Contact Financial Holding (S.A.E)

Consolidated interim financial statements

For the period ended March 31, 2024

And review report thereon

Contents	**Page**
Review report on consolidated interim financial statements	
Consolidated interim statement of financial position	1
Consolidated interim statement of Income	2
Consolidated interim statement of Comprehensive Income	3
Consolidated interim statement of Changes in Equity	4
Consolidated interim statement of Cash Flows	5
Notes to the consolidated interim financial statements	7 – 57
Significant accounting policies applied	57 – 72

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Review report on consolidated interim financial statements

To the Board of Directors of Contact Financial Holding (S.A.E)

Introduction

We have reviewed the accompanying consolidated interim statemEgyptian Company for Consumer Financeent of financial position of Contact Financial Holding an Egyptian joint stock company as of 31 March 2024, and the related consolidated interim statements of income, comprehensive income, cash flows and changes in equity for the three- months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of 31 March 2024, and of its consolidated financial performance and cash flows for the three-months period then ended in accordance with the Egyptian Accounting Standards.

KPMG Hazem Hassan
Public Accountants and Consultants
(10)
KPMG Hazem Hassan

(KPMG Hazem Hassan)
Public accountants and consultants
Cairo, 15 May 2024.

Contact Financial Holding(S.A.E)
Consolidated statement of Financial Position for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated

	Note No.	31-Mar-24 EGP	31-Dec-23 EGP
Assets			
Cash on hand and at banks	(24)	822,689,266	1,066,067,249
Loans and receivables	(25)	8,741,764,330	8,400,695,384
Receivables from insurance policy	(26)	732,552,196	453,724,259
Equity method investments	(27)	222,216,703	206,472,693
Financial investments	(28)	1,055,298,797	963,869,490
Securitization surplus	(29)	33,554,150	33,883,524
Due from related parties	(30)	45,679,002	10,411,111
Debtors and other debit balances	(31)	676,473,664	626,539,630
Projects under construction		95,512,192	75,111,338
Property, plant and equipment	(32)	214,348,445	218,760,771
Right of use assets	(33)	371,017,095	349,152,467
Goodwill	(34)	32,216,199	32,216,199
Intangible assets	(35)	41,535,368	39,617,931
Deferred tax assets	(22)	95,006,641	2,752,007
Assets held for sale	(36)	20,289,283	25,617,283
Total assets		**13,200,153,331**	**12,504,891,336**
Liabilities			
Loans and overdrafts	(37)	7,692,040,845	6,998,142,242
Trade payables and other credit balances	(38)	723,349,169	696,469,556
Current income tax liabilities		277,897,194	251,255,845
Insurance and reinsurance companies	(39)	535,806,274	395,413,710
Lease liabilities	(40)	461,191,924	431,097,154
Insurance policyholders' rights		728,551,858	572,415,678
Deferred tax liabilities	(22)	12,234,022	32,483,053
Other provisions		-	15,000,000.00
Total liabilities		**10,431,071,286**	**9,392,277,238**
Shareholders' equity			
Paid-in capital	(41)	191,515,840	191,515,840
Reserves	(42)	733,962,764	1,032,198,933
Retained earnings	(43)	1,745,822,905	1,782,742,958
Equity attributable to the shareholders of the parent company		**2,671,301,509**	**3,006,457,731**
Non-controlling Interest	(44)	97,780,536	106,156,367
Total shareholders' equity		**2,769,082,045**	**3,112,614,098**
Total shareholders' equity and liabilities		**13,200,153,331**	**12,504,891,336**
Contingent liabilities			
Letters of guarantee	(45)	59,000,000	59,000,000

The accompanying notes and accounting policies from page (6) to page (72) are an integral part of these financial statements and are to be read therewith.

Mohamed Saied	Seif El-Bassiouni	Said Zater
(Accounting Director)	(Chief Financial Officer)	(Chief Executive Officer)

Cairo, 15 March 2024

Review Report "Attached"

Translation of the Financial Statements
Originally Issued in Arabic

Contact Financial Holding (S.A.E)
Consolidated statement of profit and loss for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated

	Note No.	31-Mar-24 EGP	31-Mar-23 EGP	Totals Serial
Financing activities				
Revenue from portfolio transfer	(7) - (50)	95,904,931	269,827,495	
Off balance sheet portfolio management fee	(8)	94,648,667	68,678,467	
Securitization (deficit) surplus	(9)	4,275,591	(2,943,045)	
Early payment expense - Sukuk/ Discounting		(101,021,879)	(60,229,089)	
Net Revenue from portfolio transfer		**93,807,310**	**275,333,828**	(1/1)
Income from financing activities	(10)	551,374,930	285,485,566	
Interest expense		(334,038,739)	(174,629,046)	
Credit interest (cash surplus)		25,144,540	21,751,746	
Other interest expenses		(3,302,529)	(3,402,733)	
Net interest income		**239,178,202**	**129,205,533**	(1/2)
Fees and commissions income	(11)	42,512,392	89,371,244	
Fees and commissions expenses	(12)	(32,166,198)	(33,974,763)	
Net financing fees and commissions income		**10,346,194**	**55,396,481**	(1/3)
Profit share from equity method investments		**(19,643,040)**	**2,947,456**	(1/4)
Net financing and operating income		**323,688,666**	**462,883,298**	(1)
Insurance and insurance brokerage				
Direct premiums		695,604,692	436,966,420	
Provisions of unearned premiums		(134,088,282)	(71,292,737)	
Outward reinsurance premiums		(195,443,817)	(154,549,647)	
Net premiums		**366,072,593**	**211,124,036**	
Net claims	(13)	(174,254,168)	(88,339,467)	
Direct commissions and production costs	(14)	(140,529,923)	(72,539,530)	
Policies issuance fees income		2,334,988	2,496,163	
Retrograde fluctuation’s provision		(692,268)	(3,126,461)	
Underwriting insurance income		**52,931,222**	**49,614,741**	(2/1)
Net investment income		**50,504,151**	**23,650,033**	(2/2)
Fee income insurance	(15)	26,873,230	10,736,038	
Fee expense insurance	(16)	(10,025,805)	(2,744,830)	
		16,847,425	**7,991,208**	(2/3)
Net insurance operating income		**120,282,798**	**81,255,982**	(2)
Other operating income	(17)	9,546,240	10,804,780	
Other operating expense	(18)	(10,670,848)	(6,877,745)	
Net other operating (expense)\ income		**(1,124,608)**	**3,927,035**	(3)
Depreciation and amortization	(19)	(31,566,036)	(27,812,020)	
Personnel expenses		(209,798,337)	(149,647,376)	
Other expenses	(20)	(50,731,125)	(43,051,445)	
Marketing expenses		(14,208,829)	(22,138,306)	
Provisions		14,800,000	-	
Interest expense (lease liability)	(40)	(15,572,818)	(11,037,411)	
Foreign currency differences		343,395	-	
Board of directors’ allowances		(463,000)	(370,000)	
ECL provision	(21)	(42,955,073)	(79,650,762)	
		(350,151,823)	**(333,707,320)**	(4)
Earnings for the period before tax		92,695,033	214,358,995	(1)+(2)+(3)+(4)
Income tax	(22)	(36,085,542)	(70,015,862)	
Net profit for the period after tax		**56,609,491**	**144,343,133**	
Distributed as follows:				
Owners of the company		45,355,403	135,911,982	
Non-controlling interest	(44)	11,254,088	8,431,151	
		56,609,491	**144,343,133**	
Earnings per share for the period	(23)	**0.04**	**0.11**	

The accompanying notes and accounting policies from page (6) to page (72) are an integral part of these financial statements and are to be read therewith.

Translation of the Financial Statements

Originally Issued in Arabic

Contact Financial Holding (S.A.E)

Consolidated statement of comprehensive income for the period ended 31 March 2024

All amounts are in EGP unless otherwise stated

	31-Mar-24 EGP	31-Mar-23 EGP
Net profit for the period after tax	56,609,491	144,343,133
Other comprehensive income items that are later classified to the profit or loss		
Fair value reserve - Financial instruments measured at fair value through other comprehensive income (debt instruments):		
Financial instruments at fair value - Net change in fair value through other comprehensive income	(457,658,523)	4,490,262
Expected credit loss (ECL) provision for fair value through other comprehensive income (FVOCI) Financial instruments	43,984,311	-
Tax impact related to other comprehensive income that will be later reclassified to the profit or loss	103,096,083	12,810,748
Other comprehensive income items that are later will not classified to the profit or loss		
Foreign currency exchange	30,444,218	(3,396,616)
Tax impact related to other comprehensive income that will be later not reclassified to the profit or loss	(7,784,136)	764,239
	(287,918,047)	**14,668,633**
Transferred to retained Earnings during the period	**(22,660,082)**	**-**
Total other comprehensive income for the period after tax	**(310,578,129)**	**14,668,633**
Owners of the company	(301,620,925)	16,925,506
Non-controlling interest	(8,957,204)	(2,256,873)
Total comprehensive income for the period	**(253,968,638)**	**159,011,766**
Total comprehensive income distributed as follows:		
Owners of the company	(256,265,522)	152,837,488
Non-controlling interest	2,296,884	6,174,278
	(253,968,638)	**159,011,766**

The accompanying notes and accounting policies from page (6) to page (72) are an integral part of these financial statements and are to be read therewith.

Contact Financial Holding(S.A.E)
Consolidated statement of changes in equity for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated

		Reserves						
	Paid in capital	Legal reserve	ESOP reserve	Fair Value reserve (Net)	Retained earnings	Total owners of the company	Non-controlling interest	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance at 1 January 2023	191,515,840	83,891,725	820,235,652	181,368,684	1,450,738,685	**2,727,750,586**	75,295,897	**2,803,046,483**
Net income for the period	–	–	–	–	135,911,982	**135,911,982**	8,431,151	**144,343,133**
Other comprehensive income for the period	–	–	–	16,925,506	–	**16,925,506**	(2,256,873)	**14,668,633**
Total comprehensive income for the period	**-**	**-**	**-**	**16,925,506**	**135,911,982**	**152,837,488**	**6,174,278**	**159,011,766**
Transactions with the owners of the company:								
ESOP reserve	–	–	5,388,844	–	–	**5,388,844**	–	**5,388,844**
Legal reserve	–	11,866,195	–	–	(11,866,195)	–	–	–
Dividends	–	–	–	–	(336,748,600)	**(336,748,600)**	(2,444,112)	**(339,192,712)**
Total transactions with the owners of the company	**-**	**11,866,195**	**5,388,844**	**-**	**(348,614,795)**	**(331,359,756)**	**(2,444,112)**	**(333,803,868)**
Balance at 31 March 2023	**191,515,840**	**95,757,920**	**825,624,496**	**198,294,190**	**1,238,035,872**	**2,549,228,318**	**79,026,063**	**2,628,254,381**
Balance at 1 January 2024	191,515,840	95,757,920	834,338,770	102,102,243	1,782,742,958	**3,006,457,731**	106,156,367	**3,112,614,098**
Net profit for the period	–	–	–	–	45,355,403	**45,355,403**	11,254,088	**56,609,491**
Other comprehensive income for the period	–	–	–	(301,620,925)	–	**(301,620,925)**	(8,957,204)	**(310,578,129)**
Total comprehensive income for the period	**-**	**-**	**-**	**(301,620,925)**	**45,355,403**	**(256,265,522)**	**2,296,884**	**(253,968,638)**
Transactions with the owners of the company:								
ESOP reserve	–	–	3,384,756	–	–	**3,384,756**	–	**3,384,756**
The effect of FOREX transferred to the Retained earnings	–	–	–	–	(16,988,162)	**(16,988,162)**	(5,671,920)	**(22,660,082)**
Dividends	–	–	–	–	(65,287,294)	**(65,287,294)**	(5,000,795)	**(70,288,089)**
Total transactions with the owners of the company	**-**	**-**	**3,384,756**	**-**	**(82,275,456)**	**(78,890,700)**	**(10,672,715)**	**(89,563,415)**
Balance at 31 March 2024	**191,515,840**	**95,757,920**	**837,723,526**	**(199,518,682)**	**1,745,822,905**	**2,671,301,509**	**97,780,536**	**2,769,082,045**

The accompanying notes and accounting policies from page (6) to page (72) are an integral part of these financial statements and are to be read therewith.

Contact Financial Holding(S.A.E)

Consolidated statement of cash flow for the period ended 31 March 2024

All amounts are in EGP unless otherwise stated

	Note No.	31-Mar-24	31-Mar-23
Cash flows from operating activities		EGP	EGP
Net profit for the period before tax		92,695,033	214,358,995
Adjustments for:			
Fixed assets depreciation	(32)	15,986,761	13,846,771
Intangible assets amortization		32,431	6,054
Right of use assets amortization	(33)	15,546,844	13,959,195
ECL provision		42,955,073	79,650,762
Financing expense		336,060,602	173,251,841
Income from financial portfolio transfer		(95,904,931)	(269,827,495)
Profit share from equity method		19,643,040	(2,947,456)
ESOP expenses		3,384,756	5,388,844
		430,399,609	**227,687,511**
Changes in:			
Loans and receivables		(699,487,051)	(518,400,971)
Trade payables and other credit balances		19,139,613	98,639,532
Debtors and other debit balances		(49,991,527)	(64,192,193)
Receivables from insurance policy holders		(281,218,475)	(162,276,571)
Assets held for sale		(35,267,891)	611,280
Insurance policyholders' rights		156,136,180	83,069,117
Surplus of securitization operations		329,374	2,736,133
Other provision		(15,000,000)	-
insurance and reinsurance companies		109,948,346	85,821,884
Cash flows (used in) operating activities		**(365,011,822)**	**(246,304,278)**
Financing interest paid		(320,487,784)	(162,214,430)
Income tax paid		-	(7,941,333)
Net cash flows (used in) operating activities		**(685,499,606)**	**(416,460,041)**
Cash flows from investing activities			
Payments for purchase of fixed assets	(32)	(11,578,684)	(26,617,934)
Proceeds from disposal of fixed assets		4,249	11,108
Payments for purchase of intangible assets		(1,949,868)	(9,274,469)
Projects under construction		(20,400,854)	(2,260,539)
Proceeds from the sale of asset held for sale		5,328,000	-
Payments to acquire financial investments in associates and subsidiaries		(35,387,050)	-
Payments to acquire financial investments measured at FVOCI (Debt instruments)		(811,235,085)	-
proceeds from financial investments measured at FVOCI (Debt instruments)		708,879,921	232,146,432
Net cash flows (used in) provided by investing activities		**(166,339,371)**	**194,004,598**
Cash flows from financing activities			
Paid dividends		(62,548,089)	(36,817,569)
Payments for lease liabilities		(22,889,520)	(15,677,701)
Proceeds from loans and overdrafts		(5,863,436,140)	3,164,804,055
Payments for loans and overdrafts		6,557,334,743	(2,750,470,874)
Net cash provided by financing activities		**608,460,994**	**361,837,911**
Net change in cash and cash equivalent during the period		(243,377,983)	139,382,468
Cash and cash equivalent at 1 January		1,066,067,249	854,889,528
Cash and cash equivalent at 31 March 2024		**822,689,266**	**994,271,996**
Cash and cash equivalents represented as follows:			
Banks - Current accounts		801,968,378	978,418,757
Cash on hand		15,353,469	15,531,014
Time deposits		5,367,419	322,225
		822,689,266	**994,271,996**

The accompanying notes and accounting policies from page (6) to page (72) are an integral part of these financial statements and are to be read therewith.

1. Reporting entity

1-1 Legal Entity and Activity

- Sarwa Capital Holding for Financial Investments (S.A.E) an Egyptian joint stock company was established pursuant to Law No: 159 for year 1981 and its executive regulations as amended by law No. 3 for year 1998 and was registered in the commercial register under No. 37933 on March 30th, 2009.

- The Company's name was changed according to the decision of the Extraordinary General Assembly Meeting held on September 12, 2017 to become "Sarwa Capital Holding for Financial Investments" and annotation was made to this effect in the commercial register of the company under number 78317 on March 18, 2018 in addition the legal entity of the company changed from being subjected to law No. 159 for year 1981 to be subject to the provisions of Capital Market Law No.95 for year 1992.

- The Company's name changed pursuant to the resolution of the Extraordinary General Assembly Meeting held on February 15, 2021, to be "Contact Financial Holding" and changed in the Company's commercial register on March 28, 2021.

1-2 Purpose of the Company

- The group's purpose is represented in participating in the establishment or the capital increase of companies that issuance securities in accordance with the applicable laws and regulations provided that the license necessary for practicing such activities must be obtained. The group may have an interest or participate in any manner with companies and other entities practicing similar activities or that may assist the group in achieving its purpose in Egypt or abroad. The group may also merge into the said entities purchase them or affiliate them thereto according to the provisions of law and its executive regulations.
- The following schedule determines the subsidiaries of Contact financial Holding along with the ownership (control) percentage over these companies which are consolidated as part of the consolidated financial statements as of March 31, 2024:

Company Name	Activity	Country	Control percentage	
			Direct	Indirect
Contact Credit	Consumer Finance	Egypt	99.999%	-
Sarwa Asset Management	Asset Management	Egypt	99.96%	-
Sawa Payment Systems	Collection services	Egypt	50.997%	-
Contact Leasing	Leasing	Egypt	99.9998%	-
Contact Factoring	Factoring	Egypt	74.99%	25%
Sarwa Insurance	Insurance	Egypt	84.980%	-

Sarwa Life Insurance	Life Insurance	Egypt	75.090%	-
Sarwa Promotion and Underwriting	Promotion and Underwriting	Egypt	99.996%	-
Sarwa sukuk	Sukuk	Egypt	99.98%	-
*Contact Mortgage Finance	Mortgage	Egypt	-	99.9998%
*Wadi Degla Financial	Clubs' membership finance	Egypt	-	50%**
*Modern Finance	Cars Finance	Egypt	-	50%**
*Get Go Credit Service	Durable goods finance	Egypt	-	99.9996%
*Contact Insurance Brokerage	Insurance Brokerage	Egypt	-	80%
Sarwa Securitization	Securitization	Egypt	80.998%	18%
*Capital Real Estate	Investment property	Egypt	-	99.7%
*Contact Auto Credit	Consumer Finance	Egypt	-	100%
*Contact Specialized Consulting	Consultant	Egypt	1%	99%
*SMG Auto credit	Consumer Finance	Egypt	-	50%**
Auto Market Holding	Investments	Mauritius	100%	-
*Contact Cars	Website	Egypt	-	100%
Contact Payment Service	Payment services	Egypt	99.96%	-
*Abo Ghaly Finance	Consumer Finance	Egypt	-	50%**
Contact Creditech	Consumer Finance	Egypt	%99,98	-
*Saar Technology Solutions	Software business and electronic content production	Egypt	-	%100

* Represent the ownership percentage of Contact credit in its subsidiaries which are indirectly controlled by Contact Financial Holding.

** The group controls these companies according to the operating management contracts between Contact credit Company and those companies, The group is controlling the operations of these companies, in accordance with these contracts.

2- Basis of Preparation of financial statements

- The consolidated financial statements were prepared according to the Egyptian Accounting Standards and relevant Egyptian laws and regulations.

- The Board of Directors approved the issuance of the translated consolidated financial statements on 15 May 2024.

3- Functional and Presentation Currency

These consolidated financial statements are presented in Egyptian Pound which represents the group's functional currency.

4- Use of Judgments and Estimates

- The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards requires Management to make professional judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, revenues and expenses. The estimates and assumptions are based on historical experience and other various factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

- The Judgments and Estimates are reviewed Annually. Review of estimates are recognized prospectively.

- Changes to accounting estimates are recognized in the period in which the estimate changes if the change affects only that period or in the period of the change and future periods if the change affects both current and future periods.

- Classification of Financial Assets**:** assessment of the business model through which the assets are held, and assessment is made regarding whether the contractual terms of the financial asset are solely payments of principal and interest on the principal outstanding amount (SPPI).

- Establishing criteria for determining whether the credit risk associated with the financial asset has increased significantly since initial recognition, determining methodology for incorporating forward-looking information into the measurement of ECL, selecting and approving of models used to measure expected credit losses ECL.

Expected credit losses

- The accounting estimates and judgments related to the impairment of Financial Assets is a critical accounting estimate because the underlying assumptions used can change from period to period and may significantly affect the group’s results of operations.
- In assessing assets for impairments, the management’s judgment is required particularly in projecting future economic information and scenarios where circumstances of economic and financial uncertainty exist as developments and changes to expected cash flows can occur both faster and with less predictability. The actual amount of the future cash flows and their timing may differ from the estimates used by management and consequently may cause actual losses that differ from reported allowances.

Change in accounting standards

-Pursuant to Prime Minister’s Decree No. 1847 for year 2023 issued on May 16, 2023 regarding the amendments to the Egyptian Accounting Standards by adding Annex (C) to the Egyptian Accounting Standard No. 13 related to the effects of changes in the foreign currency exchange rates, as due to the slowdown of most economies around the world, the matter which led to an increase in the prices of all basic commodities, disruption of supply chains, increase in shipping costs, increase in production costs, and the increase in interest rates globally by the central banks, in addition to the emerging war between Russia and Ukraine, and these factors led to a decrease in foreign cash flow, the matter which also led to a rise in prices in general during 2022,all these led to a decrease in the Egyptian pound against the US dollar, a matter which adversely affect companies that have foreign currency liabilities which incurred losses as a result of translating these balances according to the current exchange rates, and these losses were greatly reflected the companies' business operation in the Profit and Loss Statement.
Which led to issue Annex (C) to the Egyptian Accounting Standard No. 13 related to the changes in the foreign currency exchange rates to develop an optional special accounting treatment to treat with the effects of foreign currency exchange rates changes on the entity’s financial statements whose financial statements were negatively affected by the changes in the foreign currency exchange rates.
This optional special accounting treatment issued shall not be deemed as an amendment to the Egyptian Accounting Standards, except for the term in which this Annex prevails.

1- The new annex provides an accounting treatment for the entity that, acquired fixed assets, investment property, intangible assets (excluding goodwill), exploration and valuation assets and/or right- of- use assets for lease contracts, which are financed by foreign currencies at that date, to record the differences in the foreign currency exchange rates resulted from the portion of these liabilities which is paid during the financial period of applying this special accounting treatment to the cost of assets, in addition to the foreign exchange differences resulting from the translation of the remaining balance of these liabilities at the end of December 31, 2023 or at the end of the closing date of the financial statements for the financial period of applying this special accounting treatment Whereas, the financial period for the application of the special accounting treatment is the fiscal year or period that begins before the date of October 27, 2022 "the date of moving the exchange rate" and ends on or after this date, and the financial period or year "following it.

2-The new amended accounting treatment also allow the entity which recognize the debit and credit foreign currency exchange rates differences resulting from the translation of assets and liabilities balances of a monetary nature in existing foreign currencies, even if they are not related to a specific asset at the end of December 31, 2023 or at the end of the financial statements closing date for the financial period of applying this special accounting treatment, on other comprehensive income statement.

The entity shall separately disclose (the amount of foreign currency exchange differences on Other Comprehensive Income Statement during the period before income tax and the amounts that are forward to the retained earnings at the period end and shall also disclose in the income statement or in the financial statements disclosers the effect of applying special accounting treatment on the earning per share. Moreover, it shall also disclose the amount of foreign currency translation differences that was added to the cost of assets.

The entity chose to recognize the impact of changes in foreign currency exchange rates resulting from the translation of balances of assets and liabilities of a monetary nature in foreign currencies in other comprehensive income statement, in addition to recognize the debit differences in the foreign currency exchange rates resulting from the paid and unpaid portion of these liabilities during the financial period in addition to the foreign currency difference resulting from the translation of the remaining balance of these liabilities at the end of December 31, 2023 Or at the end of the closing date of the financial statements for the financial period to apply this special accounting treatment.

New Editions and Amendments to Egyptian Accounting Standards:

On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards, and the following is a summary of the most important of those amendments:

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: − Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". − Egyptian Accounting Standard No. (24) "Income Taxes" − Egyptian Accounting Standard No. (30) "Interim Financial Reporting" − Egyptian Accounting Standard No. (31) "Impairment of Assets" − Egyptian Accounting Standard No. (49) "Leasing Contracts" 2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested. The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial	The change doesn't have an impact on the financial statement of the Company.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time**. These amendments are effective for annual financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the accounting treatment

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented. − The Company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the Company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.		for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this treatment for the first time**.
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. 2- The Company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the Company applies this model for the first time.**

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	The Company doesn't have this type of asset. Accordingly, this change doesn't have an impact on the financial statement of the Company.	These amendments are effective for annual financial periods starting **on or after January 1, 2023 retrospectively**, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the Company applies this treatment for the first time.**
Egyptian Accounting Standard No. (50) "Insurance Contracts".	1-This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the Company provides appropriate information that truthfully reflects those contracts. This information provides users of financial statements with the basis for assessing the impact of insurance contracts on the Company's financial position, financial performance, and cash flows. 2-Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".	The Company is currently assessing the impact of applying this new standard on its financial statements.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024**, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the Company should disclose that fact.

Contact Financial Holding (S.A.E)
Notes to the Consolidated Financial Statements for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated.

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
	Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 3-The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: - Egyptian Accounting Standard No. (10) "Fixed Assets ". - Egyptian Accounting Standard No. (23) "Intangible Assets". - Egyptian Accounting Standard No. (34) " Investment property ".		
Egyptian Accounting Standard No. (34) amended 2024 "Investment Property "	The Egyptian Accounting Standard No. (34) "Investment Property" was reissued in 2024, to amend the fair value application mechanism by the mandate of recognizing the gain or loss arising from the change in the fair value of the investment property in the statement of profit or loss for the period in which the change arises or through the statement of other comprehensive income for one time in the life of the asset or investment, taking into account paragraphs (35a) and (35b) of the standard.	The Company doesn’t have this type of asset. Accordingly, this change doesn’t have an impact on the financial statement of the Company.	The amendments to the amendment of addition of the option to use the fair value model apply to financial periods commencing on or after **January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the fair value model initially by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this model for the first time.

Contact Financial Holding (S.A.E)
Notes to the Consolidated Financial Statements for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated.

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
Egyptian Accounting Standard No. (17) amended 2024 "Separate Financial Statements"	Egyptian Accounting Standard No. (17) "Separate Financial Statements" was reissued in 2024, adding the option to use the equity method as described in Egyptian Accounting Standard No. (18) "Investments in Sister Companies" when accounting for investments in associates, sister companies and jointly controlled companies.	Management is currently studying the possibility of changing the accounting policy followed and instead use the equity method to account for investments in subsidiaries, associated companies and jointly controlled companies, and assessing the potential impact on the financial statements if this method has been used.	The amendments shall apply to financial periods commencing on or after **January 1, 2024** with early adaption allowed retrospectively by recognizing the cumulative impact of the application of the equity method by adding it to the opening balance of retained earnings/losses as at the beginning of the financial period in which the Company applies this method for the first time.
Egyptian Accounting Standard No. (13) amended 2024 "Effects of changes in foreign exchange rates"	This standard was reissued in 2024, to add how to determine the spot exchange rate when exchange between two currencies is difficult and what are the conditions that must be met for determining the spot exchange rate at the measurement date. An appendix to the application guidelines has been added, which includes guidelines for assessing whether a currency is exchangeable for another currency, and guidelines for applying the required treatments in case of non-exchangeability.	The Company is currently assessing the impact of applying the amendments of this standard on its financial statements.	Amendments regarding the determination of spot exchange rate when it is difficult to exchange between two currencies is applicable to financial periods commencing on or after **January 1, 2024** with early adaption allowed. If the entity made an early application,

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			this has to be disclosed. Entity shall not be modifying comparative information and instead should: • When the entity reports foreign currency transactions to its functional currency, any effect of the initial application is recognized as an adjustment to the opening balance retained earnings/losses on the date of initial application. • When an entity uses presentation currency different than its functional currency or translates the results and balances of foreign operation, the resulting differences and financial position of a foreign transaction, any effect of the initial application is recognized as an

Contact Financial Holding (S.A.E)
Notes to the Consolidated Financial Statements for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated.

New or reissued standards	Summary of the most significant amendments	Impact on the financial statements	Effective date
			adjustment to the cumulative translation adjustment reserve - accumulated in equity section on the date of initial application.
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority “FRA” for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market “VCM”.	The management is currently studying the financial implications of applying the accounting interpretation to the Company's financial statements.	The application starts on or after the first of January 2025, early adaption is allowed.

5- Fair value measurement

A. Valuation Models

The group measures fair values using the following fair value hierarchy which reflects the significance of the inputs used in making the measurements.
– Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
– Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.

– Level 3: Inputs that are unobservable (which the group minimize its use as much as possible). This category includes all instruments for which the valuation technique includes inputs that are not observable, and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Valuation techniques include net present value and discounted cash flow models comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates credit spreads and other premiums used in estimating discount rates security prices and foreign currency exchange rates.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset at the measurement date.

The availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex instruments the group uses in-house valuation models. Some or all the significant inputs into these models may not be observable in the market and may be derived from market prices or rates or estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain instruments for which there is no active market. Valuation models that employ significant unobservable inputs require a degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for the selection of the appropriate valuation model to be used the determination of the probability of counterparty default and prepayments and selection of appropriate discount rates.

Fair value estimates obtained from models are adjusted for any other factors such as liquidity risk or model uncertainties; to the extent that the group believes that a third-party market participant would take them into account in pricing a transaction. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the group entity and the counterparty when appropriate.

Model inputs and values are calibrated against historical data and published forecasts and where possible against current or recent observed transactions in different instruments and against market quotes. This calibration process is inherently subjective, and it yields ranges of possible inputs and estimates of fair value. Management uses judgement to select the most appropriate point in the range.

B. Financial Instruments Measured at Fair Value – Fair Value Hierarchy

The following table analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorized.
The amounts are based on the values recognized in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs.

Financial Assets	**31 Mar 2024 EGP**	**31 Dec 2023 EGP**	**Level of Fair Value**	**Valuation Techniques and Main Entries**
Debt instruments measured at FVOCI	996,386,083	924,885,863	First/Second	Quoted prices/other valuation techniques
Debt instruments measured at FVPL	43,016,732	23,087,645	First/Second	Quoted prices/other valuation techniques
Loans and receivables measured at FVOCI	4,839,013,059	4,612,239,154	Third	Discounted cash flows

Due to the absence of active markets for certain securities observable market inputs were used along with the available information to measure their fair values.

C. Unobservable Inputs Used in Measuring Fair Value

The following table sets out information about significant unobservable inputs used as at 2024 in measuring financial instruments categorized as level 3 in the fair value hierarchy.

Type of Financial Instrument	**Fair values on 31 Mar 2024**	**Valuation Technique**	**Significant Unobservable Input**
Loans and receivables measured at FVOCI	4,839,013,059	Discounted cash flows	• Risk-adjusted discount rate. • Probability of default. • Expected early payment rate. • Transaction cost.

Significant Unobservable Inputs Are Developed as Follows:

- Expected early payment rates are derived from historical client early payment trends after being adjusted to reflect current conditions.
- The probabilities of defaults and loss severities of commercial assets derived from historical data and collection performance are adjusted according to the current conditions.
- Risk adjusted spreads are derived from historical defaults and prepayment trends are adjusted to reflect the current conditions.
- Transaction costs are derived from historical trends after being adjusted to reflect the current conditions.

- Although the group believes that its estimates of fair value are appropriate the use of different methodologies or assumptions could lead to different measurements of fair value.

6- Operating segments

Segment information is presented in respect of the Group's business segments. The primary format business segment is based on the Group's management and internal reporting structure. Segment results assets and liabilities include items directly attributable to a segment, The group has four operating segments that are being financially reported to the management and these reports are exposing different products and services that are being managed separately because it required different technological and market strategies , The revenue & expense and assets & liabilities analysis in the table below is based on the type of business activities and services that are distinguishable component.

31-Mar-24	Financing Activities	Insurance Activities	Brokerage Activities	Other	Total
Financing activities					
Revenue from portfolio transfer	95,904,931	-	-	-	**95,904,931**
Off balance Sheet portfolio management fee	94,648,667	-	-	-	**94,648,667**
Securitization Surplus	4,275,591	-	-	-	**4,275,591**
Early payment expense - Sukuk/Discounting	(101,021,879)	-	-	-	**(101,021,879)**
Net revenue from portfolio transfer	93,807,310	-	-	-	93,807,310
Income from financing activities	551,374,930	-	-	-	**551,374,930**
Credit Interest (cash surplus)	25,139,839	-	-	4,701	**25,144,540**
Interest expense	(334,025,957)	-	-	(12,782)	**(334,038,739)**
Other interest expenses	(3,302,529)	-	-	-	**(3,302,529)**
Net interest income	**239,186,283**	**-**	**-**	**(8,081)**	**239,178,202**
Fee and commission income	38,616,692	-	-	3,895,700	**42,512,392**
Fee and commission expenses	(32,166,198)	-	-	-	**(32,166,198)**
Net financing fee and commission income	**6,450,494**	**-**	**-**	**3,895,700**	**10,346,194**
Profit share from Equity method investments	**(14,365,309)**	**-**	**-**	**(5 277 731)**	**(19,643,040)**
Net financing and operating income	**325,078,778**	**-**	**-**	**(1,390,112)**	**323,688,666**
Insurance and insurance brokerage					
Direct premiums	-	695,604,692	-	-	**695,604,692**
Provisions of unearned premiums	-	(134,088,282)	-	-	**(134,088,282)**
Outward reinsurance premiums	-	(195,443,817)	-	-	**(195,443,817)**
Net premiums	**-**	**366,072,593**	**-**	**-**	**366,072,593**
Net claims	-	(174,254,168)	-	-	**(174,254,168)**
Direct commissions & production costs	-	(140,529,923)	-	-	**(140,529,923)**
Policies issuance Fees income	-	2,334,988	-	-	**2,334,988**
Retrograde fluctuations provision	-	(692,268)	-	-	**(692,268)**
Underwriting issuance income	**-**	**52,931,222**	**-**	**-**	**52,931,222**
Net investment income	**-**	**49,707,248**	**796,903**	**-**	**50,504,151**
Fee income insurance	-	175,780	26,697,450	-	**26,873,230**
Fee expenses insurance	-	-	(10,025,805)	-	**(10,025,805)**
	-	**175,780**	**16,671,645**	**-**	**16,847,425**
Net Insurance operating income	**-**	**102,814,250**	**17,468,548**	**-**	**120,282,798**
Other operating income	5,898,332	335,889	-	3,312,019	**9,546,240**
Other operating expense	(9,394,925)	-	-	(1,275,923)	**(10,670,848)**
Net other operating (expense)\income	**(3,496,593)**	**335,889**	**-**	**2,036,096**	**(1,124,608)**
Depreciation and amortization	(26,968,827)	(3,474,265)	(518,670)	(604,274)	**(31,566,036)**
Personnel expenses	(166,745,857)	(28,575,084)	(6,566,163)	(7,911,233)	**(209,798,337)**
Other expenses	(37,400,926)	(9,368,840)	(2,144,355)	(1,817,004)	**(50,731,125)**
Marketing expenses	(9,843,515)	(4,025,961)	(63,484)	(275,869)	**(14,208,829)**
Provisions	15,000,000	(200,000)	-	-	**14,800,000**
Interest expense (lease liability)	(10,058,927)	(4,414,802)	(795,600)	(303,489)	**(15,572,818)**
Foreign currency differences	343,395	-	-	-	**343,395**
Board of directors' allowances	(463,000)	-	-	-	**(463,000)**
ECL provision	(41,602,814)	(2,389,939)	1,093,526	(55,846)	**(42,955,073)**
	(277,740,471)	**(52,448,891)**	**(8,994,746)**	**(10,967,715)**	**(350,151,823)**
Earnings (losses) for the period before tax	**43,841,714**	**50,701,248**	**8,473,802**	**(10,321,731)**	**92,695,033**
Income tax	(20,985,704)	(12,752,815)	(1,938,011)	(409,012)	**(36,085,542)**
Net income (loss) for the period after tax	**22,856,010**	**37,948,433**	**6,535,791**	**(10,730,743)**	**56,609,491**
Distributed as follows:					
Net income (loss) for the owners of the company	20,238,228	30,789,160	5,059,509	(10,731,494)	**45,355,403**
Non-controlling interest	2,617,782	7,159,273	1,476,282	751	**11,254,088**
	22,856,010	**37,948,433**	**6,535,791**	**(10,730,743)**	**56,609,491**
Assets	**11,054,446,263**	**1,972,408,724**	**77,891,130**	**95,407,214**	**13,200,153,331**
Liabilities	**8,729,213,883**	**1,536,274,783**	**52,316,636**	**113,265,984**	**10,431,071,286**

Contact Financial Holding (S.A.E)

Notes to the consolidated financial statements for the period ended 31 March 2024

All amounts are in EGP unless otherwise stated

31-Mar-23	**Financing Activities**	**Insurance Activities**	**Brokerage Activities**	**Other**	**Total**
Financing activities					
Revenue from portfolio transfer	269,827,495	-	-	-	**269,827,495**
Off balance Sheet portfolio management fee	68,678,467	-	-	-	**68,678,467**
Securitization (Deficit)	(2,943,045)	-	-	-	**(2,943,045)**
Early payment expense - Sukuk/Discounting	(60,229,089)	-	-	-	**(60,229,089)**
Net revenue from portfolio transfer	**275,333,828**	-	-	-	**275,333,828**
Income from financing activities	285,485,566	-	-	-	**285,485,566**
Interest expense	(174,602,373)	-	-	(26,673)	**(174,629,046)**
Credit Interest (cash surplus)	21,747,598	-	-	4,148	**21,751,746**
Other interest expenses	(3,402,733)	-	-	-	**(3,402,733)**
Net interest income	**129,228,058**	-	-	**(22,525)**	**129,205,533**
Fee and commission income	85,384,473	-	-	3,986,771	**89,371,244**
Fee and commission expenses	(33,974,763)	-	-	-	**(33,974,763)**
Net financing fee and commission income	**51,409,710**	-	-	**3,986,771**	**55,396,481**
Profit share from Equity method investments	**6,161,806**	-	-	**(3,214,350)**	**2,947,456**
Net financing and operating (expense)\income	**462,133,402**	-	-	**749,896**	**462,883,298**
Insurance and insurance brokerage					
Direct premiums	-	436,966,420	-	-	**436,966,420**
Provisions of unearned premiums	-	(71,292,737)	-	-	**(71,292,737)**
Outward reinsurance premiums	-	(154,549,647)	-	-	**(154,549,647)**
Net premium	-	**211,124,036**	-	-	**211,124,036**
Net claims	-	(88,339,467)	-	-	**(88,339,467)**
Direct commissions & production costs	-	(72,539,530)	-	-	**(72,539,530)**
Policies issuance Fees income	-	2,496,163	-	-	**2,496,163**
Retrograde fluctuations provision	-	(3,126,461)	-	-	**(3,126,461)**
Underwriting issuance income	-	**49,614,741**	-	-	**49,614,741**
Net investment income	-	**23,385,850**	**264,183**	-	**23,650,033**
Fee income insurance	-	387,901	10,348,137	-	**10,736,038**
Fee expenses insurance	-	-	(2,744,830)	-	**(2,744,830)**
	-	**387,901**	**7,603,307**	-	**7,991,208**
Net Insurance operating income	-	**73,388,492**	**7,867,490**	-	**81,255,982**
Other operating income	8,771,490	945,801	-	1,087,489	**10,804,780**
Other operating expense	(6,329,685)	-	-	(548,060)	**(6,877,745)**
Net other operating (expense)\income	**2,441,805**	**945,801**	-	**539,429**	**3,927,035**
Depreciation and amortization	(23,780,568)	(3,350,758)	(485,922)	(194,772)	**(27,812,020)**
Personnel expenses	(117,728,803)	(21,484,366)	(4,573,913)	(5,860,294)	**(149,647,376)**
Other expenses	(33,225,384)	(5,879,630)	(1,633,341)	(2,313,090)	**(43,051,445)**
Marketing expenses	(17,857,764)	(1,520,759)	(974,171)	(1,785,612)	**(22,138,306)**
Interest expense (lease liability)	(10,659,498)	(377,913)	-	-	**(11,037,411)**
Board of directors' allowances	(370,000)	-	-	-	**(370,000)**
ECL provision	(76,769,622)	(2,993,690)	120,101	(7,551)	**(79,650,762)**
	(280,391,639)	**(35,607,116)**	**(7,547,246)**	**(10,161,319)**	**(333,707,320)**
Earnings for the period before tax	**184,183,568**	**38,727,177**	**320,244**	**(8,871,994)**	**214,358,995**
Income tax	(60,838,738)	(8,294,551)	(3,537)	(879,036)	**(70,015,862)**
Net income for the period after tax	**123,344,830**	**30,432,626**	**316,707**	**(9,751,030)**	**144,343,133**
Distributed as follows:					
Net income for the owners of the company	120,954,011	24,369,423	340,486	(9 751 938)	**135,911,982**
Non-controlling interest	2,390,819	6,063,203	(23,779)	908	**8,431,151**
	123,344,830	**30,432,626**	**316,707**	**(9,751,030)**	**144,343,133**
Assets	**8,834,219,652**	**1,174,018,256**	**57,429,108**	**83 264 644**	**10,148,931,660**
Liabilities	**6,588,697,632**	**809,728,923**	**39,343,046**	**82 907 677**	**7,520,677,278**

Contact Financial Holding (S.A.E)
Notes to the consolidated financial statements for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated

Segments Reports Continued
The table below represents the following:

1- Securitization gains and losses for the receivables portfolios that have been securitized and derecognized from the books given the fact that the risks and rewards of such portfolios were substantially transferred to bondholders.

2- Investment in associates that are accounted for using Equity method as they do not meet the criteria of being a subsidiary.

	31-Mar-2024			31-Mar-2023		
	Securitization Profit / loss	Profit share from Equity method investments	Total	Securitization Profit / loss	Profit share from Equity method investments	Total
Financing activities						
Revenue from portfolio transfer	-	-	-	-	1,170,162	**1,170,162**
Off balance sheet portfolio management fee	-	21,220	**21,220**	-	29 060	**29,060**
Net revenue from portfolio transfer	**-**	**21,220**	**21,220**	**-**	**1,199,222**	**1,199,222**
Income from financing activities	12,826,870	21,853,655	**34,680,525**	33,263,661	10,451,687	**43,715,348**
Credit Interest (cash surplus)	5,462,878	2,483,159	**7,946,037**	4,745,289	2,502,615	**7,247,904**
Interest expense	(11,925,763)	(4,232,245)	**(16,158,008)**	(33,634,384)	(927,113)	**(34,561,497)**
Other interest expenses	(651,085)	(129,851)	**(780,936)**	(1,993,259)	(61,204)	**(2,054,463)**
Net interest income	**5,712,900**	**19,974,718**	**25,687,618**	**2,381,307**	**11,965,985**	**14,347,292**
Fee and commission income	-	1,009,930	**1,009,930**	-	2,132,497	**2,132,497**
Fee and commission expenses	-	(511,457)	**(511,457)**	-	(1,744,855)	**(1,744,855)**
Net financing fee and commission income	**-**	**498,473**	**498,473**	**-**	**387,642**	**387,642**
Sales revenue - goods and services	-	5,893,362	**5,893,362**	-	3,882,442	**3,882,442**
Cost of sales - good and services	-	(3,855,806)	**(3,855,806)**	-	(3,309,757)	**(3,309,757)**
Net sales of goods and services	**-**	**2,037,556**	**2,037,556**	**-**	**572,685**	**572,685**
Other operating income	-	39,672,004	**39,672,004**	-	1,967,849	**1,967,849**
Other operating expense	(1,437,309)	(35,842,428)	**(37,279,737)**	(5,324,352)	(1,255,185)	**(6,579,537)**
Net operating (expense)\income	**(1,437,309)**	**3,829,576**	**2,392,267**	**(5,324,352)**	**712,664**	**(4,611,688)**
Depreciation and amortization	-	(1,239,173)	**(1,239,173)**	-	(365,502)	**(365,502)**
Personnel expenses	-	(11,686,405)	**(11,686,405)**	-	(12,178,315)	**(12,178,315)**
Other expenses	-	(22,855,390)	**(22,855,390)**	-	(7,243,017)	**(7,243,017)**
Marketing expenses	-	(608,450)	**(608,450)**	-	(764,475)	**(764,475)**
Provisions	-	(4,005)	**(4,005)**	-	-	-
finance expenses (lease liability)	-	(291,045)	**(291,045)**	-	(127,170)	**(127,170)**
Foreign currency differences	-	(33,443,020)	**(33,443,020)**	-	12,814,022	**12,814,022**
Board of directors allowances	-	-	-	-	(1,785,043)	**(1,785,043)**
ECL provision	-	(3,211,789)	**(3,211,789)**	-	1,302,300	**1,302,300**
	-	**(73,339,277)**	**(73,339,277)**	**-**	**(8,347,200)**	**(8,347,200)**
Earnings for the period before tax	**4,275,591**	**(46,977,734)**	**(42,702,143)**	**(2,943,045)**	**6,490,998**	**3,547,953**
Income tax	-	(451,742)	**(451,742)**	-	(743,048)	**(743,048)**
Net profit for the period after tax	**4,275,591**	**(47,429,476)**	**(43,153,885)**	**(2,943,045)**	**5,747,950**	**2,804,905**
Distributed as follows:						
Owners of the company	4,275,591	(47,429,476)	**(43,153,885)**	(2,943,045)	5,747,950	**2,804,905**
Non-controlling interest	-	27,786,436	**27,786,436**	-	(2,800,494)	**(2,800,494)**
	4,275,591	**(19,643,040)**	**(15,367,449)**	**(2,943,045)**	**2,947,456**	**4,411**

7) Revenue from portfolio transfer

	31 Mar 2024 EGP	31 Mar 2023 EGP
Sukuk gain	11,928,043	16,363,090
Discounting gain	69,374,485	58,666,392
Securitization gain	14,602,403	194,798,013
	95,904,931	**269,827,495**

8) Off balance sheet - portfolio management fee

	31 Mar 2024 EGP	31 Mar 2023 EGP
Securitization fees	35,134,028	15,130,084
No longer required provision – discounting	18,881,229	21,799,832
Sukuk management fees	39,389,572	30,626,275
Management and incentive fees*	174,912	604,572
Insurance refund revenue returns	943,926	457,704
Collector fees	125,000	60,000
	94,648,667	**68,678,467**

* The parent company's share is represented in the management fees of associate companies in accordance with the management contracts which states that the parent company is entitled to administrative fees at a rate of 2.5% per annum from the balance of the receivables portfolio.

9) Securitization (deficit) \ surplus

	31 Mar 2024 EGP	31 Mar 2023 EGP
Interest income from financial portfolio	12,826,870	33,263,662
Proceeds from surplus of investments at custody	5,462,878	4,745,290
Interest of bond loan and the amortization of securitization cost	(11,925,763)	(33,634,384)
Insurance policy cost	(580,466)	(1,741,060)
Collector fees	(55,000)	(60,000)
Custody fees	(70,619)	(252,199)
Issuance fees	(1,382,309)	(5,264,354)
	4,275,591	**(2,943,045)**

10) Income from financing activities

	31 Mar 2024 EGP	31 Mar 2023 EGP
Auto financing	219,583,174	52,486,237
Mortgages financing	63,630,567	47,054,807
Factoring interest	40,134,499	31,953,911
Leased assets contracts	74,472,672	50,175,542
Shopping financing	122,745,323	85,549,472
Consumer Finance - Services	22,746,142	14,682,724
Penalties for past due amount	8,062,553	3,582,873
	551,374,930	**285,485,566**

11) Fees and commissions income

	31 Mar 2024 EGP	31 Mar 2023 EGP
Administrative income	33,261,303	41,891,727
Promotions and underwriting income	-	25,465,000
Consumer financing suppliers commission	2,123,063	14,909,321
Contractual income	2,731,367	2,461,081
Lease contracts insurance income	457,725	582,315
Electronic payments collection fees	3,421,501	3,936,206
Asset management services	24,689	46,982
Fees for Payment to others	474,199	53,868
Miscellaneous income	18,545	24,744
	42,512,392	**89,371,244**

12) Fees and commissions expense

	31 Mar 2024 EGP	31 Mar 2023 EGP
Commission	30,365,701	27,463,466
Promotion and underwriting costs	1,306,694	6,077,500
Lease contracts insurance cost	362,617	311,157
Collection fees	-	1,651
Other fees and commissions expense	131,186	120,989
	32,166,198	**33,974,763**

13) Net claims

	31 Mar 2024 EGP	31 Mar 2023 EGP
Direct claims	156,291,386	73,451,275
Claims under settlement provision	17,962,782	14,888,192
	174,254,168	**88,339,467**

14) Direct commissions and production costs

	31 Mar 2024 EGP	31 Mar 2023 EGP
Direct commission	80,171,093	47,340,136
Production costs	70,684,233	40,556,831
Bank charges	574,146	415,179
Outward reinsurance commission	(10,899,549)	(15,772,616)
	140,529,923	**72,539,530**

15) Fee income insurance

	31 Mar 2024 EGP	31 Mar 2023 EGP
Insurance brokerage income	26,697,450	10,348,137
Miscellaneous income	175,780	387,901
	26,873,230	**10,736,038**

16) Fee expense Insurance

	31 Mar 2024 EGP	31 Mar 2023 EGP
Insurance brokerage sales cost	10,011,173	2,736,320
Banks charges insurance brokerage	14,632	8,510
	10,025,805	**2,744,830**

17) Other Operating Income

	31 Mar 2024 EGP	31 Mar 2023 EGP
Sukuk management fees	4,080,062	4,114,298
Advertising services income	3,302,483	959,459
Mortgage valuation income	206,161	198,700
Lease valuation income	30,100	28,000
Rent income from others	74,533	84,952
Sukuk issuance income	624,999	624,999
Collection from customers service fees	-	9,947
Mutual fund fees	335,889	172,664
Collections from AR bad debts	827,818	-
Other	64,195	4,611,761
	9,546,240	**10,804,780**

18) Other Operating Expense

	31 Mar 2024 EGP	31 Mar 2023 EGP
I-Score fees	5,458,898	2,924,128
Operating costs- Digital Transactions	401,273	373,641
Sukuk issuance cost	3,078,790	2,659,701
Cost of advertising services	-	457,324
Cost of Collection services	615,552	-
Other operating expense	477,972	372,215
Services commissions	638,363	90,736
	10,670,848	**6,877,745**

19) Depreciation and amortization

	31 Mar 2024 EGP	31 Mar 2023 EGP
PPE depreciation	15,986,761	13,846,771
Right of use assets amortization	15,546,844	13,959,195
Intangible assets amortization	32,431	6,054
	31,566,036	**27,812,020**

20) Other Expenses

	31 Mar 2024 EGP	31 Mar 2023 EGP
Consulting fees	7,148,581	6,608,168
Takaful contribution	3,605,463	2,912,057
Branches and cars rent	3,953,801	3,024,653
Advertising, and stock renewal expenses	625,550	546,175
Vehicles expenses	548,492	527,573
Money transport expenses	477,056	465,081
Stationery and printing materials	1,854,806	1,941,531
Employee’s trainings	514,814	868,986
Travel and transportation expenses	1,136,636	510,204
Cost of free services for customers	376,816	818,850
Operating systems and websites rent expenses	5,658,577	4,427,281
Headquarters expenses	9,527,186	9,496,109
Hospitality and gifts expenses	7,928,456	3,278,507
Subscriptions expenses	5,291,096	2,913,350
Other expenses	2,083,795	4,712,920
	50,731,125	**43,051,445**

21) ECL provision

	31 Mar 2024 EGP	31 Mar 2023 EGP
ECL provision (trade receivables)	40,424,281	83,424,137
ECL provision (cash)	-	466,863
ECL provision (debtors)	147,684	(7,221,055)
ECL provision (receivables from insurance policy)	2,390,538	2,990,041
ECL provision (investments)	(7,430)	(9,224)
	42,955,073	**79,650,762**

22) Income tax

	31 Mar 2024 EGP	31 Mar 2023 EGP
Current income tax	26,551,158	64,686,460
Deferred income tax	(1,398,903)	(833,831)
Treasury bills and treasury bonds tax	10,933,287	6,163,233
	36,085,542	**70,015,862**

Deferred tax assets	31 Mar 2024 EGP	31 Dec 2023 EGP
Foreign currency differences	10,536,213	2,752,007
Loans and receivables measured at fair value through other comprehensive income	84,470,428	-
	95,006,641	**2,752,007**

Deferred tax Liabilities	31 Mar 2024 EGP	31 Dec 2023 EGP
PPE (depreciation)	12,234,022	13,857,398
Loans and receivables measured at fair value through other comprehensive income	-	18,625,655
	12,2340,22	**32,483,053**

Effective tax rate	31 Mar 2024 EGP	31 Mar 2023 EGP
Net profit (before tax)	92,695,033	214,358,995
Tax rate	22.50%	22.50%
Income tax calculated based on net income	**20,856,382**	**48,230,774**
Tax adjustments effect	15,229,160	21,785,088
Income tax	**36,085,542**	**70,015,862**
Effective tax rate	38.93%	32.66٪

23) Earnings per share for the period

Basic weighted earnings per share are calculated by dividing net income for the period attributable to the parent company's shareholders by the weighted average number of shares outstanding during the period.

	31 Mar 2024 EGP	31 Mar 2023 EGP
Net Profit for the period for owners of the parent company	45,355,403	135,911,982
Weighted average no. of ordinary shares outstanding during the period	1,184,948,628	1,188,025,865
Earnings per share for the period	**0.04**	**0.11**

24) Cash on hand and at banks

	31 Mar 2024 EGP	31 Dec 2023 EGP
Banks - current accounts	801,968,378	1,043,940,382
Cash on hand	15,353,469	17,557,807
Time deposits	5,367,419	4,569,060
	822,689,266	**1,066,067,249**

*In accordance with Prime Minister's Decision No. 4575 at 2023 amending the Egyptian Accounting Standards as well as Financial regulatory Authority Decision No. 222 at 2023 dated 18 October 2023 on certain exceptions in the application of the Accounting Standard No. (47. Financial instruments) Current accounts and deposits with local currency at banks registered with the Central Bank of Egypt due within one month of the date of the financial statements were excluded from recognition and measurement of expected credit losses.

25) Loans and receivables

		31 Mar 2024 EGP	31 Dec 2023 EGP
25-1	Loans and receivables measured at fair value through other comprehensive income	4,839,013,059	4,612,239,154
25-2	Loans and receivables measured at amortized cost	3,902,751,271	3,788,456,230
		8,741,764,330	8,400,695,384

25-1 Loans and receivables Measured at Fair Value Through Other Comprehensive Income

	31 Mar 2024 EGP	31 Dec 2023 EGP
Receivables – auto loans	3,065,870,030	2,835,457,160
Receivables – consumer goods	1,773,143,029	1,776,781,994
	4,839,013,059	**4,612,239,154**

25-2 Loans and receivables Measured at Amortized Cost

	31 Mar 2024 EGP		31 Dec 2023 EGP	
	Within a year	**More than a year**	**Within a year**	**More than a year**
Receivables - goods	431,665,633	13,735,254	421,295,288	15,039,441
Receivables - services	19,669,343	-	20,017,219	-
Receivables - leasing	907,060,250	951,735,717	892,813,738	943,125,439
Receivables – factoring	660,404,394	175,942,024	619,606,915	164,626,759
Receivables - mortgage	597,647,716	2,426,894,953	554,196,545	2,398,932,222
Total	**2,616,447,336**	**3,568,307,948**	**2,507,929,705**	**3,521,723,861**
Less:				
Deferred interest	(890,515,431)	(1,141,590,648)	(803,371,150)	(1,117,635,124)
ECL provision*	(104,973,313)	(144,924,621)	(133,040,152)	(187,150,910)
Net	**1,620,958,592**	**2,281,792,679**	**1,571,518,403**	**2,216,937,827**
	3,902,751,271		**3,788,456,230**	

***ECL provision movement as follows:**

	31 Mar 2024 EGP	31 Dec 2023 EGP
Beginning balance	320,191,062	141,646,604
Formed during the period / year	18,264,957	422,867,949
No Longer required	(21,824,987)	(179,386,969)
Used during the period / year	(66,733,098)	(64,936,522)
Ending balance	**249,897,934**	**320,191,062**

26) Receivables from insurance policy

	31 Mar 2024 EGP	31 Dec 2023 EGP
Premiums under collection	149,125,256	116,068,566
Post-dated cheques	39,818,621	22,624,323
Current accounts for policyholders	557,047,171	326,079,684
Total	**745,991,048**	**464,772,573**
ECL provision	(13,438,852)	(11,048,314)
	732,552,196	**453,724,259**

ECL provision movement as follows:

	31 Mar 2024 EGP	31 Dec 2023 EGP
Beginning balance	11,048,314	5,235,752
Formed during the period / year	6,674,513	7,358,557
No longer required	(4,283,975)	(1,545,995)
Ending balance	**13,438,852**	**11,048,314**

27) Equity method investments

Company's Name	Contribution %	31 Mar 2024 EGP	Contribution %	31 Dec 2023 EGP
Bavarian Contact Car Trading	49%	12,094,560	49%	11,981,084
Star Auto Credit	33.4%	4,879,580	33.4%	4,918,205
Ezz El-Arab - Contact Financial	49%	12,753,173	49%	12,472,060
Egyptian Credit Service	49.9%	7,870,040	49.9%	7,554,436
Wasla Browser-cayman Island (Note 47)	52.6%	116,202,476	43.1%	87,712,791
A S Investments Limited	40.0%	58,586,724	40.0%	73,693,722
Motor Care-Service Company	49.2%	1,559,020	49.2%	529,972
Carzami Holding	41.7%	8,271,130	41.7%	7,610,423
Total		**222,216,703**		**206,472,693**

Contact Financial Holding (S.A.E)
Notes to the Consolidated Financial Statements for the period ended on 31 March 2024
All amounts are in EGP unless otherwise stated.

31 Mar 2024	Bavarian Contact Car Trading	Star Auto Credit	Ezz Elarab/ Contact Financial	Egyptian Credit Service	Wasla Browser – cayman island	Motor-Care Service	A S Investments Limited	Carzami Holding
Total assets	30,385,011	15,229,833	73,329,537	25,162,734	262,298,627	9,138,838	1,035,359,139	37,957,855
Total liabilities	(5,673,544)	(523,481)	(52,163,085)	(9,419,505)	(106,145,269)	(5,970,100)	(622,097,477)	(10,284,430)
Net assets	**24,711,467**	**14,706,352**	**21,166,452**	**15,743,229**	**156,153,358**	**3,168,738**	**413,261,662**	**27,673,425**

31 Dec 2023	Bavarian Contact Car Trading	Star Auto Credit	Ezz Elarab/ Contact Financial	Egyptian Credit Service	Wasla Browser – cayman island	Motor-Care Service	A S Investments Limited	Carzami Holding
Total assets	28,040,530	15,264,663	44,210,733	26,371,968	228,159,600	5,836,661	664,358,413	32,884,291
Total liabilities	(3,550,927)	(442,656)	(18,747,626)	(11,260,072)	(58,749,222)	(4,759,483)	(336,145,533)	(6,796,436)
Net assets	**24,489,603**	**14,822,007**	**25,463,107**	**15,111,896**	**169,410,379**	**1,077,178**	**328,212,880**	**26,087,855**

NOTE:
The Company's (Contact Credit) share of losses in Motor Care Egypt has exceeded the capital share.

28) Financial Investments

	31 Mar 2024 EGP	31 Dec 2023 EGP
Financial investments measured at fair value through other comprehensive income (equity instruments)	15,895,982	15,895,982
Financial investments measured at fair value through other comprehensive income (debt instruments)	996,386,083	924,885,863
Financial investments measured at fair value through profit and loss	43,016,732	23,087,645
	1,055,298,797	**963,869,490**

A) Financial Investments Measured at Fair Value Through Other Comprehensive Income (FVOCI) (Equity Instruments)

	31 Mar 2024 EGP	31 Dec 2023 EGP
Egyptian Mortgage Refinancing company*	6,413,750	6,413,750
A I venture	6,336,232	6,336,232
Sakneen	3,146,000	3,146,000
	15,895,982	**15,895,982**

* It is a mandatory investment valued at cost since it is not listed in an active market and its fair value cannot be reliably determined considering the following:
-Companies which are not listed in the stock exchange.

-The group owns a small stake in these companies a matter which restricts access to detailed and accurate information to conduct the evaluation process and measure the fair value.
-Net equity is positive as per the financial statements a matter which reflects the absence of any indicators of impairment in the investment value.

B) Financial Investments Measured at Fair Value Through Other Comprehensive Income (Debt Instruments)

	31 Mar 2024 EGP	31 Dec 2023 EGP
Treasury bills	647,983,336	579,890,419
Sukuk	44,965,379	44,958,547
Securitization bonds	34,653,136	36,497,343
Treasury bonds	268,784,232	263,539,554
	996,386,083	**924,885,863**

C) Financial Investments Measured at Fair Value Through profit and loss

	31 Mar 2024 EGP	31 Dec 2023 EGP
Mutual fund (Sawra Life Insurance Company)	43,016,372	23,087,645
	43,016,732	**23 087 645**

29) Securitization surplus

In the ordinary course of business activity, Contact Credit Group perform securitization process of Loans and Receivables resulting in some financial assets being transferred to Sarwa Securitization (Special Purpose Entity) on behalf of the bondholders.
The following is a list of the financial assets and liabilities pertaining to the outstanding securitization transactions of Sarwa Securitization:

List of the financial assets and liabilities that has been disposed	31 Mar 2024 EGP	31 Dec 2023 EGP
Financial rights portfolios	225,774,006	315,924,757
Amounts collected for custodian	975,236	(6,151,742)
Cash held with custodian	73,248,261	102,237,259
Total Financial Assets transferred	**299,997,503**	**412,010,274**
(Less): bonds Loan	(266,358,099)	(378,002,388)
Deferred interest on bond loan	(85,254)	(124,362)
Surplus of securitization processes	**33,554,150**	**33,883,524**

Noting that the financial assets transferred to Sarwa Securitization meets the financial assets derecognition criteria.

30) Related parties

30-1 Financial Position Balances

Due from Related Parties

Related Party	Relation Nature	31 Mar 2024 EGP	31 Dec 2023 EGP
Motor Care Egypt	Associate 40.1%	1,338,005	_
Motor Care Service	Associate 40.1%	885,637	_
Consolidated Financial Holding	Parent Company	681,036	406,288
Wasla Browser Cayman Island	Associate 52.6%	28,244,787	90,912
Egyptian Credit Service*	Associate 49.99%	4,110,322	4,582,378
Carzami Egypt **	Associate 41.7%	10,388,932	5,301,250
Other shareholders		30,283	30,283
		45,679,002	**10,411,111**

*The balance represents the Loan provided by Contact Financial Holding Company to the Egyptian Credit Services to finance the company's activities.

** The balance represents the Loan provided by Contact Financial Holding Company to Carzamy Egypt Company, with limit of 30 million EGP, with an interest rate of 7.75%, above the announced lending rate of the Central Bank of Egypt. This is to finance the company's activities according to the contract concluded on August 14, 2023.

30-2 Income Statement Transactions

		31 Mar 2024 Expense (Revenue) EGP	31 Mar 2023 Expense (Revenue) EGP
Bavarian Contact Car Trading			
Management and incentive fees	Associate 49%	(2,362)	(306,000)
Star Auto Credit			
Management fees	Associate 33.4%	(4,398)	(6,053)
Ezz El-Arab / Contact Financial			
Management fees	Associate 49%	(168,152)	(292,519)

30-3 Bonus and salaries for executive management

The value of bonus and salaries for the executive management of the group for the period ended on March 31, 2024, amounted to 16,904,157 EGP where on 31 March 2023 it amounted to 13,058,660 EGP.

31) Debtors and other debit balances

	31 Mar 2024 EGP		31 Dec 2023 EGP	
	Within a year	**More than a year**	**Within a year**	**More than a year**
Prepaid expenses	42,850,842	73,252,322	74,343,253	34,400,222
Advance payments to suppliers	87,718,482	-	72,393,349	-
Accrued revenue	12,808,216	375,852,872	24,627,459	330,569,957
Advances and Imprest	18,644,442	-	17,621,206	-
Tax authority - current accounts	8,603,684	-	7,486,837	-
ESOP income tax	13,106,835	-	13,106,835	-
Other debit balances	12,324,025	2,946,458	14,880,589	8,423,422
Deposits with third party	1,299,213	13,108,761	1,264,553	11,264,226
Egyptian compulsory insurance pool	8,076,074	-	6,927,135	-
Advance payment for investments	6,313,619	-	6,253,214	-
Due from collection companies	9,969,464	-	13,231,334	-
(Less): ECL Provisions	(10,401,645)	-	(10,253,961)	-
Net	**211,313,251**	**465,160,413**	**241,881,803**	**384,657,827**
	676,473,664		**626,539,630**	

ECL Provisions movement as follows:

	31 Mar 2024 EGP	31 Dec 2023 EGP
Beginning balance	10,253,961	17,735,741
Formed during the period	175,522	2,948,648
No longer required	(27,838)	(10,430,428)
Ending balance	**10,401,645**	**10,253,961**

32- Property Plant and Equipment

	Lands	Buildings	Vehicles	Furniture and fixtures	Machinery & equipment	Computers and software	Leasehold Improvement	Total
Cost	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance on 1 January 2023	29,662,500	2,593,854	13,040,679	43,062,847	31,226,564	89,981,081	172,569,141	**382,136,666**
Additions for the period	–	–	3,033,801	1,991,029	1,480,444	6,487,277	13,625,383	**26,617,934**
Disposals during the period	–	–	–	–	(21,895)	–	(9,390)	**(31,285)**
Total cost on 31 March 2023	**29,662,500**	**2,593,854**	**16,074,480**	**45,053,876**	**32,685,113**	**96,468,358**	**186,185,134**	**408,723,315**
Balance on 1 January 2024	–	–	26,684,369	47,771,629	30,459,580	120,120,778	202,597,196	**427,633,552**
Additions for the period	–	–	3,240,824	1,234,505	1,159,291	4,590,574	1,353,490	**11,578,684**
Disposals during the period	–	–	(660,000)	–	(51,300)	(72,037)	–	**(783,337)**
Total cost on 31 March 2024	–	–	**29,265,193**	**49,006,134**	**31,567,571**	**124,639,315**	**203,950,686**	**438,428,899**
Accumulated Depreciation								
Accumulated depreciation on 1 January 2023	–	843,002	6,278,365	15,022,301	15,784,359	59,517,388	65,046,263	**162,491,678**
Depreciation for the period	–	32,423	746,672	1,032,980	1,542,445	4,550,482	5,941,769	**13,846,771**
Accumulated depreciation for disposals	–	–	–	–	(19,551)	–	(626)	**(20,177)**
Total accumulated depreciation on 31 March 2023	–	**875,425**	**7,025,037**	**16,055,281**	**17,307,253**	**64,067,870**	**70,987,406**	**176,318,272**
Accumulated depreciation on 1 January 2024	–	–	7,425,346	17,789,578	16,225,254	80,062,673	87,369,930	**208,872,781**
Depreciation for the period	–	–	1,377,057	1,117,121	1,356,870	6,131,441	6,004,272	**15,986,761**
Accumulated depreciation for disposals	–	–	(660,000)	–	(47,051)	(72,037)	–	**(779,088)**
Total accumulated depreciation on 31 March 2024	–	–	**8,142,403**	**18,906,699**	**17,535,073**	**86,122,077**	**93,374,202**	**224,080,454**
Net book value in:								
As of 31 March 2024	–	–	**21,122,790**	**30,099,435**	**14,032,498**	**38,517,238**	**110,576,484**	**214,348,445**
As of 31 December 2023	–	–	**19,259,023**	**29,982,051**	**14,234,326**	**40,058,105**	**115,227,266**	**218,760,771**
As of 31 March 2023	**29,662,500**	**1,718,429**	**9,049,443**	**28,998,595**	**15,377,860**	**32,400,488**	**115,197,728**	**232,405,043**

33) Right of use assets

	Buildings EGP
Cost	
Balance at 1 January 2023	**491,519,083**
Additions for the period	30,480,760
Foreign currency exchange differences	6,625,433
Disposals during the period	(51,502,193)
Balance at 31 March 2023	**477,123,083**
Balance at 1 January 2024	**480,037,001**
Additions for the period	37,411,472
Total cost on 31 March 2024	**517,448,473**
Accumulated Amortization	
Balance at 1 January 2023	**73,602,839**
Amortization for the period	13,959,195
Total Accumulated amortization on 31 March 2023	**87,562,034**
Balance at 1 January 2024	**130,884,534**
Amortization for the period	15,546,844
Total Accumulated amortization on 31 March 2024	**146,431,378**
Net book value as of	
As of 31 March, 2024	**371,017,095**
As of 31 December, 2023	**349,152,467**
As of 31 March, 2023	**389,561,050**

***Amendments on lease contracts**

A supplement to the lease contract for the property at 15 Qasr El Nil Street was executed on April 12, 2023. The supplement included the addition of the fifth and sixth floors, as well as the addition of apartment number 2 on the first floor and 5 rooms on the roof of the property. The lease term was also amended to begin on January 1, 2023 and end on December 31, 2038. The rent payments were also amended, which led to a remeasurement of the lease liability. The interest rate used was also adjusted to be in line with the current interest rate for external funding sources.

34) Goodwill

Company	Description
Sarwa for Securitization	*On Sep. 2006 Contact Credit company (Contact Auto Credit) previously acquired Contact Egyptian International for Trade and Investment in a manner that its share capital participation percentage reached 96.8 % (the latter owns %81 of the capital of Sarwa Securitization). *On Dec. 26, 2013, Contact Credit sold (transferred the ownership of) Egyptian International for Trade and Investment at 99.9% to Sarwa Capital for financial investments (parent company) *On May 20, 2020, Sarwa Securitization merged into Egyptian International for Trade and Investment.
Contact Credit	On Nov 10, 2013, the Company acquired 999 990 shares from minority shareholders with a total share capital participation percentage of 99.9%.
Contact Leasing	On March 31,2015 the Company acquired 1 999 990 shares representing 99.995% of the share capital participation percentage.
Contact Egyptian International Motor Credit	On March 23, 2022, the Company acquired 50 000 shares representing 50% of the share capital participation percentage.
Saar for technology solutions	The company was acquired by 100%

35) Intangible assets

The intangible assets consist of:

-Contact Cars website and Contact Creditech for Consumer Finance application with a total value of 41,008,270 EGP as of 31 March 2024 and 39,058,402 EGP as of 31 December 2023 according to the contract between the group and Sarmady Communications Company, which stipulates the acquisition of the Contact Cars website by Contact Credit, and they have not been amortized as their useful life have not been determined yet.
In accordance with the contract between the Group and Sarmadi Telecommunications Company, which stipulates the acquisition of Contact credit on the Contact Cars website.

-Intangible assets with finite useful life related to the electronic system of sarwa insurance and sarwa life company with a total value of 648,605 EGP and accumulated amortization of 121,507 EGP as of 31 March 2024 and 89,076 EGP as of 31 December 2023 and the amortization of the current period 32,431 EGP and 6,054 EGP as of 31 March 2023.

36) Assets held for sale.

	31 Mar 2024 EGP	31 Dec 2023 EGP
Total loss vehicles*	11,465,298	16,793,298
Foreclosed assets reverted to the company**	8,823,985	8,823,985
	20,289,283	**25,617,283**

*Total loss vehicles represented in the wreckage of vehicles insured by Sarwa Insurance Company and destroyed, and their ownership transferred to the company and retained in the short term until it will be sold publicly.

**Buildings owned by Contact Leasing Company from leased assets in fulfillment of customer debts. The company was contracted for expertise and valuation to sell the building. An auction was held on June 14, 2021, and the sale was not made due to the economic conditions.

37) Loans and credit facilities

	31 Mar 2024 EGP		31 Dec 2023 EGP	
	Within a year	**More than a year**	**Within a year**	**More than a Year**
Medium term loans	1,789,861,232	2,166,982,493	1,907,905,240	2,103,484,297
Egyptian Mortgage Refinancing Company	23,148,798	819,213,536	21,978,445	825,427,670
Joint loan	734,998,082	2,157,836,704	682,173,188	1,457,173,402
	2,548,008,112	**5,144,032,733**	**2,612,056,873**	**4,386,085,369**
	7,692,040,845		**6,998,142,242**	

38) Trade payables and Other Credit Balances

	31 Mar 2024 EGP		31 Dec 2023 EGP	
	Within a year	**More than a year**	**Within a year**	**More than a Year**
Suppliers	32,209,012	-	34,917,272	-
Customers – advance payments	28,856,074	-	44,585,847	-
Tax authority - current account	55,004,587	-	64,181,715	-
Custodian*	52,199,216	-	62,880,260	-
Accrued interest	74,807,368	-	61,256,413	-
Accrued expenses	233,153,352	-	151,189,075	-
Deposits from others	277,824	2,235,738	277,824	2,235,738
Default reserve - discounting portfolios	104,137,091	93,485,798	110,381,554	120,941,976
Dividends payable	3,870,000	-	6,181,581	-
Health insurance contribution	21,255,104	-	17,646,918	-
Other credit balances	11,102	-	4,916	-
Deferred revenues	10,573,854	11,273,049	10,666,443	9,122,024
	616,354,584	**106,994,585**	**564,169,818**	**132,299,738**
	723,349,169		**696,469,556**	

* According to the custody agreement concluded between the group and the custodian it was agreed that the group will collect the installments related to customers' contracts which are transferred to Sarwa Securitization company on its behalf. They shall be subsequently transferred to the custodian; the balance represents the amounts collected till the financial position date that were transferred to the custodian in the subsequent period.

39) Insurance and reinsurance companies

	31 Mar 2024 EGP	31 Dec 2023 EGP
Local companies	5,243,299	4,081,892
Foreign companies	286,487,437	148,577,018
Reserves retained for re-insurance companies	244,075,538	242,754,800
	535,806,274	**395,413,710**

40) Lease liabilities

	31 Mar 2024 EGP	31 Dec 2023 EGP
Beginning balance	431,097,154	462,547,338
Additions during the period / year	37,411,472	54,303,044
Foreign currencies revaluation differences	-	6,625,433
Interest expense	15,572,818	54,344,824
Payments during the period / year	(22,889,520)	(74,312,926)
Disposals during the period / year	-	(56,443,446)
Amendments to lease contracts	-	(15,967,113)
Ending balance	**461,191,924**	**431,097,154**

41) Paid in Capital

- Authorized capital amounts to EGP 600 million with par value 10 EGP per share.

- Paid in and issuance capital amounts to EGP 69 601 510 distributed over 6 960 151 shares with a par value of EGP 10 per share. All shares are ordinary shares, and all issuance shares are paid in full.

- On 14 April 2016 the capital was increased by 1 750 161 shares with a total par value of EGP 17 501 610 and was recorded in the commercial register.

- On 5 April 2017 the capital was increased by 968 378 shares with a total par value of EGP 9 683 780 and was recorded in the commercial register.

- On 14 May 2018 the extraordinary general assembly approved increasing the authorized capital by EGP 400 million to EGP 1 billion and the paid in capital by EGP 3 213 100 to EGP 100 million hanging the par value from EGP 10 per share to EGP 0.16 per share making the total number of shares 625 million instead of 10 million. This was recorded in the commercial register.

- The company's extraordinary general assembly dated 14 August 2018 approved the initial public offering of the company on the Egyptian Stock Exchange through a private and public placement. The offering was executed on 11 October 2018 with a total of 295 170 731 shares owned by some of the company's shareholders by 47.2% with total proceeds of EGP 2 172 456 581 EGP 700 million of which are to be reinvested in the company in a capital increase at the same price of the offering.

- On 17 October 2018 the Board of Directors with an authorization from the extraordinary general assembly dated on 14 August 2018 approved the increase of the issued and paid –in capital on 5 November 2018 by 95 108 696 shares at EGP 7.36 per share which represent EGP 0.16 nominal value per share and EGP 7.2 increase in premium reserve per share for a total amount of EGP 700 000 003 which is represented in.

- On November 5, 2018, the company's issued and paid-up capital was increased by 95 108 696 shares with a value of EGP 7.36, representing EGP 0.16 nominal value per share and EGP 7.2 issue premium per share. The proceeds of this increase were EGP 700 000 003, representing EGP 15 217 391 for the increase in the company's issued capital and EGP 684 782 612 for the total issue premium of the shares.

- On May 9, 2019, the issuance and paid-in capital have increased by a decision of the Company's Board of Directors held on March 3, 2019. The increase of the Company's capital through the issuance of 28 million shares at nominal value of EGP 0.16 amounted to EGP 4 480 000 the total value of the increase is fully funded from the balance of retained earnings. The 28 million shares issuance for the bonus and incentive system approved by the Egyptian financial regulatory Authority (FRA) on 26 February 2019. The issuance and paid-in capital amounted to EGP 119 697 391.

- On October 3, 2019, the issuance and paid-in capital have increased by a decision of the Company's Board of Directors held on May 13, 2019, and authorized by companies' extraordinary general assembly dated September 8, 2019, through distribution of free shares to shareholders according to their investment percentage by 3 shares for every 5 shares to be financed from retained earning balance with nominal value 0.16 Egyptian pound. The issuance and paid-in capital amounted to 191 515 840 EGP distributed by 1 196 974 000 shares.

- On February 15, 2021, the authorized capital was adjusted to be 950 million EGP rather than 1 billion EGP and was recorded in the commercial register on March 28, 2021.

- The following schedule represents the ownership structure at the financial position date:

Company Name	No. of Shares	Amount EGP	Percentage
Consolidated Financial Holding	709,054,214	113,448,674	59.24%
Orascom Financial Holding	350,088,786	56,014,206	29.25%
Other shareholders	92,542,124	14,806,740	7.73%
ESOP-designated	38,876,284	6,220,205	3.25%
ESOP-undesignated	6,412,592	1,026,015	0.53%
	1,196,974,000	**191,515,840**	**100%**

Contact Financial Holding (S.A.E)
Notes to the Consolidated Financial Statements for the period ended 31 March 2024
All amounts are in EGP unless otherwise stated.

42) Reserves

		31 Mar 2024 EGP	31 Dec 2023 EGP
42-1	Legal reserve	95,757,920	95,757,920
42-2	Fair value reserve	(199,518,682)	102,102,243
42-3	Share premium reserve	837,723,526	834,338,770
		733,962,764	**1,032,198,933**

42-1 Legal Reserve

Legal reserve balance on 31 March 2024 amounted to EGP 95,757,920 compared to EGP 95,757,920 as of 31 December 2023. According to the companies' law and the articles of association, 5% of the net profit of the company is allocated to the legal reserve and the allocation of this reserve was stopped for the company as it has reached 50% of the issued capital.

42-2 Fair value reserve

31 Mar 2024
EGP

	Fair Value reserve	Expected Credit Loss	Non-controlling Interest	Total
Opening balance	**65,380,118**	**36,905,374**	**(183,249)**	**102,102,243**
- Change in Loans and receivables Fair value through other comprehensive income (FVOCI)	(457,658,523)	-	-	**(457,658,523)**
- Change in income tax relating to items that are subsequently reclassified to profit and loss	103,096,083	-	-	**103,096,083**
- Change in Expected credit loss (ECL) provision for fair value through other comprehensive income (FVOCI) Loans and receivables	-	43,984,311	-	**43,984,311**
Total other comprehensive income of the period	**(354,562,440)**	**43,984,311**	**-**	**(310,578,129)**
- Change in Non-controlling Interest	-	-	8,957,204	**8,957,204**
	(289,182,322)	**80,889,685**	**8,773,955**	**(199,518,682)**

42-2 Fair value reserve (cont.)

	31 Dec 2023 EGP			
	Fair Value reserve	**Expected Credit Loss**	**Non-controlling Interest**	**Total**
- **Opening balance**	**118 499 122**	**62 807 803**	**61 759**	**181 368 684**
- Change in Loans and receivables Fair value through other comprehensive income (FVOCI)	(68 657 744)	-	-	**(68 657 744)**
- Change in income tax relating to items that are subsequently reclassified to profit and loss	15 538 740	-	-	**15 538 740**
- Change in Expected credit loss (ECL) provision for fair value through other comprehensive income (FVOCI) Loans and receivables comprehensive income	-	(25 902 429)	-	**(25 902 429)**
Total other comprehensive income of the period	**(53 119 004)**	**(25 902 429)**	**-**	**(79 021 433)**
- Change in Non-controlling Interest	-	-	(245 008)	**(245 008)**
	65 380 118	**36 905 374**	**(183 249)**	**102 102 243**

42-3 Share premium reserve

The company's capital was increased on April 14, 2016, April 5, 2017 November 5, 2018 and October 3, 2019 which resulted in share premium reserve as follows:

	Description	
Share premium reserve as of December 31 2015	-	
Share premium amount	28,780,324	EGP
Share premium reserve as of December 31 2016	**28,780,324**	**EGP**
Share premium amount	35,486,386	EGP
Share premium reserve as of December 31 2017	**64,266,710**	**EGP**
Share premium amount	684,782,612	EGP
Share premium reserve as of December 31 2018	**749,049,322**	**EGP**
Share premium amount	1,359,820	EGP
Share premium reserve as of December 31 2019	**750,409,142**	**EGP**
Share premium ESOP	16,181,380	EGP
Share premium reserve as of December 31 2020	**766,590,522**	**EGP**
Share premium ESOP	23,889,093	EGP
Share premium reserve as of December 31 2021	**790,479,615**	**EGP**
Share premium ESOP	29,756,037	EGP
Share premium reserve as of December 31 2022	**820,235,652**	**EGP**
Share premium ESOP	14,103,118	EGP
Share premium reserve as of December 31 2023	**834,338,770**	**EGP**
Share premium ESOP	3,384,756	**EGP**
Share premium reserve as of March 31 2024	**837,723,526**	**EGP**

According to law No.159 for year 1981 and its executive regulations the amount of share premium is to be added to the legal reserve of the company up to reaching 50% of the issuance capital. Any excess is recognized as a special reserve and cannot be distributed as dividends.

43) Retained Earnings

- The retained earnings include legal reserves and general reserves of subsidiaries which were classified as retained earnings for the purpose of the preparation of the consolidated financial statements, however they should not be distributed. And their amount reached EGP 277,037,531 as of March 31, 2024, and EGP 235,999,342 as of December 31, 2023.

- In addition, the retained earnings include the value of the retained earnings for Sawra Securitization company with an amount of EGP 56,235,422 as at March 31, 2024 and EGP 51,068,921 as at December 31, 2023
  the prospectus of the various securitization issuances stipulated that Sawra Securitization company is not allowed to distribute any dividends unless after all the liabilities of the bondholders are completely paid through the custodian bank without prejudice to its rights in distributing dividends resulting from surplus in other securitization portfolios.

44) Non-controlling Interest

represent non -controlling interest share in subsidiaries equity as follows:

		Non-controlling Interest			
Company	**Percentage %**	**31 Dec 2023 EGP**	**Without (Profit) loss for the period**	**(Profit) loss for the period**	**31 Mar 2024 EGP**
Contact Credit	0.00024	3,467	2,705	-	2,705
Capital Real Estate	0.30	3,022	3,022	-	3,022
SMG Auto credit	50	19,659,083	17,687,910	(567,187)	17,120,724
Modern Finance	50	2,089,788	1,973,629	57,877	2,031,506
Wadi Degla Financial	50	3,937,761	3,899,363	19,199	3,918,562
Get Go Credit Service	0.001	(673)	(593)	(40)	(633)
Contact Insurance Brokerage	20	5,616,896	3,569,461	(1,476,282)	2,093,179
Contact Mortgage Finance	0.0002	412	442	(15)	427
Sarwa Asset Management	0.04	2,207	2,219	(6)	2,213
Sarwa Promotion and Underwriting	0.004	998	1,007	(27)	980
Sawa Payment Systems	49	(1,399,516)	(1,432,928)	16,706	(1,416,222)
Sarwa Securitization	1	770,756	826,562	(26,743)	799,818
Contact Leasing	0.0002	662	740	(50)	690
Contact Factoring	0.004	3,228	3,396	(189)	3,207
Sarwa Life Insurance	24.91	35,998,062	37,789,083	(3,684,154)	34,104,928
Sarwa Insurance	15.02	27,612,165	34,603,376	(3,475,119)	31,128,257
Sarwa sukuk	0.02	4,715	5,233	(259)	4,974
Abo Ghaly Finance	50	11,773,541	10,019,482	(2,118,050)	7,901,432
Contact Payment Service	0.04	12,583	14,085	(751)	13,334
Contact Creditech	0.02	(67,213)	66,429	1,004	67,434
		106,156,367	**109,034,624**	**(11,254,088)**	**97,780,536**

45) Letter of guarantee

	31 Mar 2024 EGP	**31 Dec 2023 EGP**
Letter of Guarantee - Suppliers	59,000,000	59,000,000
	59,000,000	**59,000,000**

46) Guarantees and Securities

- Contact Auto Credit provided joint guarantees for each of the associated and subsidiary companies operating under the credit sale system and the credit limit is granted in the name of Contact Auto Credit provided that the purpose of such credit limit and the use thereof shall be directed towards financing the activity of the group and/or financing the activity of any of the associated companies. Borrowing shall be carried out in the name of each company that uses the credit facility separately and within the limit of the total credit facility granted to Contact Auto Credit.

- Each company remains committed to pay the liabilities and assume any losses and risks resulting from nonpayment. The balance of credit facilities and loans granted to the companies in consideration of the joint guarantee amounted to EGP 1,643,501,687 as of March 31, 2024 compared to EGP 1,610,860,546 as of December 31, 2023.

Loans and credit facilities balances for the group companies as follows:

	31 Mar 2024 EGP	31 Dec 2023 EGP
Subsidiaries	7,692,040,845	6,998,142,242
Associate companies	671,063,211	357,759,201
	8,363,104,056	**7,355,901,443**

47) Acquiring of Wasala Browser – Cayman Island (L.L.C)

- On February 3, 2022, Contact Financial Holding Company acquired 29% of Wasla Browser Company (Cayman Island) and its subsidiaries, which operate in websites and electronic applications management. This acquisition contract includes the following:

1- An amount of (USD 2,927,000) will be paid on the date of concluding the contract, representing the first tranche of the subscription.

2- The second payment amounting to (USD 3,000,000) is paid on October 27, 2022, which increased to company share in Bravo to be 43%.

3- The third payment amounting to (USD 3,000,000) shall fall due on July 31, 2025, or on the date wherein the cash, after the second payment, at Bravo falls below USD 600,000, whichever is earlier, and it was paid in January 2024.

The share capital participation percentages, the formation of the board of directors, the methods and timing of payment are based on the detailed clauses of the shareholders' agreement pertaining to the acquisition.

48) Tax Position (Holding company)

First: Corporation income tax

- Tax returns of Contact financial holding (Sarwa Capital Holding for Financial Investments (S.A.E) previously) were submitted for the years since the inception of the business activity till 2022 on the due dates according to law No. 91 for year 2005.
- Years 2010-2014: are currently being inspected by the Tax the Inspectorate.
- Years 2015-2016: the company was accounted by estimation, and was appealed on at the legal dates, and waiting for the reinspection session for these years.

Second: Salary tax

- The Company regularly settles the tax pay on the legal due dates and preparation of the data required for inspection is in process.

Third: Stamp tax

- The inspection was completed until 2016 and the due tax differences were paid.
- Currently preparing the inspection for the years 2017/2018.

49) Off balance-sheet portfolio management fee

49-1 Sukuk Issuance

Sarwa Sukuk Company issued two Mudarbah Sukuk transactions compliant with Islamic sharia which are tradable but not convertible to shares and will be callable starting from the 25th month after the date of sukuk issuance. Sukuk are issued in two Mudarbah Sukuk transactions with a total value of EGP 2.5 billion per transaction distributed over 25 million Suk at a par value of EGP 100 each and with total value of EGP 2 billion for the 4th issuance distributed over 20 million Suk at a par value of EGP 100 each in to finance the beneficiary company (Contact Credit S.A.E.) ("The beneficiary company"/Mudareb) to finance Auto receivables portfolios which will be originated by Contact Credit company and its subsidiaries and associate’s companies.

First Issuance

Contact Financial (Beneficiary Company /Mudareb) transferred the ownership of 44 portfolios of the first transaction in order to finance the purchase of vehicles owned by its customers and customers of its subsidiaries and associates whose current value amounted to EGP 3,333,752,599 with a total financing value of EGP 2,920,259,931 till 31 March 2024.

Second Issuance

Contact Financial (Beneficiary Company /Mudareb) transferred the ownership of 56 portfolios of the second transaction in order to finance the purchase of vehicles owned by its customers and/or customers of its subsidiaries and associates, whose current value amounted to EGP 3,794,049,263 with a total financing value of EGP 3,278,948,132 till 31 March 2024.

Fourth Issuance

Contact Financial (Beneficiary Company /Mudareb) transferred the ownership of 54 portfolios of the forth transaction in order to finance the purchase of vehicles owned by its customers and/or customers of its subsidiaries and associates, whose current value amounted to EGP 2,831,737,421 with a total financing value of EGP 2,478,446,858 till 31 March 2024.

Default Reserve Account

A default reserve account will be kept at 3.6% for the first and second issuances where the fourth issuance is at 5.5% from the total present value of each portfolio at the time of transfer and it will be held in a separate account with the security agent, on the same date of the portfolio settlement with the beneficiary company. It will be used to cover any delinquencies and/or defaults of the clients over the tenor of each portfolio. At any point of time, the default reserve account must not fall below 3.6% where the fourth issuance is at 5.5% of the present value of outstanding portfolios balance until the full sukuk redemption, and this is a commitment on the project manager.

Sukuk Management Fees

Portfolios that were transferred to sukuk and were derecognized from the books because of the risks and rewards of this portfolio were transferred substantially to sukuk holders. The group still manages these portfolio as per the service and collection agreement in return of 0.2% annually of the present value of outstanding portfolios balance portfolio’s project at the beginning of each month and it will be accrued at the end of each month.

Outstanding Sukuk Balance

Issuance Number	Total value of Sukuk	Utilized until 31 Mar 2024	Remaining Balance
First issuance*	2,500,000,000	632 373 972	-
Second issuance*	2,500,000,000	1 283 148 405	-
Fourth issuance	2,000,000,000	1 862 931 471	137,068,529
Total	**7,000,000,000**	**3 778 453 848**	**137,068,529**

*For the First and the second issuance the financing period of the beneficiary company have ended, as 24 months have passed from the day following the closing of the underwriting period, according to the memorandum of information.

49-2 Securitization Issuances

Securitized portfolios were derecognized from the books because of the risks and benefits of these portfolios were substantially transferred to bond holders.

Thirty-Second Securitization Portfolio

This portfolio is represented in the financial rights transferred by each of Contact Credit Company (formerly Known as Contact Auto Credit), Bavarian Contact Car Trading Company (S.A.E.), Star Company (L.L.C), Contact Egyptian International Motor Credit L.L.C), Ezz Al Arab/Contact Financial (L.L.C) and Modern Finance (L.L.C) to Sarwa for Securitization (S.A.E.) by assignment agreement dated on November 14, 2019 with a total securitized receivables value of EGP 1,640,566,167.

Thirty-Third Securitization Portfolio

This portfolio is represented in the financial rights transferred by each of Contact Credit Company (formerly Known as Contact Auto Credit), Bavarian Contact Car Trading Company (S.A.E.), Star Company (L.L.C), Contact Egyptian International Motor Credit L.L.C), Ezz Al Arab/Contact Financial (L.L.C) and Modern Finance (L.L.C) to Sarwa for Securitization (S.A.E.) by assignment agreement dated on March 8, 2020 with a total securitized receivables value of EGP 1,690,589,272.

Thirty-Fourth Securitization Portfolio

This portfolio is represented in the financial rights transferred by each of Contact Credit Company (formerly Known as Contact Auto Credit), Contact Egyptian International Motor Credit Company L.L.C), Ezz Al Arab/Contact Financial (L.L.C), SMG - Engineering Automotive Co. (L.L.C) to Sarwa for Securitization Company (S.A.E.) by assignment agreement dated on December 3, 2020 with a total securitized receivables value of EGP 1,514,111,728.

Thirty-ninth Securitization Portfolio

This portfolio is represented in the financial rights transferred by each of Contact Credit Company (formerly Known as Contact Auto Credit) and contact creditech to Sarwa for Securitization Company (S.A.E.) by assignment agreement dated on October 31, 2022, with a total securitized receivables value of EGP 960,555,968

Fortieth Securitization Portfolio

The portfolio consists of the financial rights transferred from Contact Credit and Contact Credit Tech (S.A.E.) to Sarwa Securitization (S.A.E.) under the Assignment Agreement dated March 20, 2023, with a total value of EGP 1,765,055,583.

Forty-First Securitization Portfolio

The portfolio consists of the financial rights transferred from Contact Credit, Contact Credit Tech (S.A.E.), Ezz Alarab Contact Financial (S.C.C.), SMG Financing Services (S.C.C.),and Abou Ghaly Financing Services (S.C.C.) to Sarwa Securitization (S.A.E.) under the Assignment Agreement dated June 18, 2023, with a total value of EGP 1,761,648,185

Forty-second Securitization Portfolio

The portfolio consists of the financial rights transferred from Contact Credit, Contact Credit Tech (S.A.E.), Ezz Alarab Contact Financial (S.C.C.), SMG Financing Services (S.C.C.),and Abou Ghaly Financing Services (S.C.C.) to Sarwa Securitization (S.A.E.) under the Assignment Agreement dated September 21, 2023, with a total value of EGP 1,413,171,529

Forty-third Securitization Portfolio

The portfolio consists of the financial rights transferred from Contact Credit, Contact Creditech (S.A.E.), Ezz Alarab Contact Financial (S.C.C.), SMG Financing Services (S.C.C.),and Abou Ghaly Financing Services (S.C.C.) to Sarwa Securitization (S.A.E.) under the Assignment Agreement dated December 17, 2023, with a total value of EGP 1,341,174,178.

Securitization Portfolios Balance

Issuance Number	Balance at March 31,2024
The 32nd issuance	22 171 587
The 33rd issuance	54 412 681
The 34th issuance	149 189 737
The 39th issuance	550 717 095
The 40th issuance	1 073 793 254
The 41st issuance	1 338 648 944
The 42nd issuance	1 195 518 362
The 43rd issuance	1 222 675 679
Total	**5 607 127 339**

Outstanding securitization bonds balance

Issuance Number	Balance at March 31 2024
The 32nd issuance	43 260 453
The 33rd issuance	60 082 738
The 34th issuance	168 116 238
The 39th issuance	614 888 663
The 40th issuance	1 152 776 219
The 41st issuance	1 407 941 529
The 42nd issuance	1 245 304 918
The 43rd issuance	1 281 906 284
Total	**5 974 277 042**

Management Fees

Sarwa Securitization and Contact Credit are entitled to administrative fees of 2.50% per annum of the portfolio balance (excluding interest) based on its outstanding balance on the first day of the month in question. These fees will be deducted and paid monthly, starting from the first month of the issuance's life. For the 40th issuance, the fees will be deducted and paid from the surplus due to the assignees at the end of the issuance's life after paying the bondholders' claims. For the 41st issuance, 42nd and 43rd issuance, the fees will be deducted and paid annually with each renewal of the credit rating, starting from the first year.

49-3 Discounting facility

- Contact Credit Company, its subsidiaries and affiliates granted without recourse discounting facility with the Arab African Bank in December 2016 along with its annexes in order to discount auto credit accounts receivables arising from vehicle Finance Contracts, where the bank has laid down a discounting limit of a revolving nature with an amount of EGP 4 billion.
- Contact Credit Company, its subsidiaries and affiliates discounted 363 portfolios to finance the vehicle finance contracts owned by its customers, customers subsidiaries and associates till March 31, 2024, the total present value of the transferred portfolios amounted to EGP 3,552,657,556 with a total transferred portfolios principal of EGP 3,072,529,133 during the period ended 31 March 2024.

Outstanding Discounted Portfolio Balance

The total current value of the balance of the discounted portfolios amounted to EGP 3,552,657,556 as of March 31, 2024.

Reserve Account

A reserve account is formed at the Arab African Bank in the name of Contact Credit Company to encounter any deficit or delay in the customer repayment. The reserve account is financed by deducting 5% of the discounting outcome and this percentage is maintained, however if this percentage exceeded 5%, the excess amounts of the reserve account shall be refunded by Contact Credit Company and the reserve account balance amounted to EGP 171,653,888 on 31 March 2024.

Balance used from Discounted Contract

Contract value	Total utilized till Mar 31, 2024	Balance
4,000,000,000	3,552,657,556	447,342,444

50) Objectives and Policies of Financial Risks Management

This disclosure presents information about to the extent to which the group is subject to the following risks resulting from using the financial instruments the group's goals policies and operations regarding the measurement and management of such risks and the group's capital management as well.

The group's board of directors is responsible for setting the framework for the risk management process and its monitoring. The group's top management is the responsible for setting and monitoring the risk management policies.

The internal audit committee monitor the compliance of the group's top management with policies and procedures adopted for the financial risk management process and the adequacy of the current policies and procedures to the expected financial risks.

50-1 Credit Risk

Credit risks are the financial losses incurred by the Company if customer or the counterparty do not fulfill a or his/its obligations under of the terms and conditions of the financial instruments contract.

The group mainly faces credit risks from clients' receivables notes receivable sundry debtors other debit balances dues from related parties as well as its financing activities including deposits at banks and financial institutions.

Receivables Balances

- The credit risk is managed through the group's policies procedures and control structure related to risk management. As the credit worthiness is being measured for each client separately through conducting field survey to assure good reputation and credit worthiness of client and his ability to repay all his financial liabilities. The credit limit is determined according to this evaluation.

- The client's outstanding accounts are monitored on continuous basis. Impairment study is conducted at the financial position date.

- As for the financial assets that are considered to be credit-impaired the ECL provision covers the amount of loss expected to be incurred by the group. The evaluation of ECLs is carried out on a case-by-case basis for non-homogeneous portfolios or through applying portfolio-based standards in respect of individual financial assets in these portfolios via the group's ECL Model for homogeneous portfolios.

- Future economic forecasts are to be considered while calculating ECLs. The lifetime expected losses are estimated based on the probability-weighted present value in respect of the difference between the contractual cash flows that are due to the group under the contract; and the cash flows that the group expects to receive.

Amount arising from expected credit loss (ECL)
Inputs Assumptions and Techniques used for estimating.
Significant increase in credit risks

When determining whether the risk of default in payment pertaining to a financial instrument increased significantly since initial recognition the group considers reasonable and supportable information that is relevant available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the group's historical experience and experts credit assessment submitted as a kind of forward-looking information.
The objective of the assessment is to identify whether a significant increase in credit risk occurred due to an exposure to credit risk or not.

Credit Risk Grades

The group allocates a grade for each exposure to a credit risk based on a variety of data that is determined to be predictive of the risk of default in payment applying experienced credit judgements and sound recovery process. In some cases, the group allocates a grade exposure to credit risk using the flow rate methodology. These factors vary depending on the nature of the exposure.
Risk grades are defined and calibrated in a manner that the risk of default increases exponentially as the credit risk deteriorates so for example the difference in risk of default between credit risk for buckets 1 and 2 is smaller than the difference between credit risk for buckets 2 and 3.

The table below shows the group's grades and their risk definitions: -

Rating Grades	Bucket	Stage
1	Current	Stage 1
2	1-30	Stage 1
3	31-89	Stage 2
4	> 90	Stage 3

<u>Structure of probability of default (PD) Model</u>

By applying the flow rate methodology, default in payment of dues is deemed as fundamental input for determining the structure of PD for each bucket. The group collects performance and default information about its credit risk exposures customers based on the historical analysis for each kind of asset and line of business.

The group employs statistical models to analyze the data collected by the group and generate estimates to determine he remaining lifetime PD on exposures and how that outcome is ta expected to change by the passage of time.

These analyses include identifying and comparing the relationships between changes in default rates and changes related to key macro-economic factors as well as in-depth analysis of the impact of certain other factors (e.g., forbearance experience) pertaining to the risk of default and most exposures are related to the main factors of macroeconomics.

The management team should annually identify the macroeconomic variables that may impact the group's financial assets.

The Management Team of the group will assess the base case, best case and worst-case forecasts of the selected macroeconomic indicators and how likely they are expected to improve based on trends in the indicators and macro-economic commentaries.

In determining the ECL for other assets the group applies the loss ratio model to estimate ECLs.

Determining whether credit risk has increased significantly or not.

The criteria for determining whether credit risk has increased significantly vary according to the kind of financial assets portfolio and the quantitative and qualitative factors including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition as follows:

The group considers that a significant increase in credit risk occurs when the default in payment is more than 30 days past due. Days past due are determined by counting the number of days since the earliest elapsed due date in respect of which full payment has not been received.

The group monitors the effectiveness of the criteria used to identify significant increases in credit risk by performing regular reviews to confirm that:

- The criteria are capable of identifying significant increases in credit risks before classifying the financial instrument as being in default.
- The criteria do not align with the point in time when the defaulting asset becomes 30 days past due; and
- There is no unwarranted volatility in provision for loss due to the transfer of the financial instrument from 12-months PD (stage 1) to lifetime PD (stage 2).

The contractual terms of a loan may be amended for a number of reasons including changing market conditions customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms were modified may be derecognized and the renegotiated loan shall be recognized as a new loan at fair value in accordance with the accounting policy.

When the terms of a financial asset are modified, and the modification does not result in derecognition the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- Its remaining lifetime PD at the reporting date based on the modified terms; with
- The remaining lifetime PD which is estimated based on data at initial recognition and the original contractual terms.

The group renegotiates the issuance of loans granted to customers who encounter financial difficulties (referred to as 'forbearance activities) to maximize collection opportunities and minimize the risk of default. Under The group's forbearance policy loan forbearance is granted on a selective basis if the debtor is currently in default of its debt or if there is a high risk of default there is evidence that the debtor exerted all reasonable efforts to pay under the original contractual terms and the debtor is expected to be able to meet the amended terms.

The amended terms usually include extending the maturity date changing the timing of interest payments and amending the terms of loan covenants. Both retail and corporate loans are subject to the forbearance policy.

As for financial assets modified as part of the group's forbearance policy the estimate of PD reflects whether the modification has improved or restored the group's ability to collect interest and principal and the group's previous experience of similar forbearance action. As part of this process the group evaluates the borrower's payment performance against the modified contractual terms and considers various behavioral indicators.

Definition of default

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

- The borrower is past due for a year of equal / more than 90 days regarding any obligation towards the group
- Relying on data developed internally and obtained from external sources.

Inputs of assessment regarding whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

The group's definition of default is in line with the definition applied by the group for the statutory (regulatory) capital purposes.

Measurement of ECL

The key inputs into the measurement of ECL are the terms structure of the following variables:

- Probability of default (PD).
- Loss given default (LGD).
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical model's external data and other historical data. They are adjusted to reflect forward looking information as described above.Probability of Default is a measure of the likelihood that an obligor will default on a contractual obligation. PD estimates are calculated based on statistical models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors.

Generally, the group uses two approaches in estimating PDs: Internally generated PDs (where internal data is available) and External PDs (where internal data is unavailable). For the purposes of PD estimation for financial assets it was adopted as the basis for each category of similar characteristics.

As a result, every category with similar line of business would have the same PD.

In case of External PDs market data are used to derive the PDs for counterparties. (if the data are not available)

If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD.

Loss Given Default is the measure of the percentage of the outstanding balance that the group may lose in the event of a default. The group estimates LGD based on the history of recovery rates of claims against defaulting counterparties.

Exposure at default is an estimate of the outstanding remaining loan balance at the time of default. Multi-year EADs are a collection of EAD values referring to different time years over the lifetime of a financial asset.

The group estimates the multi-year EAD for on-balance sheet exposures based on the contractual repayment cash flows and expectation of future prepayment.

For off-balance sheet exposures the EAD includes the amount drawn as well as potential future amounts that may be drawn under the contract. In this case the group will estimate the credit exposure equivalent (CEE) of all off-balance sheet exposures. This is performed using the credit conversion factor (CCF). CCF is the rate at which off-balance sheet commitments crystalize and become on-balance sheet exposures.

Where modelling of a parameter is carried out on a collective basis the financial instruments are ranked based on shared risk characteristics that include:

• Instrument type.
• Buckets gradings (categorizing portfolios in groups or classes);
• Collateral type.
• Default in payment
• Date of initial recognition.
• Remaining term to maturity.
• Line of business

As for portfolios in respect of which the group has limited historical data such as investment securities - debts Money market balances kept at other banks selected external rating agencies are used to -complete the internally available data.

Incorporation of Forward-Looking Information (FLI)

The group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the management team and consideration of a variety of external actual and forecasted information the group formulates a forecast of the future trend of relevant economic variables as well as a range of other possible forecast scenarios. This process involves developing one or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts made available by external sources.

The base case represents a most-likely outcome and is aligned with information used by the group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more prudent outcomes. Where there are no significant correlations between the macroeconomic variable and default the group performs - this analysis according to expert judgement. In cases where the group uses expert judgment due to the imposed restrictions it shall keep exploring other options to arrive at a statistical basis for incorporating FLI into its ECL computation.

Furthermore, the group annually carries out stress testing in respect of the economic changes in a more prudent manner to measure the repercussions of ECL.

The group identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments using an analysis of historical data and estimated relationships between macro-economic variables credit risk and credit losses. The economic scenarios used as of 31 March 2024 and 31 December 2023 are as follows:

	31 March 2024	31 December 2023
Interest rate on lending (٪)	19.3 basis points (1 standard deviation)	19.3 basis points (1 standard deviation)
Domestic foreign direct investment flows (% of fixed investment)	30 basis points (1 standard deviation)	30 basis points (1 standard deviation)
Exchange rate of local currency to US dollar (average)	30.67 basis points (1 standard deviation)	30.67 basis points (1 standard deviation)
Real GDP (% change year-on-year)	-6.1 basis points (0.5 standard deviation)	-6.1 basis points (0.5 standard deviation)
Real effective exchange rate (REER)	85.9 basis points (0.5 standard deviation)	85.9 basis points (0.5 standard deviation)
Private consumption (% of GDP)	83 basis points (1 standard deviation)	83 basis points (1 standard deviation)
Real GDP (GDP at constant prices)	4616.99 basis points (1 standard deviation)	4616.99 basis points (1 standard deviation)
Lending interest rate (%)	18 basis points (1 standard deviation)	18 basis points (1 standard deviation)
Nominal GDP (US$)	331.10 basis points (1 standard deviation)	331.10 basis points (1 standard deviation)
Import volume of goods and services (% change pa)	-16.3 basis points (1 standard deviation)	-16.3 basis points (1 standard deviation)
Private consumption (real % change pa)	0.20 basis points (1 standard deviation)	0.20 basis points (1 standard deviation)
Domestic credit provided by banking sector (% of GDP)	101.3 basis points (0.5 standard deviation)	101.3 basis points (0.5 standard deviation)

Predicted relationships between the key indicators default and loss rates on various portfolios of financial assets were developed based on analyzing historical data over the past 5 years if available.

50-2 Liquidity Risk

- The liquidity risk is represented in the factors that could affect the ability of the group to repay all or part of its liabilities.

- The management of the group observes the cash flows and the financing and liquidity requirements of the group. The aim of the group is summarized in striking a balance between the continuity of finance and flexibility through borrowings from banks. The group manages liquidity risk by maintaining adequate reserves and obtaining facilities pertaining to loans; the matter which is performed through monitoring expected and actual cash flows and matching the maturities of financial assets and liabilities.
  The group has enough cash to pay for the expected operating expenses which include financial liabilities.

50-3 Market risk

- Market risk arises from the instability of the fair value of future cash flows in respect of the financial instrument as a result of the changes in market prices. Examples for foreign currency risk and interest rate risk these risks may affect the income of the group. The financial instruments that are affected by market risk include interest bearing loans and deposits. The purpose of managing market risk is to manage and control risks within acceptable limits and at the same time achieve rewarding returns. The group does not keep or issuance derivative financial instruments.

50-3-1 Interest rate risk

- Interest rate risk arises due to the fluctuations in the fair value of the future cash flows of the financial instruments as a result of the changes in the market interest rates. The management of the group reduces the interest rate risk through matching the similarity between the nature of interest rates applied by the group to its clients (fixed/variable interest rate) and the nature of interest rates of the liabilities (borrowings) of the group towards the lending financial institutions.

50-3-2 Foreign currency risk

- This risk is considered to be limited as the value of the financial instruments in foreign currencies and the various transactions that take place in a currency other than the presentation and functional currency are not deem end as relatively influential from a management perspective.

51) Bases of Measurements

- The financial statements are prepared on a historical cost basis except for financial instruments that are measured at fair value amortized cost or cost as appropriate.

52) Significant accounting policies

- The accounting policies described below have been applied consistently during the years/periods presented in these financial statements.
- Some comparative figures are reclassified to the income statement and to the other comprehensive income statement to conform to the classification for the current period.

52-1 Business Combinations

- The group accounts for business combinations using the acquisition method when a business and control is transferred to the group.
  The material consideration transferred as well as the identifiable net assets acquired in the acquisition are generally measured at fair value.
  Any goodwill that arises from the acquisition process is tested annually for impairment.
  Any costs related to the acquisition are recognized as an expense in the period in which costs are borne and services are received except if related to the issuance of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of pre-existing relationships between the acquiring company and the acquiree. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

52-2 Subsidiaries

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

52-3 Non-controlling interests

- Non-controlling interest are measured initially at their proportionate share of the acquirer's identifiable net assets at the date of acquisition.
- Changes in the group's interest in subsidiaries which do not result in a loss of control are accounted for as equity transactions.

52-4 Loss of control

- When the group loses control over a subsidiary it derecognizes the assets and liabilities of the subsidiary and any related Non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

52-5 Investments accounted with equity method

- Group's interests in equity-accounted investees comprise interests in associates and a joint venture.
- Associates are those entities in which the group has significant influence but not control or joint control over the financial and operating policies.
- A joint venture is an arrangement in which the group has joint control whereby the group has rights to the net assets of the arrangement rather than rights to its assets and obligations for its liabilities.
- Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost which includes transaction costs.
- Subsequent to initial recognition the consolidated financial statements include the group's share of the profit or loss and other comprehensive income of equity accounted investees until the date on which significant influence or joint control ceases.

52-6 Transactions eliminated on consolidation

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

52-7 Financial instruments

Classification and Measurement

The group determines the nature of the business model by considering the way in which the financial assets are managed to achieve the business objective as determined by management.

At initial recognition financial assets have been classified and measured according to:

- Amortized cost
- Fair value through other comprehensive income. (FVTOCI) and
- Fair value through profit or loss (FVTPL).

The financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics.

Subsequent Measurement

A financial asset is classified as subsequently measured at: amortized cost fair value through other comprehensive income (FVOCI) or (FVTPL) on the basis of both the group's business model for managing the financial asset and the contractual cash flows characteristics of the financial asset.

- A debt instrument is measured at amortized cost if it meets both of the following conditions:
  - The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- A debt instrument is measured at FVOCI only if it meets both of the following conditions:
  - The asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other debit instruments assets will be classified as fair value through profit or loss.

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

The group may irrevocably elect to measure equity investment which is not classified as trading investments to be as a fair value through other comprehensive income at initial recognition. And this choice will be made on an instruments-by-instruments basis.

- All other equity instruments will be classified as fair value through profit or loss.

In addition to that the group may irrevocably elect to designate a financial asset that will be measured at fair value through other comprehensive income to be measured at fair value through profit or loss in the initial recognition if in such a case this reclassification will lead to prevent accounting mismatch.

Business Model Assessment

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

- The stated policies and objectives for the portfolio and the operation of those policies in practice specially to know whether these management policies concentrate to gain the contractual interest or reconcile financial assets year with the financial liabilities year which finance these assets or target cash flow from selling the assets.
- How the performance of the portfolio is evaluated and reported to the group's management.
- The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed.

The frequency, volume and timing of sales in prior periods the reasons for such sales and its expectations about future sales activity.

Meanwhile the scope of the group is not limited to the information related to sales activity separately but the overall assessment of how the goal that was announced by the group to manage financial assets can be achieved as well as how to realize cash flow must be taken into account.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

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

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

Financial assets – Subsequent measurement, gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

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

Derecognition

Financial assets

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

The group could enter into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The group also derecognizes a financial liability when its terms are modified, and the cash flows of the modified liability are substantially different in which case a new financial liability based on the modified terms is recognized at fair value.
On derecognition of a financial liability the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognized in profit or loss.

Impairment

The group applies both the general and simplified approaches to measure expected credit loss on financial assets that are recognized at amortized cost and debt instruments that are recognized at fair value through other comprehensive income. The financial assets can transfer between three stages according to changes in credit quality since initial recognition.
Impairment losses on financial assets are recognized in the Consolidated Income Statement within the credit losses expenses.

Simplified approach model

With regards to trade receivables related to fees and commission the simplified approach model for determining the impairment is performed in two steps:

- Any trade receivable in default is individually assessed for impairment; and
- A general reserve is recognized for all other trade receivables (including those not past due) based on the determined historical loss rates and carry forward losses expectations.

General approach model

The general model impairment requirements of EAS No. (47) apply to all credit exposures that are measured at amortized cost or FVOCI except the positions covered by simplified model as above mentioned.
For purposes of the impairment policy below these instruments are referred to as ("Financial Assets").

The determination of impairment losses and allowance moves from an incurred credit loss model whereby credit losses are recognized when a defined loss event occurs under previous accounting standard to an expected credit loss model under EAS No. (47) where allowances are taken upon initial recognition of the Financial Asset based on expectations of potential credit losses at the time of initial recognition.

EAS No. (47) introduces a three-stage approach to impairment for Financial Assets that are not credit-impaired at the date of origination or purchase. This approach is summarized as follows:

Stage 1: 12 months expected credit loss:

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

Stage 2: Lifetime expected credit loss - not credit impaired:

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

Stage 3: Lifetime expected credit loss - credit impaired:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets' lifetime expected credit losses are recognized.

52-8 Segment reporting

- An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses including revenues and expenses relating to transactions with any of the group's other components whose operating results are regularly reviewed by the group's chief operating decision maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

52-9 Foreign currency transaction

- Transactions in foreign currencies are translated into the functional currencies of the group at the exchange rates at the dates of the transactions.
- Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the financial statements date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in foreign currency are translated at the exchange rate at the date of the transaction.

52-10 Lease contracts

At the beginning of the contract, the Group assesses whether the contract is a lease or includes a lease. The contract is a lease or includes a lease if the contract transfers the right of control to use a specified asset for a period of time in return for consideration. To assess whether the lease contract transfers the right of control over the use of a specified asset.

As a lessee

At commencement or on modification of a contract that contains a lease component, the group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. The group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.
The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the group by the end of the lease term or the cost of the right-of-use asset reflects that the group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is annually reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

fixed payments, including in-substance fixed payments.

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee.

The exercise price under a purchase option that the group is reasonably certain to exercise, lease payments in an optional renewal year if the group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the group is reasonably certain not to terminate early.

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

When the lease liability is premeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The group presents right-of-use assets that do not meet the definition of investment property in 'fixed assets' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

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

52-11 Revenue recognition

The group recognizes revenue under Standard No. (48) Revenue from Contracts with Customers using the following five steps model:

Step 1: Identify the contract with customer	A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
Step 2: Identify the performance obligations	A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3: Determine the transaction price.	The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4: Allocation of transaction price.	For a contract that has more than one performance obligation, the group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for satisfying each performance obligation.
Step 5: Revenue recognition	The group recognizes revenue (or as) it satisfies a performance obligation by transferring a promised good or service to the customer under a contract.

Interest income

- Interest income is recognized in the income statement on the accrual basis using the Effective Interest Rate Method.

Effective interest rate method

- This is a method for computing the amortized cost of a financial asset or a financial liability (or a combination of financial assets or financial liabilities) and allocating the interest expenses and interest income over the lifetime of the financial asset or financial liability using the effective interest rate.

Effective interest rate

- This is an accurate rate used to discount future payments expected to be paid or collected over the expected lifetime of the financial instrument (and a shorter year where appropriate) to determine the present value of financial asset or financial liability).

Dividend’s income

- Revenues from dividends resulting from group investments are recognized on income statement on the date on which the right of the company to collect the value of these profits arises.

Securitization profit

- The revenue from securitization transactions is recognized when the terms of derecognition of the financial asset for the asset that has been securitized are fulfilled. The revenue from securitization process is measured by the value in the increase in the consideration compared to the book value of the securitization portfolios on the date of transfer.

Insurance Premium Revenues

- The insurance premium revenues are recognized starting from the date of issuing the insurance policy revenue is recorded within the limits of the value of insurance premium related to the period.

52-12 Expenses

- Operating expenses and other expenses necessary to carry out business operations for the company including general, administrative, and selling expenses are recognized according to accrual base.

Interest expense

- Interest expense on loans is recognized in the income statement using the effective interest rate method.

52-13 Employee benefit

- Employee Stock Ownership Plan (ESOP)
- According to the decision of the Extraordinary General Assembly Meeting of the group held on May 14, 2018, the articles of association of the group were amended in a manner that allows the Extraordinary General Assembly Meeting of the group to adopt one or more of the following systems to reward employees' managers and executive board members of the group and its subsidiaries:
- Granting bonus shares
- Granting shares with special prices or easy way payments.
- A promise to sell shares after a specified year or years of time and certain conditions are fulfilled in accordance with the group 's promise to sell.
- The General Assembly Meeting determines how to provide the shares necessary for the implementation of any of these - (ESOP) systems whether through the issuance of new shares through the group's purchase of its shares or through the transfer of cash reserve - or part of it as well as converting the retained earnings into shares whose value - is used to increase the issuance capital. The decision of the extraordinary general assembly meeting determines the conditions for entitlement to the prescribed shares in accordance with the (ESOP) including the conditions related to the tenure of the position the degree the competence and other conditions.

The group may entrust the management of the system to any of the following:

- Licensed custodians
- One of the companies working in securities field
- labour union of employees holding capital participations.

Short – term employee benefits

- Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined Contribution Plans

- Obligations of defined contribution plans are recognized as an expense when the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is made.

- The group pays contributions to the Public -Social Insurance Authority for their employees based on Social Insurance Law No 79 for the year 1975. The employees and employers contribute to this plan under this law with a fixed percentage of wages. The group's commitment is -confined to the value of their contribution. and. The group's contribution amount shall be charged as an expense to the income statement - according to accrual basis.

Employees' Share in Profits

- The holding group pays 10% of its cash dividends to its employees as a share in profits provided that it must not exceed the total employees' annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability during the fiscal year -wherein the group's shareholders approved these dividends.

52-14 Income tax

- The recognition of the current tax and deferred tax as income or expense in the profit or loss for the period except in cases in which the tax comes from process or event recognized - at the same time or in a different period - outside profit or loss whether in other comprehensive income or in equity directly or business combination.

Current income tax

- The recognition of the current tax for the current period and prior periods and that have not been paid as a liability but if the taxes have already been paid in the current period and prior periods in excess of the value payable for these periods this increase is recognized as an asset. The current taxable liabilities (assets) for the current period and prior periods measured at expected value paid to (recovered from) the tax authority using the current tax rates (and tax laws) or in the process to issuance in the end of the financial year. Dividends are subject to tax as part of the current tax. But do not be offset for tax assets and liabilities only when certain conditions are met.

Deferred tax

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

- Deferred tax is not recognized for:

  - Taxable temporary differences arising on the initial recognition of goodwill.
  - Temporary differences on the initial recognition of assets or liabilities in a transaction that is not:

    1. A business combination.
    2. And not affects neither accounting nor taxable profit nor loss.
  - Temporary differences related to investments in subsidiaries associates and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

- Deferred tax assets are recognized for unused tax losses unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the group. deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

- Deferred tax is measured at the tax rates that are expected to be applied to temporary differences using current tax rate or future expecting rate.

- The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects at the reporting date to recover or settle the carrying amount of its assets and liabilities.

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

52-15 Fixed assets and depreciation

1) Recognition and measurement

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

2) Subsequent expenditure

- Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the group.

3) Depreciation

- Depreciation is calculated to write off the cost of items of fixed assets less their estimated residual values using the (straight-line method) over their estimated useful lives for each item and is generally recognized in profit or loss.
- Land is not depreciated.

Estimated depreciation rates for each type of assets for current and comparative periods are as follow:

Asset	Depreciation years
Building	20
Furniture	10
Computers	3-5
Machinery & equipment	5
Fixtures	10
Vehicles	5

- Leasehold improvements are depreciated - over the lease contract year or the useful life of the asset whichever is lower.
- Depreciation methods useful lives and residual values are reviewed at each reporting date and adjusted if -necessary.

52-16 Assets held for sale.

- The group measures the non-current assets classified as assets held for sale on the basis of the lower of the book value and the fair value less costs of selling.

- The entity classifies a non-current asset as an asset held for sale if the carrying amount will be recovered principally through a sale transaction instead of through continuing use.

- The asset must be available for immediate sale in its current condition without any conditions, except for the traditional and usual selling conditions for those assets, and the probability of their sale must be high.

- For the probability of selling to be high:

  - Management is committed to a plan to sell.
  - An active program to locate a buyer is initiated.
  - The process of executing the plan must be started.
  - There must be serious marketing of the asset to sell it at a reasonable price proportionate with its fair value.
  - It must be expected that the sale process will be fulfilled within a year from the date of classification.
  - Actions taken should indicate the impossibility of withdrawal of the plan.

52-17 Intangible assets

- Intangible assets are initially recognized 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 that have definite useful life that can be determined on a subsequent measurement are valued at cost less accumulated depreciation and accumulated impairment losses.
- An entity shall test an asset that does not have a definite useful life for impairment by comparing the recoverable amount with the book value.

52-18 Work in Progress

- Work in progress is recorded at cost less accumulated impairment in their value if any. Costs include all costs directly related to - the acquisition of the asset and bringing it to be ready for its intended use and to be used in the purposes for which it is acquired. Work in progress is charged to fixed assets when they become ready for their intended use.
- Then the group starts its depreciation using the same bases used to depreciate the same types of assets.

52-19 Goodwill

- Goodwill arising on the acquisition of a subsidiary, or a jointly controlled entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the acquired assets at the acquisition date. Goodwill is initially recognized as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

- For the purpose of impairment testing goodwill is allocated to each of the group's cash-generating units expected to generate cash and benefit from this combination. Cash-generating units are tested for impairment annually or more frequently when there is an indication that the unit may be impaired.

- If the recoverable amount of the cash-generating unit is less than it's carrying amount the impairment loss is allocated first to reduce the carrying amount of any goodwill previously allocated to the unit and then to reduce the value of the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Taking into account that an n impairment loss recognized for goodwill is not reversed in a subsequent period.

- On disposal of a subsidiary or a jointly controlled entity the attributable amount of goodwill is included in the determination of the profit or loss on sale. This applies as well on investments in associates where goodwill is included within the carrying amount of the investment.

52-20 Earnings per share

- Basic earnings per share is calculated by dividing profit or loss attributable to ordinary shareholders of the parent group (for their participation in the company's ordinary shares) over the weighted average number of ordinary shares outstanding during the year/ period.

52-21 Dividends

- Dividends distribution is recognized as a liability in the financial statements in the year in which the dividends are declared.

52-22 Impairment

Impairment of non-financial Assets

- At each reporting date the reviews the carrying amounts of its non-financial assets (other than biological assets inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

- For impairment testing assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units. Goodwill arising from a business combination is allocated to cash generating units or groups of cash generating units that are expected to benefit from the synergies of the combination.

- The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

- An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its recoverable amount.

- Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit and then to reduce the carrying amounts of the other assets in the cash generating unit on a pro rata basis.

- An impairment loss in respect of goodwill is not reversed in the subsequent period. For other assets an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization) if no impairment loss had been recognized in previous years.

52-23 Cash flows

- The statement of cash flows is prepared using the indirect method. For the purpose of preparing the cash flows cash and cash equivalents consists of cash on hand, bank current accounts demand deposit which not exceed three months. Bank overdraft balance "that is settled when it is required or considered part of company's cash management" is considered as items that presented as a deduction for the purpose of calculating cash and cash on hands and at banks.

52-24 Legal reserve

- According to the requirements of Companies law No. 159 for the year 1981; the group's statutes provide for deduction of a sum equals to at least 5% of the annual net profit for the formation of the legal reserves such deduction will be ceased when the total reserve reaches an amount equals to at least half of the group's issuance capital. Once the reserve falls below this amount deduction shall resume.

52-25 Capital

Incremental costs directly attributable to the issuance of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are account

ted for in accordance with EAS No. (24) "Income Tax".

52-26 Provisions

- Provisions are recognized when the group has a present obligation (legal or constructive) as a result of past events and that it is probable that an outflow of economic resources will be required to settle the obligation the costs to settle related obligations are probable and a reliable estimate is made of the amount of the obligation. The provisions balances are revised at the financial position date and is adjusted when it is necessary to present best estimate of these provisions.
- The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date taking into account the risks and uncertainties surrounding the obligation.

53) Significant events

- In light of the global and local economic conditions and geopolitical risks facing the country, the government, represented mainly in the Central Bank of Egypt, has taken a number of financial measures during 2022 and 2023 to contain the impact of these crises as well as the resulting inflationary impact over the Egyptian economy, including the devaluation of the Egyptian pound against foreign currencies, raising the interest rate on overnight deposits and lending rates, and setting maximum limits on cash withdrawals and deposits in banks. This resulted in a decrease in exchange rates and availability of foreign currencies through the official channels, which resulted in delaying foreign currencies debts payments as well as the increase of purchases' costs as well as settlement costs.

- On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.