsurance Contract Income (Expenses)					
Reinsurance Contract Expenses	663 604 970				663 604 970
Other Expenses Related to Insurance Contracts			4 706 427		4 706 427
Claims Recoveries			(745 432 057)	(18 662 291)	(764 094 348)
Derecognition of Other Acquisition Costs Previously Recognized as Assets					
Changes in Future Cash Flows Relating to Recoveries of Incurred Claims			123 190 398	9 701 355	132 891 753
Recognition (Reversal) of the Loss-Recovery Component		(2 946 349)			(2 946 349)
Effect of Changes in the Risk of Non-Performance					
Net Income (Loss) from Reinsurance Contracts	663 604 970	(2 946 349)	(617 535 232)	(8 960 937)	34 162 452
Reinsurance Finance Income (Expenses)			(49 291 423)	(1 863 086)	(51 154 509)
Net Amount Recognized in Profit or Loss	663 604 970	(2 946 349)	(666 826 655)	(10 824 022)	(16 992 056)
Cash Flows					
Premiums Paid	(686 791 211)				(686 791 211)
Claims Recovered from Reinsurers			563 022 561		563 022 561
Expenses Related to Insurance Contracts Paid			(4 706 427)		(4 706 427)
Total Cash Flows	(686 791 211)		558 316 134		(128 475 077)
Reinsurance Contract Assets – End of the Period	69 704 262	2 946 349	425 905 860	30 575 825	529 132 296
Reinsurance Contract Liabilities – End of the Period	1 198 749		44 296 951	(654 899)	44 840 801
Reinsurance Contract Assets (Liabilities) – End of the Period	68 505 513	2 946 349	381 608 909	31 230 724	484 291 495

Right-of-Use Asset and Lease Liability (15)

During the period, Standard No. 49 'Lease Contracts' was applied, resulting in the recognition of a right-of-use asset and a lease liability.

Right-of-Use Asset	Sep-26	Dec-25
Cost		
Balance as of January 1	6,947,744	6,947,744
Additions	5,056,382	0
Balance at the end of the period	12,004,126	6,947,744
Accumulated Depreciation		
Balance as of January 1	4,122,490	3,070,130
Additions	814,682	1,052,360
Balance at the end of the period	4,937,172	4,122,490
Carrying Amount at the End of the Period	7,066,954	2,825,254

Lease Liabilities

	Sep-26	Dec-25
Lease Liability		
Total Lease Liability	**3,941,715**	**4,954,541**
Additions	5 056 382	-
Paid	(882 181)	(1 012 826)
Total	**8,115,916**	**3,941,715**

Other Assets (16)

	Sep-26 Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Agents' Current Accounts	2 711 430	2 605 790
Security Deposits with Third Parties	6 967 009	2 653 739
Other Expenses Pending Settlement	4 116 304	1 059 243
Accrued Investment Income	12 436 540	21 237 134
Compulsory Motor Insurance Pool	1 811 881	1 607 781
Prepaid Expenses	90 830	58 563
Taxes Withheld at Source	318 506	326 050
Current Accounts with Subsidiaries	1 945 375	776 659
Tax on Treasury Bills and Bonds	49 579 685	60 498 691
Tax on Salaries and Wages	14 502 939	
Car Installments Receivable from Employees	302 806	220 262
Premium	9 684	
Other debit balances	667 059	832 645
	96 664 124	**91 876 557**
:Deduct		
Loss Allowance for Expected Credit Losses on Receivables (Note 17)	(16 647 097)	(11 322 500)
	80 017 027	**80 554 057**

.The tax on Treasury bills and bonds represents the tax withheld and payable on income This amount is deducted from the amounts due to the Tax Authority – Corporate Income .Tax – at year-end when preparing the tax return, and the difference is settled

(17) Allowance for Impairment Losses on Receivables, Other Assets and Amounts Due from

	Sep-26	Dec-25	Sep-26	Dec-25	Sep-26	Dec-25
	Other Assets		Insurance and Reinsurance Companies		Insurance Operations Debtors	
	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Opening Balance	11 322 500	6 570 500	34 119 800	15 307 560	50 161 406	41 248 611
-Recoveries of Previously Written Off Balances		252 000	-	-	-	-
Impairment Allowance / Recognized During the Period	5 324 597	4 500 000	4 558 985	18 812 240	17 421 450	8 912 795
Total	**16 647 097**	**11 322 500**	**38 678 785**	**34 119 800**	**67 582 856**	**50 161 406**
Reversals of Impairment Allowance	-	-	-	-	-	-
Amounts Utilized	-	-	-	-	-	-
Closing balance	**16 647 097**	**11 322 500**	**38 678 785**	**34 119 800**	**67 582 856**	**50 161 406**

Fixed Assets (18)

	Sep-26						Dec-25
	-Owner Occupied Properties	Furniture	Motor Vehicles	tegrated IT Systeiects Under Constr		Total	Total
	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Cost at Beginning of Period	37 861 202	13 829 244	30 904 318	20 976 866	1 409 130	104 980 760	91 863 836
Additions		703 402	11 259 279	730 683		12 693 364	13 214 041
Disposals of Intangible Assets	-	-	-	(2 361 326)	-	(2 361 326)	(97 117)
Cost at End of Period	**37 861 202**	**14 532 646**	**42 163 597**	**19 346 223**	**1 409 130**	**115 312 798**	**104 980 760**
:Deduct							
Accumulated Depreciation at Beginn	14 685 431	9 617 908	11 057 310	11 615 382	-	46 976 031	37 577 179
Depreciation	300 749	996 620	4 707 111	2 267 650	-	8 272 130	9 454 530
Disposals	-	-	-	(922 214)	-	(922 214)	(55 678)
Accumulated Depreciation at End	**14 986 180**	**10 614 528**	**15 764 421**	**12 960 818**	-	**54 325 947**	**46 976 031**
Carrying Amount of Assets at End	**22 875 022**	**3 918 118**	**26 399 176**	**6 385 405**	**1 409 130**	**60 986 851**	**58 004 729**
Carrying Amount of Assets as of D	**20 158 994**	**4 331 934**	**17 275 499**	**11 111 100**	**1 409 130**	**58 004 729**	**54286657**

:The item 'Cost of Properties Occupied by the Company' includes the following (*)
.It includes an amount of EGP 3,044,663 representing the value of the land on which the properties are located -
.The item 'Projects Under Implementation' represents the value of computer software that has been purchased

Intangible assets (19)

	Sep-26 Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Computer Software	8 546 933	6 185 607
Accumulated Amortization	(5 154 730)	(2 996 036)
Amortization	(927 360)	(1 236 480)
Net	**2 464 843**	**1 953 091**

Fully Amortized Intangible Assets

Asset value	Furniture	Motor Vehicles	Integrated IT Systems
	6 419 654	3 215 539	5 783 013

Technical Provisions (Adverse Fluctuations) (20)

30-Sep-26	Balance at January 1, 2026	Exchange (+) Differences on Provisions Denominated in Foreign	Formed during the period (Used)	Balance at Sep-26
	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Provision for Adverse Fluctuations	101 587 000	-	16 229 381	117 816 381
Total Technical Provisions for Property and Liability Insurance	**101 587 000**		**16 229 381**	**117 816 381**

31-Dec-26	Balance January 1, 2025	Exchange (+) Differences on Provisions Denominated in Foreign Currencies	Formed during the year (Used)	Balance at Dec-26
	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Provision for Adverse Fluctuations	100 479 900	-	1 107 100	101 587 000
Total Technical Provisions for Property and Liability Insurance	**100 479 900**	**0**	**1 107 100**	**101 587 000**

Creditors and Other Credit Balances (22)

	Sep-26 Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Agents' Current Account	501,074	393,082
Policyholders / Insureds	19,536,408	25,567,536
Enaya Misr (Note 11)	45,208,560	17,496,953
Legal Cases and Investigations Balances	26,225	23,802
FRA Development Fee	1,569,756	875,431
Endorsements Payable	9,019,613	5,208,187
Payroll Taxes Payable	8,369,369	1,690,674
Taxes on Commissions	6,603,559	-
Social Insurance for Employees and Producers	319,549	416,170
Producers' Tax Differences	1,220,960	4,812,593
Staff Welfare Fund	351,466	363,840
Accrued Expenses	300,000	300,000
Employees' Profit Share	89,432	102,309
Non-Commercial Professions Tax	112,022	2,207,130
Commercial and Industrial Profits Tax	363,896	444,612
Tax on Interest	914,746	1,068,420
Expansion Stamp Duty	3,270,193	2,421,419
Proportional Stamp Duty on Total Premiums (Collected – Under Collection)	52,132,336	40,729,561
Financial Regulatory Authority (FRA)	13,266,991	13,730,998
Deposits Received from Third Parties	2,472,061	2,538,068
Real Estate Creditors	373,855	373,855
Audit Fees - Decennial Pool	182,047	192,854
Cheques Held in Trust	12,334,989	11,386,993
Cancelled Insurance Premiums Received in Advance	4,013	26,257
Expenses Payable to the Tax Authority	18,725,379	14,765,398
Financing and Training Fund	9,130,649	8,225,649
Commissions Payable on Premiums Under Collection	35,734,200	29,084,900
Production Incentives Under Settlement	9,582,173	17,329,000
Professional Fees Payable	505,000	796,500
Amounts Due to the Production Department	69,739,412	64,661,991
Value Added Tax (VAT)	1,364,177	1,249,438
Real Estate Income Collected in Advance	1,164,953	1,164,953
Health Insurance	6,983,254	6,882,033
Other Credit Balances	683,098	4,323,070
	332,234,097	**280,853,676**

*** The balance due to Inaya Egypt represents outstanding claims resulting from Inaya managing the company's medical insurance policies.**

Provisions (23)

	Balance at January 1 ٢٠٢٦	ormed during the peri	Used during the period	No Longer Required	Balance at Sep-26
	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Provision for Foreign Exchange Rate Fluctuations		44 000 000			44 000 000
Emergency and Disputes Provision	1 000 000	200 000	-	-	1 200 000
Tax Provision	62 000 000	6 000 000	-	-	68 000 000
Total	63 000 000	50 200 000	-	-	113 200 000

	Balance at January 1 ٢٠٢٥	ormed during the yea	Used during the year	No Longer Required	Balance at Dec-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Emergency and Disputes Provision	800 000	200,000.00	-	-	1 000 000
Tax Provision	50 000 000	12 000 000	0	-	62 000 000
Total	50 800 000	12 200 000		-	63 000 000

Provisions relate to expected claims from certain governmental entities and authorities. With respect to the company's activities, these claims cannot be precisely determined and may therefore change in the future. Management reviews and assesses these provisions on an annual basis.

Capital .٢٤

.Authorized Capital - The company's authorized capital is one billion Egyptian pounds ٢٤/١

Issued and Paid-Up Capital ٢٤/٢

	Sep-26	Dec-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
s (December 31, 2025: 260 million shares), with a nominal value of EGP 2.50	650 000 000	650 000 000

:Shareholders' shares in the issued and paid-up capital are represented as follows

Sep-26	Nationality	areholding Percenta	Number of Shares	Issued and Paid-Up Capital Egyptian Pound (EGP)
Engineers Syndicate Pension and Benefits	Egypt	33.20%	86,320,000.00	215,800,000.00
Valmore Holding Company S.A.E. (forme	Egypt	24.99%	64,974,000.00	162,435,000.00
Beit Al-Khibra Leasing Company - Techn	Egypt	22.34%	58,084,000.00	145,210,000.00
Suez Canal Authority Employees' Insuran	Egypt	10.00%	26,000,000.00	65,000,000.00
Others	Egypt	9.47%	24,622,000.00	61,555,000.00
		100.00%	260,000,000.00	650,000,000.00

Dec-25	Nationality	reholding Percent	Number of Shares	Issued and Paid-Up Capital Egyptian Pound (EGP)
Engineers Syndicate Pension and Benefits	Egypt	33.20%	86,319,997.83	215,799,994.58
Valmore Holding Company S.A.E. (forme	Egypt	24.99%	64,973,997.83	162,434,994.58
Beit Al-Khibra Leasing Company - Techn	Egypt	22.34%	58,084,000.00	145,210,000.00
Suez Canal Authority Employees' Insuran	Egypt	10.00%	25,999,993.50	64,999,983.75
Others	Egypt	9.47%	24,622,010.92	61,555,027.30
		100.00%	260,000,000.09	650,000,000.00

Issued and Paid-up Capital ٢٤/٣

On June 28, 2025, the Ordinary and Extraordinary General Assemblies approved an increase in the issued and paid-up capital from EGP 500 million to EGP 650 million, to be financed from profits and retained earnings. The increase was registered in the Commercial Register on December 15, 2025.

Reserves .٢٥

	Sep-26	Dec-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Legal Reserve	45 763 067	36 713 066
General Reserve	4 218 124	4 218 124
Capital Reserve	5 764 520	2 803 863
Special Reserve – Standard No. 50	76 172 771	78 159 233
	131 918 482	121 894 286

Legal Reserve ٢٥/١

In accordance with Companies Law No. 159 of 1981 and the Company's Articles of Association, at least 5% of the annual net profit is appropriated to the legal reserve. Such appropriation may be discontinued when the reserve balance reaches 50% of the Company's issued share capital. The reserve may be used to cover the Company's losses or increase its capital.

General Reserve ٢٥/٢

In accordance with the Company's Articles of Association and Companies Law No. 159 of 1981, a portion of the Company's net profits is appropriated to the general reserve. Where the reserve is not allocated for specific purposes, the Ordinary General Assembly may, upon the proposal of the Board of Directors, decide how it is to be utilized.

Capital Reserve ٢٥/٣

In accordance with Article 40 of Companies Law No. 159 of 1981, the General Assembly may approve the distribution of a portion of the net profits arising from the sale of the Company's fixed assets or compensation received in respect thereof, provided that such distribution does not impair the Company's ability to restore those assets to their previous condition or purchase new fixed assets.

Special Reserve ٢٥/٤

The special reserve represents an amount equivalent to 1% of the Company's total assets, appropriated from the net profit for the fiscal year ended 30 June 2020, after deduction of tax, in accordance with the Financial Regulatory Authority (FRA) Board Resolution No. 162 of 2020. This reserve is included within shareholders' equity and may not be utilized without the FRA's approval.

Retained Earnings .٢٦

	Sep-26	Dec-25
Opening Balance	8 247 758	21 085 755
Profit for the Year	181 000 025	258 859 823
Dividend Distributions	(47 179 937)	(25 467 778)
.Adjustments under Standard No ١٧	1 986 462	3 769 958
Used for the Capital Increase		(250 000 000)
Closing Balance	144 054 308	8 247 758

Insurance Revenue (27)

	Sep-26 Egyptian Pound (EGP)	Sep-25 Egyptian Pound (EGP)
Gross Premiums	1608 848 538	1261 757 033
Policy Issuance Fees and Other Revenues	55 514 648	38 208 215
Change in Unearned Premiums for Unexpired Risks	(179 174 361)	(90 424 819)
Changes in Expected Credit Losses on Receivables from Insuran	(17 421 450)	(13 567 981)
	1467 767 375	1195 972 448

Insurance Service Expenses (28)

	Sep-26 Egyptian Pound (EGP)	Sep-25 Egyptian Pound (EGP)
Total Claims	(858 324 290)	(578 369 509)
Indirect Insurance Expenses	(106 090 023)	(88 057 385)
Direct Insurance Expenses Accrued	(348 594 141)	(317 392 220)
Change in Provision for Outstanding Claims at Present Value	(445 965 456)	(260 333 623)
Change in Risk Adjustment	(24 152 570)	(15 906 167)
	(1783 126 480)	(1260 058 904)

Reinsurance Contract Expenses (29)

	Sep-26 Egyptian Pound (EGP)	Sep-25 Egyptian Pound (EGP)
Reinsurance Premiums Ceded	(652 027 935)	(647 473 578)
Reinsurance Commissions	188 286 214	175 797 223
Change in the Provision for Unearned Premiums	(29 285 799)	18 785 507
Difference in Deferred Commissions	6 925 945	(9 646 296)
Change in Expected Credit Losses on Amounts Due from Reinsurers	(4 558 985)	(11 764 140)
	(490 660 560)	(474 301 284)

(30) Reinsurance Contract Revenues

	Sep-26	Sep-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Total Claims	499 053 452	323 946 938
Reinsurance Expenses	(5 383 942)	(6 518 037)
Change in Provision for Outstanding Claims at Present Value	383 998 291	237 196 132
Change in Risk Adjustment	18 426 644	15 989 227
	896 094 445	570 614 260

(31) Insurance Finance Income (Expenses)

	Sep-26	Sep-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Accumulated Interest	94 397 503	64 874 035
Impact of Changes in Interest Rates and Other Financial Assum	(3 115 497)	(13 276 989)
Insurance Finance Income (Expenses)	91 282 006	51 597 046

(32) Reinsurance Finance Income (Expenses)

	Sep-26	Sep-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Accumulated Interest	(66 407 295)	(46 923 622)
Impact of Changes in Interest Rates and Other Financial Assum	3 622 706	10 426 040
Reinsurance Finance Income (Expenses)	(62 784 589)	(36 497 582)

writing Surplus / (Deficit) – Insurance and Reinsurance Activities

Sep-26	Fire	Marine	Inland	Marine Hull	pplementary Mo	ompulsory Mot	Engineering	Accidents	redit Guarante	Medical	Aviation	Total
Insurance Service Revenue	386 286 377	69 462 077	15 865 423	61 252 324	380 997 868	61 027 943	87 196 934	80 769 421	34 362 460	290 546 548		1467 767 375
Insurance Service Expenses	(941 880 078)	(14 917 283)	(11 920 957)	(30 501 777)	(332 951 847)	(53 003 890)	(52 805 378)	(29 639 198)	(16 689 116)	(298 816 956)		(1783 126 480)
Insurance Underwriting Surplus / (Deficit)	(555 593 701)	54 544 794	3 944 466	30 750 547	48 046 021	8 024 053	34 391 556	51 130 223	17 673 344	(8 270 408)		(315 359 105)
Reinsurance Expenses	(208 376 738)	(36 190 439)	(5 751 081)	(30 087 858)	(84 144 745)		(47 751 902)	(8 249 265)	(24 370 546)	(45 737 986)		(490 660 560)
Reinsurance	740 467 566	(16 358 889)	11 125 180	33 906 735	73 820 825		19 275 632	(28 199 216)	18 700 849	43 355 763		896 094 445
Reinsurance Underwriting Surplus / (Deficit)	532 090 828	(52 549 328)	5 374 099	3 818 877	(10 323 920)		(28 476 270)	(36 448 481)	(5 669 697)	(2 382 223)		405 433 885
Insurance Finance Income (Expenses)	(48 870 823)	(1 842 939)	(742 120)	(830 889)	(18 781 866)		(3 837 414)	(2 200 893)	(7 874 923)	(6 300 139)		(91 282 006)
Reinsurance Finance Income (Expenses)	43 843 021	957 296	313 914	481 626	5 394 759		2 290 988	609 524	5 646 382	3 247 079		62 784 589
Change in Provision for Adverse Fluctuations				(6 974 649)		(7 217 836)	(809 004)		(1 227 891)			(16 229 381)
Underwriting Surplus / (Deficit)	(28 530 675)	1 109 823	8 890 359	27 245 511	24 334 994	806 217	3 559 856	13 090 373	8 547 216	(13 705 691)		45 347 982
Net Investment Income	73 134 478	8 873 951	2 988 915	5 033 785	62 660 449	18 171 870	14 340 358	34 379 754	10 727 020	28 038 147		258 348 727
Operating Surplus	44 603 803	9 983 774	11 879 274	32 279 296	86 995 443	18 978 087	17 900 214	47 470 127	19 274 236	14 332 456		303 696 709

0

Sep-25	Fire	Marine	Inland	pplementary Mo	pplementary Mo	ompulsory Mot	Engineering	Accidents	redit Guarante	Medical	Aviation	Total
Insurance Service Revenue												
Insurance Service Expenses												
Insurance Underwriting Surplus / (Deficit)	(219 165 065)	15 760 820	5 329 983	31 506 349	26 418 960	29 672 377	22 045 441	31 738 132	10 775 678	(12 245 140)	357 678	(57 804 787)
Reinsurance Expenses												
Reinsurance												
Reinsurance Underwriting Surplus / (Deficit)	219 982 525	83 271 671	(6 404 303)	(71 714 667)	(71 229 003)		(6 520 349)	26 736 603	(47 834 061)	(17 918 413)	(292 887)	108 077 116
Insurance Finance Income (Expenses)	(18 468 441)	(777 449)	(545 729)	(3 221 079)	(12 099 965)		(4 530 089)	(1 831 007)	(5 128 335)	(4 994 952)		(51 597 046)
Reinsurance Finance Income (Expenses)	16 580 739	5 483 221	347 235	746 403	3 979 899		3 373 863	974 974	1 755 275	3 255 973		36 497 582
Change in Provision for Adverse Fluctuations				(1 149 700)								(1 149 700)
Underwriting Surplus / (Deficit)	(1 070 242)	103 738 263	(1 272 814)	(43 832 694)	(52 930 109)	29 672 377	14 368 866	57 618 702	(40 431 443)	(31 902 532)	64 791	34 023 165
Net Investment Income	103 278 759	3 160 570	1 945 256	4 526 916	58 835 992	9 989 719	14 589 885	18 107 332	12 355 736	22 350 066	34 027	249 174 258
Operating Surplus	102 208 517	106 898 833	672 442	(39 305 778)	5 905 883	39 662 096	28 958 751	75 726 034	(28 075 707)	(9 552 466)	98 818	283 197 423

Net Investment Income (33)

	Allocated Investments		Unallocated Investments		Total	
	Sep-26	Sep-25	Sep-26	Sep-25	Sep-26	Sep-25
	gyptian Pound (EGgyptian Pound (EGgyptian Pound (EGgyptian Pound (EGgyptian Pound (EGgyptian Pound (EG					
Returns on Bank Savings Instruments and	**4 262 245**	**4 836 240**	**15 290 208**	**43 204 231**	**19 552 453**	**48 040 471**
*** Impairment Losses**	(4 377)	(624 471)	(667 487)	(400 994)	(671 864)	(1 025 465)
Net Returns on Financial Assets Measured	**3 302 448**	**2 119 218**	4 672 701	2 876 466	**7 975 149**	4 995 684
Net Returns on Financial Assets Measured	**33 874 169**	**811 922**	14 726 071	5 503 066	**48 600 240**	6 314 988
Returns and Impairment Losses on Investments in Associates				-	-	0
Coupon Income from Associates	**600 000**	**600 000**		-	**600 000**	600 000
Coupon Income from Subsidiaries	**103 396**		407 408		**510 804**	
Net Returns on Financial Assets Measured a	267 958 061	241 781 272		-	**267 958 061**	**241 781 272**
*** Impairment Losses**	(454 374)	(1 061 544)		-	**(454 374)**	**(1 061 544)**
Net Profits and Returns from Securities	**305 383 700**	**244 250 868**	**19 806 180**	**8 379 532**	**325 189 880**	**252 630 400**
Net Income from Financial Investments	**309 641 568**	**248 462 637**	**34 428 901**	**51 182 769**	**344 070 469**	**299 645 406**
Net Profits and Returns from Real Estate	**14 382 260**	**10 306 514**			**14 382 260**	**10 306 514**
:Return on Retained Funds						
Interest Accrued on Funds Retained with Re	-	-	-	-	-	-
Interest Accrued on Funds Retained from Re	(14 961 941)	(9 594 893)			(14 961 941)	(9 594 893)
Net Investment Income Before Overhead I	309 061 887	249 174 258	34 428 901	51 182 769	343 490 788	300 357 027
Net Investment Income	**309 061 887**	**249 174 258**	**34 428 901**	**51 182 769**	**343 490 788**	**300 357 027**
Tax on Dividends	(1 133 476)	(317 172)			(1 133 476)	(317 172)
Tax on Treasury Bills	(49 579 685)	(45 350 528)			**(49 579 685)**	**(45 350 528)**
Net income after expenses	**258 348 726**	**203 506 558**	**34 428 901**	**51 182 769**	**292 777 627**	**254 689 327**

Other Operating Income (34)

	Sep-26	Sep-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Gains on Sale of Fixed Assets	-	2 960 657
Exchange Rate Differences	42 764 915	-
Other Miscellaneous Income	199 526	449 626
Total	**42 964 441**	**3 410 283**

Unallocated Expenses -٣٥

Statement	Sep-26	Sep-25
	Egyptian Pound (EGP)	Egyptian Pound (EGP)
Advertising and Publicity	3,765,477	1,448,054
Salaries and Related Benefits	11,844,672	9,125,252
Other General Expenses	26,853,282	30,832,805
Donations	1,062,070	639,520
Employees' Insurance Policy Pr	8,276,643	8,469,361
Health Insurance	6,983,254	5,374,785
Real Estate Taxes	370,363	395,606
Fines Imposed by the Financial	15,000	25,008
Interest	268,065	321,490
Depreciation	814,682	789,270
Exchange Rate Differences		25,348,226
Total	**60 253 508**	**82 769 377**

Earnings Per Share from Net Profit for the Year (36)

	Sep-26 Egyptian Pound (EGP)	Sep-25 Egyptian Pound (EGP)
Net Profit for the Period (EGP)	225 869 492	152 227 642
	225 869 492	**152 227 642**
Weighted Average Number of Shares Outstanding During the Year	260 000 000	260 000 000
Earnings per Share for the Year	**0.87**	**0.59**

In calculating earnings per share, the increase in the number of shares has been treated as though the additional shares had been issued at the beginning of the earliest comparative year presented in these separate financial statements, as the increase represents a bonus share issue. This treatment is consistent with the requirements of the Egyptian Accounting Standards, noting that the capital increase was effected through the capitalization of retained earnings

Tax Position (37)

Corporate Income Tax •

.The company submits its tax return on time -

Years up to 6/30/2020: Examination and settlement completed.

Tax audits were conducted for the fiscal years ended 30 June 2015 through 30 June 2020. Objections were raised regarding the forms received from the Tax Authority, and the relevant files were referred to the internal committees. The matter was subsequently referred to the Appeals Committee, which resulted in an estimated tax liability of EGP 22 million arising from the application of foreign exchange differences. The Company paid EGP 22 million

Years from 6/30/2021 to 6/30/2024: No audit was conducted.

Payroll Taxes •

- The company pays the taxes due based on the actual deductions from employee salaries.

.Audits and payments were completed up to 2020. Similarly, for the years 2021 to 2022, audits were conducted and aud

Stamp Duty •

The period from July 1, 2014, to June 30, 2021, was examined and settled. There is a discrepancy in previously .examined balances, and negotiations are underway with the Tax Authority regarding these balances

Specific Stamp Duty •

The period from July 1, 2014, to June 30, 2021, was examined and settled. There is a discrepancy in previously

Tax on Treasury Bills and Bonds •

The tax on treasury bills and bonds represents 20% of the value of the revenue generated from these instruments .during the year and is deducted upon maturity

Real Estate Tax •

Value Added Tax (VAT) •

Value Added Tax (VAT) •

The company submits tax returns monthly since the registration date and makes payments promptly. The tax has been .examined and paid up to June 30, 2018

Deferred Tax Liabilities (38)

	Deferred Tax Liabilities	
	Sep-26	Dec-25
	(EGP)	(EGP)
Fixed assets	(7 403 124)	(7 210 192)
Exchange rate differences	(13 358 464)	(13 358 464)
Fair value changes through comprehensive income	(52 428 955)	(42 948 753)
Reserve 17	(22 691 390)	(22 691 390)
Total Temporary Differences Giving Rise to a Deferred Tax Liability	**(95 881 933)**	**(86 208 799)**

Movement in Deferred Tax Liabilities

	Deferred Tax Liabilities	
	Sep-26 Egyptian Pound (EGP)	Dec-25 Egyptian Pound (EGP)
Opening Balance	86 208 799	7 210 192
Movement Recognized in the Income Statement During the Period	192 932	13 358 464
Movement Recognized in the Statement of Comprehensive Income During the Period	9 480 202	42 948 753
Reserve 17		22 691 390
Closing Balance	**95 881 933**	**86 208 799**

Income Tax Expense (39)

	Income Tax Expense	
	Sep-26 Egyptian Pound (EGP)	Sep-25 Egyptian Pound (EGP)
Current Income Tax (Charged to the Income Statement	(29 164 521)	(20 000 000)
Current Income Tax (Charged to Net Investment (Income	(49 579 685)	(45 350 528)
Closing Balance	**(78 744 206)**	**(65 350 528)**

40. Group Insurance Contracts and Policies for the Company's Employees

A. Age-60 Insurance Policy

- Payment of an insurance benefit equivalent to one month's salary for each year of service outside the Company, provided that such service was within the insurance sector.
- Payment of an insurance benefit equivalent to two months of basic salary for each year of service from the date of appointment with the Company up to 1 March 1991.
- Payment of an insurance benefit equivalent to three months of basic salary for each year of service from 1 March 1991 until reaching the age of sixty.

B. In the Event of Death or Permanent Total Disability

Payment of an insurance benefit equivalent to (50 months + three months for each year of service with the Company) of basic salary upon the occurrence of death or permanent total disability.

At its meeting No. (503), held on 3 February 2020, the Company's Board of Directors resolved to execute an amendment to the group mixed insurance contract concluded with Al Mohandes Life Insurance Company (a subsidiary), in order to amend the basis for calculating employees' entitlements to be based on basic salary, including certain specified allowances. This basis had been applied prior to Board of Directors' Resolution No. (495), issued on 16 September 2019, in order to rectify the previous position. The resolution became effective as of 1 July 2020.

The amendment was approved by the Financial Regulatory Authority on 26 October 2020. The amendment is expected to result in an estimated cost to the Company of approximately EGP 78.4 million, payable in ten annual installments, each amounting to approximately EGP 10.53 million, inclusive of interest, in accordance with the actuary's report dated 28 January 2020.

41. Capital Commitments

On 29 September 2020, the Company signed a contract to purchase a computer

software program for EGP 11 million. The Company has paid EGP 7.3 million of the contract value in accordance with the contractual terms.

42. Significant Events

- On 24 February 2022, Russia launched a military invasion of Ukraine. According to a study conducted by the Central Agency for Public Mobilization and Statistics (CAPMAS), the incomes of approximately 20% of Egyptian households declined as a result of the Russian-Ukrainian crisis. Consumption of food commodities decreased among approximately 74% of households,

while approximately 9% of households reduced their consumption of protein. Since the outbreak of the war, Egypt has faced numerous economic difficulties as a result of disruptions to many of its essential imports from Russia and Ukraine.

Inflation affected all aspects of the Egyptian economy and prompted the Central Bank of Egypt to hold two emergency meetings during 2022 to raise interest rates, on 21 March 2022 and 27 October 2022. The Central Bank announced the liberalization of the Egyptian pound exchange rate and an increase in interest rates by 200 basis points, which affected the exchange rate of the Egyptian pound against foreign currencies. Furthermore, the global increase in oil prices resulting from the war placed additional burdens on the Egyptian state budget.

Pursuant to Prime Minister's Decision No. 883 of 2023, published in the Official Gazette, Issue No. 9 (Supplement), dated 6 March 2023, concerning certain amendments to the Egyptian Accounting Standards, the following amendments were introduced:

- The introductory appendix to the Egyptian Accounting Standards issued pursuant to Investment Minister's Decision No. 110 of 2015 is replaced by the appendix attached to the aforementioned decision.
- Egyptian Accounting Standards No. (10), *Fixed Assets and Their Depreciation*; No. (23), *Intangible Assets*; No. (34), *Investment Property*; No. (35), *Agriculture*; and No. (36), *Exploration for and Evaluation of Mineral Resources* are replaced by the standards attached to the aforementioned decision.
- A new Egyptian Accounting Standard No. (50), *Insurance Contracts*, is added in accordance with the provisions attached to the aforementioned decision.
- Egyptian Accounting Standard No. (37), *Insurance Contracts*, is repealed.

On 22 February 2026, the Cairo Court of Appeal issued a judgment upholding the first-instance judgment in favor of one of the Company's clients, confirming the client's entitlement to compensation amounting to EGP 610 million. The Company has retained EGP 10 million of this amount, as disclosed in Note 13, and is awaiting consideration of the procedures for filing an appeal before the Court of Cassation.

43. Comparative Figures

Comparative figures have been reclassified to conform to the new presentation.

Item	Amount (EGP)
Current income tax (charged to the income statement)	45350528
Current income tax (charged to net investment income)	(45667700)
Tax on dividends (unallocated expenses)	317,172
Reinsurance Contract Expenses	(11764140)
Unallocated Expenses	11764140