



DISCLOSURE REPORT as of 31 December 2025

MISR BANK – EUROPE GMBH

pursuant to Articles 435 to 455 of Regulation (EU) No 575/2013 (CRR)

MISR BANK - EUROPE GMBH

Marienstraße 15
D-60329 Frankfurt am Main

Tel: +49 (0) 69-29974-0
Fax: +49 (0) 69-29974-414

info@misr.de
www.misr.de

SINCE
1992
IN FRANKFURT

Table of Contents

1.	List of abbreviations.....	2
2.	List of Figures and List of Tables.....	3
3.	Rationale and objectives of the disclosure.....	4
4.	Risk management objectives and policies (CRR Art. 435)	5
5.	Scope of application (CRR Art. 436).....	9
6.	Own funds (CRR Art. 437).....	10
7.	Reconciliation of equity components with the audited financial statements....	11
8.	Own funds requirements (CRR Art. 438).....	11
9.	Credit risks (CRR Art. 442)	13
10.	Risk provisions and definitions.....	15
11.	Use of nominated rating agencies – ECAIs (CRR Art. 444).....	18
12.	Key parameters (CRR Art. 447).....	18
13.	Interest Rate Risk in the Banking Book (CRR Art. 448).....	19
14.	Disclosure of ESG risks (CRR Art. 449a)	20
15.	Information on aggregate loans to shadow banking entities (CRR Art. 449b)	20
16.	Information on remuneration (CRR Art. 450, Section 16(2) InstitutsVergV)....	20
17.	Final Declaration.....	24

1. List of abbreviations

AT1	Additional Tier 1 Capital – additional core capital
BaFin	Federal Financial Supervisory Authority
CET1	Common Equity Tier 1 – hard core capital
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
EBA	European Banking Authority – European Banking Supervisory Authority
ECAI	External Credit Assessment Institution – credit rating agencies
EU	European Union
GmbHG	Law on limited liability companies
InstitutsVergV	Regulation on the prudential requirements for institutions' remuneration schemes
IRB	Internal Ratings-Based Approach
KPIs	Key Performance Indicator
KSA	Standardised Approach to Credit Risk
KWG	German Banking Act (Kreditwesengesetz)
LLP	Loan Loss Provision (EWB Einzelwertberichtigung)
MBE	Misr Bank – Europe GmbH
NPV	Net Present Value
PWB	General provision
SFT	Securities Financing Transaction – Securities financing transactions



2. List of Figures and List of Tables

Table 1: Exposure levels of risk-bearing capacity as of 31 December 2025	8
Table 2: Own funds structure as of 31 December 2025	10
Table 3: Breakdown of own funds components in the balance sheet under commercial law and allocation to the own funds structure as of 31 December 2025.....	11
Table 4: Regulatory capital requirement (risk-weighted amounts * 8 per cent) as of 31 December 2025.....	12
Table 5: Total amount of risk-weighted positions.....	13
Table 6: Summary of capital adequacy	13
Table 7: Gross loan volume as of 31 December 2025 by loan category	13
Table 8: Gross lending volume as of 31 December 2025 by geographical distribution	14
Table 9: Gross lending volume as of 31 December 2025 by counterparty	14
Table 10: Gross loan volume as of 31 December 2025 by remaining maturity	15
Table 11: Development of balance sheet provisions for risks in the 2025 financial year	16
Table 12: Non-performing loans and loans in arrears by counterparty as of 31 December 2025.....	17
Table 13: Non-performing loans and loans in arrears by main geographical area as of 31 December 2025	17
Table 14: Key parameters	19
Table 15: Effects of an interest rate shock as of 31 December 2025	19



3. Rationale and objectives of the disclosure

In accordance with Part 8 of Regulation (EU) No 575/2013 (hereinafter referred to as the CRR), which came into force on 1 January 2014, Misr Bank-Europe GmbH is obliged to publish, on an annual basis, qualitative and quantitative information on the following points:

- Risk management objectives and policies
- Scope of application
- Own funds and capital requirements
- Credit and counterparty default risks
- Risk provisioning
- Equity investments in the investment portfolio
- Disclosures on ESG risks
- Disclosures on aggregate loans to shadow banks
- Disclosures on remuneration
- Indebtedness

This report is intended to fulfil the disclosure requirements for Misr Bank-Europe GmbH as of the reporting date of 31 December 2025. The Bank's website, www.misr.de, is used as the medium for the disclosure of this report.

In accordance with Article 432 of the CRR, and in line with EBA/GL/2014/14 on the materiality and confidentiality of disclosure, the content of this report is subject to the principle of materiality. Legally protected or confidential information is not covered by this report. To ensure adequate disclosure practices, the report's contents are reviewed on a regular basis. The relevant responsibilities and framework conditions are set out in operational guidelines. Misr Bank-Europe GmbH considers that the following report contents provide comprehensive information on the overall risk profile.

This disclosure report must be read in conjunction with the annual financial statements and the management report for the financial year 2025. These were published in the Federal Gazette at www.bundesanzeiger.de.

The following articles of the CRR do not currently apply to Misr Bank-Europe GmbH. This disclosure report therefore does not contain detailed information on the following articles:

- CRR Art. 441: MISR Bank-Europe GmbH is not a global systemically important institution.
- CRR Art. 449: There are no securitisations.

- CRR Art. 452: The bank applies the Standardized Approach (SA) rather than the Internal Ratings-Based Approach (IRB) to determine credit risks.
- CRR Art. 454: The bank determines the capital requirement for operational risk in accordance with Article 313 of the CRR using the business indicator component.
- CRR Art. 455: The bank does not use an internal model to determine market risk.

4. Risk management objectives and policies (CRR Art. 435)

Strategies and procedures for managing risk categories (Article 435(1a) CRR)

The Bank has implemented comprehensive strategies and procedures to manage key risk categories in order to ensure the security and soundness of its business operations. The primary objective of Misr Bank-Europe GmbH's risk management is to ensure the Bank's resilience to risks arising from its business activities and their continued existence, whilst generating a sustainable and, at the same time, risk-adequate return on capital invested by its shareholders. On this basis, the Bank is prepared to take on risks in a deliberate and controlled manner and to a level that is economically viable.

The Bank's risk strategy therefore encompasses the identification, assessment, management and monitoring of all relevant risks, including credit risks, market risks, operational risks, liquidity risks, business risks and ESG risks. Risks may only be taken within the limits of the Bank's risk-bearing capacity.

The Bank has a clearly defined governance structure for risk management: the Management Board bears overall responsibility for the appropriate management of all risks. The Supervisory Board monitors the effectiveness of risk management framework. Specialized committees (e.g. the Risk Management Committee, ALCO) advise and support the Management Board in risk-related decisions. The independent risk control function (second line of defense) is responsible for monitoring, analyzing and reporting on all material risks and supports the Management Board in further developing the risk strategy.

The necessary risk awareness, as well as an opportunity- and risk-oriented corporate and risk culture, are fostered through clear lines of communication, an open approach regards risks, and regular training and awareness-raising measures for the staff.

The Bank adopts a holistic approach that includes regular risk assessments, stress tests and scenario analyses. Internal control mechanisms are continuously monitored and adapted to meet changing market conditions and regulatory requirements.



The close integration of business strategy and risk strategy ensures that the Bank's growth and profitability targets are always aligned with its risk appetite and regulatory requirements.

Structure and organization of the risk control function (Article 435(1b) of the CRR)

The risk control function is independent of the operational business areas and reports directly to the Management Board. The function is carried out by the Head of the Risk Control Department, who possesses extensive specialist knowledge and industry experience. He is supported by a specialized team responsible for monitoring the various risk categories. By implementing risk management systems and tools, the bank ensures that all relevant data is recorded promptly and accurately and is regularly analyzed. Internal and external audits, as well as ongoing training and professional development for staff, ensure that risk control processes are continuously improved and comply with regulatory requirements. This organizational structure enables the bank to identify potential risks at an early stage and take appropriate countermeasures. The risk control function produces regular and, where necessary, ad hoc risk reports to inform the Management Board of all material risks within the bank.

To this end, the risk control function has unrestricted access to all risk-relevant information and reports independently and without interference directly to the Management Board and, where necessary, to the Supervisory Board.

Scope and nature of risk reporting and measurement systems (Article 435(1)(c) of the CRR)

The Bank relies on comprehensive risk reporting and measurement systems to ensure accurate and timely identification, monitoring and management of all material risks. The risk reports contain detailed information on credit, market, liquidity, business and operational risks and enable a consolidated and clear presentation of this data. The risk control function carries out regular stress tests and scenario analyses to assess potential risk scenarios. The risk reports are produced quarterly and submitted to Management Board and relevant decision-makers to enable informed risk assessment and decision-making. The content of the risk reports is discussed at the quarterly Risk Management Committee.

In addition to the regular quarterly reports, the Risk Control function produces ad hoc reports in the event of significant risk incidents to inform the Management Board without delay. Furthermore, newly emerging risk categories are systematically incorporated into the reporting.

Guidelines for risk hedging and mitigation, and the strategies and procedures for monitoring the measures taken to hedge and mitigate risks (Article 435(1)(d) of the CRR)

The Bank has developed comprehensive guidelines for risk hedging and mitigation. These guidelines include specific strategies and procedures for identifying, assessing



and hedging risks through the use of suitable instruments such as derivatives, collateral, guarantees and insurances. The Bank attaches great importance to the careful analysis and selection of hedging measures to ensure that they are effective and efficient. To monitor the measures taken, the Bank has established robust control mechanisms, which include regular reviews and assessments of the effectiveness of the risk mitigation strategies.

The guidelines stipulate that risk mitigation instruments must be used in a manner consistent with the Bank's risk appetite and risk-bearing capacity and must make a demonstrable contribution to risk reduction.

Management Board approves the risk mitigation principles and reviews their appropriateness at regular intervals.

Through these guidelines and corresponding monitoring procedures, the bank ensures that its risks are always maintained at an acceptable level and that its business operations are protected also in the long run.

Statement by the Management Board on the adequacy of risk management procedures (Article 435(1)(e) of the CRR)

The management of Misr Bank – Europe GmbH confirms that the Bank ensures the systematic identification, assessment, control and monitoring of risks through the implementation of a comprehensive risk management framework covering all material risk categories. The procedures are reviewed regularly and adapted to changing market conditions and regulatory requirements.

The design of the Bank's risk management framework is determined by its business and risk strategies. The management is responsible for developing and implementing these strategies. The risk strategy is derived consistently from the Bank's business strategy and defines its risk appetite. It sets out rules, based on a materiality approach, for dealing with risks and opportunities arising directly or indirectly from the Bank's business activities. These rules form the basis for a consistent, company-wide understanding of the corporate objectives in relation to risk management and for the business model. Key indicators are continuously monitored via an internal limit system.

The Management Board confirms the adequacy and effectiveness of the implemented risk management framework and ensures that it is continuously adapted to new developments. Furthermore, the Management Board, together with the Supervisory Board, regularly reviews the effectiveness of the risk management framework to ensure the sustainable and sound management of all risks.

Statement by the Management Board on the risk profile of Misr Bank-Europe GmbH (Article 435(1)(f) of the CRR)

The Management Board of Misr Bank – Europe GmbH confirms that the Bank's risk profile is continuously monitored and adjusted in line with its strategic objectives and risk-bearing capacity. The Bank has established a detailed risk management framework which ensures that all material risks are adequately identified, assessed and

managed. The risk profile is reviewed regularly and tested against the defined risk tolerance limits. The results of these reviews and adjustments are presented to the Management Board at least quarterly to ensure transparent and well-informed decision-making. Through these continuous monitoring and adjustment processes, the Bank ensures that the risk profile always aligns with current business and regulatory requirements, thereby safeguarding the Bank's long-term stability and security. Where weaknesses are identified, measures are defined to address them promptly (or; which must be addressed promptly).

The risk management and control process encompasses all activities relating to the management of risks. This includes the identification, analysis, assessment, management, documentation and communication of risks, as well as the review of the effectiveness and adequacy of risk management and control measures.

As part of its risk inventory, the Bank has identified the following key risks:

1. Credit risks, including country risks
2. Market price risks
3. Operational risks
4. Liquidity risks
5. Business risks

ESG risks are reviewed and evaluated across all of the aforementioned material risk categories.

Where these material risks can be meaningfully quantified, they are subject to appropriate limits as part of the risk-bearing capacity calculation.

Furthermore, the Bank ensures, through a systematic limit-setting system, that defined risk tolerance limits are adhered to at all times. The risk profile is regularly reconciled with capital and liquidity planning (ICAAP and ILAAP) to ensure consistency between risk-bearing capacity, strategic objectives and regulatory requirements.

This results in the following exposure levels as of 31 December 2025:

Types of risk	31 December 2025		31 December 2024	
	Limit	Risk	Limit	Risk
	T€	T€	T€	T€
Credit risk	63,975	7,081	23,752	12,486
Market risk	21,653	1,065	7,917	5,950
Liquidity risk	2,953	0	1,979	975
Operational risk	9,842	5,680	5,938	1,549
Total	98,423	13,826	39,586	20,960

Table1: Exposure levels of risk-bearing capacity as of 31 December 2025



The Bank applies an ICAAP approach based on scenario analyses and present value methods.

Further information is contained in the risk report within the Bank's management report.

All transactions with shareholders and related parties were concluded on arm's-length terms; there are no transactions with related parties or associated companies.

Members of the management body (CRR Art. 435(2))

The Bank's Management Board consists of two members. The managing directors are appointed by the Supervisory Board in accordance with the provisions of the German Limited Liability Companies Act (GmbHG) and the German Banking Act (KWG). The managing directors possess comprehensive knowledge and expertise in the fields of banking, risk management, finance and regulation. They contribute their personal perspectives and specific skills to ensure the balanced and effective management of the Bank. The managing directors take part in training and professional development programmes to ensure they remain up to date with the latest developments and regulatory requirements.

The bank does not currently have a formalized diversity policy. Nevertheless, when selecting and appointing the Management Board, the Supervisory Board takes into account a variety of professional backgrounds, international experience and a balanced combination of knowledge and perspectives to ensure sound decision-making. A Risk Committee and an Audit Committee have each been established as sub-committees of the Supervisory Board, comprising members of the Supervisory Board appointed for this purpose. The internal audit function reports to the Management Board and also reports regularly to the Audit Committee. Both committees meet at least quarterly. In addition, the bank has established an internal Risk Management Committee, which also meets at least quarterly.

The Management Board is regularly informed of significant risk-related matters, in particular as part of the quarterly risk reporting. Furthermore, the Bank utilizes an adequate management information system through which key information is made available on a regular basis – daily, weekly or monthly – or, where necessary, on an ad hoc basis tailored to the relevant recipients.

The knowledge and experience of the Executive Board ensure that risks can be appropriately monitored and managed at all times, thereby guaranteeing sound and sustainable corporate governance.

5. Scope of application (CRR Art. 436)

Misr Bank-Europe GmbH is a CRR credit institution with its registered office in Frankfurt am Main. The disclosure report is prepared at the individual institution level, as there is no scope of consolidation under either commercial or prudential law. The Bank has no subsidiaries or significant shareholdings, meaning there are no differences between the scope of consolidation under commercial law and that under prudential law.

6. Own funds (CRR Art. 437)

As of 31 December 2025, the own funds of Misr Bank-Europe GmbH pursuant to Article 72 of the CRR amounted to €99,402 thousand and consisted of Common Equity Tier 1 (CET 1) capital.

Own funds structure		Amount in T€	Reference to Article in the CRR
Common Equity Tier 1 capital: instruments and reserves			
1	Capital instruments and the associated share premium	120,000	26(1), 27, 28, 29, EBA list pursuant to Article 26(3)
2	Retained earnings	-40,551	26(1)(c)
3	Accumulated other comprehensive income (and other reserves, to account for unrealized gains and losses in accordance with the applicable accounting standards)	20,000	26 (1)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	99,449	
8	Intangible assets (net of related tax liabilities) (negative amount)	-47	36(1)(b), 37, 472(4)
EU-25a	Losses for the current financial year (negative amount)	0	36(1)(a)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1) capital	-47	
29	Common Equity Tier 1 (CET1) capital	99,402	
44	Additional Tier 1 capital (AT1)	0	
45	Core capital (T1 = CET1 + AT1)	99,402	
58	Supplementary capital (T2)	0	
59	Total equity (TC = T1 + T2)	99,402	
60	Total risk-weighted assets	190,269	
61	Common Equity Tier 1 ratio (expressed as a percentage of total exposure)	52.24%	92 (2) (a), 465
62	Core capital ratio (expressed as a percentage of total claims)	52.24%	92 (2) (b), 465
63	Total capital ratio (expressed as a percentage of the total amount of claims)	52.24%	92 (2) (c)
64	The institution's total CET1 capital requirements	8.35%	CRD 128, 129, 130
65	of which: SREP surcharge	1.50%	
66	of which: capital conservation buffer	2.50%	
67	of which: countercyclical capital buffer	0.51%	
68	Available Common Equity Tier 1 capital (expressed as a percentage of total exposure) after meeting the minimum requirements	42.74%	CRD 128

Table2: Own funds structure as of 31 December 2025

For the sake of readability and clarity, only the items applicable to Misr Bank-Europe GmbH are shown.

7. Reconciliation of equity components with the audited financial statements

The own funds components in the balance sheet prepared in accordance with commercial law are expanded below so that all components are presented as set out in Table 2, 'Own Funds Structure'. At the same time, a cross-reference is provided to the corresponding line number in the aforementioned table.

	Commercial balance sheet	Reference to own funds structure
	T€	
Assets		
Intangible assets	-47	8
Liabilities		
Equity	99,449	6
of which: Subscribed capital	120,000	1
of which: retained earnings	1,400	2
of which: other reserves	20,000	3
of which: accumulated losses	-41,951	2

Table3: Breakdown of own funds components in the balance sheet under commercial law and allocation to the own funds structure as of 31 December 2025

8. Own funds requirements (CRR Art. 438)

Adequacy of internal capital

The adequacy of internal capital is assessed using the risk-bearing capacity framework described in the risk report within the management report.

Regulatory capital requirement

Misr Bank-Europe GmbH determines the regulatory own funds requirement in accordance with the provisions of the CRR.

For credit risk, the requirement is determined using the standardized approach to credit risk in accordance with Part 3, Title II, Chapter 2 of the CRR; for operational risk, the business indicator component is calculated in accordance with Article 313 of the CRR; and for market risk, it is determined using the standardized methods set out in Part 3, Title IV of the CRR.

The table below provides an overview of the Bank's regulatory capital requirement.

	Capital- Requirements T€
Credit risk	
Standardised approach to credit risk	14,351
Central governments or central banks	0
Regional or local authorities	0
Public bodies	0
Multilateral development banks	0
International organisations	0
Institutions	4,715
Companies	5,559
Volume business	0
Risk positions secured by property	0
Defaulted exposures	0
Exposures associated with particularly high risks	0
Subordinated debt instruments	3,947
Covered bonds	0
Securitisation positions	0
Institutions and companies with a short-term credit rating	0
Units in undertakings for collective investment (UCIs)	0
Equity risk positions	0
Other items	130
Market risk	
Standardised approach	0
Foreign exchange risk	0
Operational risk	861
Business indicator component	861
Credit valuation adjustment (CVA)	9
Standardised approach	9
Total	15,221

Table4: Regulatory capital requirement (risk-weighted amounts * 8 per cent) as of 31 December 2025

For the year 2025, the gross own funds recommendation amounts to 6.6%. After deducting the capital conservation buffer pursuant to Section 10c of the German Banking Act (KWG) of 2.5%, the net own funds recommendation amounts to 4.1 per cent.

The Bank has received its results from BaFin following the Supervisory Review and Evaluation Process (SREP), most recently in the notice dated 3 June 2025.

Taking these requirements into account, the Bank's hard capital requirement amounts to 9.5 %.

The total amount of risk-weighted assets as of 31 December 2025 is as follows:

	Amount in T€
Total risk-weighted assets	190,269

Table5: Total amount of risk-weighted positions

As of 31 December 2025, our capital ratios are summarised as follows:

	31 December 2025
Common Equity Tier 1 ratio	52.24%
Core capital ratio	52.24%
Total capital ratio	52.24%

Table6: Summary of capital adequacy

The capital ratios are therefore comfortably above the regulatory minimum requirements in each case.

9. Credit risks (CRR Art. 442)

In accordance with CRR Article 442, the credit volume must be broken down by credit risk-bearing instruments, main geographical areas, counterparties and residual maturities. Risk-bearing financial instruments are reported net of credit risk mitigation techniques and after the recognition of value adjustments. The gross credit volume is based on carrying amounts for loans and outstanding commitments, and on cost or lower market values for securities in the investment portfolio and the liquidity reserve. The gross credit volume also includes undrawn credit lines.

Regulatory exposure classes	Gross loan volume	Average credit volume
	T€	T€
Central governments or central banks	134,374	182,423
Regional or local authorities	4,999	5,012
Public bodies	2,073	8,268
Multilateral development banks	12,887	13,185
Institutions	225,515	225,353
Companies	109,800	76,126
Retail business	3	3
Defaulted risk positions	945	2,002
Equity investments	0	0
Other items	1,627	1,582
Subordinated debt instruments	32,888	24,485
Total	525,111	538,439

Table7: Gross loan volume as of 31 December 2025 by loan category

The average gross loan volume is calculated as the average of the individual quarterly reports for the year 2025.

The following three tables show the gross lending volume broken down by main geographical areas, counterparties and contractual remaining maturities.

Regulatory exposure classes	Germany T€	Other EU Member States	Rest of the world
Central governments or central banks	58,063	39,872	36,439
Regional or local authorities	4,999	0	0
Public bodies	0	2,073	0
Multilateral development banks	0	0	12,887
Institutions	37,325	132,272	55,918
Companies	8,902	44,387	56,511
Retail business	0	3	0
Defaulted risk positions	852	0	93
Equity investments	0	0	0
Other items	1,627	0	0
Subordinated debt instruments	0	9,472	23,416
Total	111,768	228,079	185,264

Table8: Gross lending volume as of 31 December 2025 by geographical distribution

Regulatory exposure classes	Banks	Public sector	Private individuals and businesses	Not allocated to any counterparty
	T€	T€	T€	T€
Central governments or central banks	87,850	46,524	0	0
Regional or local authorities	0	4,999	0	0
Public bodies	2,073	0	0	0
Multilateral development banks	12,887	0	0	0
Institutions	225,515	0	0	0
Companies	51,988	0	57,812	0
Retail business	0	0	3	0
Defaulted risk positions	0	0	945	0
Equity investments	0	0	0	0
Subordinated debt instruments	17,171	0	15,717	0
Other items	0	0	0	1,627
Total	397,484	51,523	74,477	1,627

Table9: Gross lending volume as of 31 December 2025 by counterparty

Regulatory exposure classes	less than 1 year	1 year to 5 years	more than 5 years to indefinite
	T€	T€	T€
Central governments or central banks	119,163	5,126	10,085
Regional or local authorities	0	4,999	0
Public bodies	2,073	0	0
Multilateral development banks	12,887	0	0
Institutions	135,152	90,363	0
Companies	67,200	42,600	0
Retail business	3	0	0
Defaulted risk positions	93	852	0
Covered bonds	0	0	0
Other items	1,627	0	0
Subordinated debt instruments	3,463	29,425	0
Total	341,661	173,365	10,085

Table10: Gross loan volume as of 31 December 2025 by remaining maturity

10. Risk provisions and definitions

Information on past due and impaired items and on provisions for credit losses

All loan exposures are subject to regular review. This involves determining the extent to which the outstanding receivables are partially or wholly uncollectible. An extraordinary review of receivables, including collateral, is carried out if the Bank becomes aware of information indicating a negative change in the risk assessment of the exposures or the collateral.

A receivable is generally regarded as past due or 'in default' if the borrower is in default on a significant portion of their total debt arising from the loan granted by the bank for more than ninety consecutive calendar days.

This default is identified and monitored at the level of the individual borrower.

If a provision is recognized for a receivable, it is deemed to be impaired.

Approaches and methods for determining risk provisions

The Bank has control mechanisms in place to identify, manage and assess credit risks in loan exposures at an early stage and to reflect these in the annual financial statements through risk provisions.

Risk provisions in the lending business comprise loan loss provisions, general provisions and country risk provisions.

An individual provision must be recognized if there are specific indications that the debtor will not meet, or will not fully meet, a payment obligations arising from loan exposure to the Bank and, even taking into account proceeds from the realization of any existing collateral or other recovery measures, full satisfaction of the Bank's receivable is not to be expected.

The key criterion for recognizing a specific loan loss provision is the imminent default on a particular receivable resulting from the debtor's sustained inability to honor their payment obligations. The amount of the specific provision to be recognized is determined by the outstanding balance of the receivable, less the value of any collateral, and the debtor's risk classification, from which the risk provisioning ratio is derived. Decisions regarding value adjustments, risk provisions or direct write-offs are made in accordance with the applicable guidelines on decision-making authority. Existing risk provisions are subject to regular reviews to assess their adequacy, and any adjustments resulting from such reviews are made. In the event of a sustained improvement in the borrower's financial circumstances or an unquestionable repayment of the loan from existing collateral, the risk provision is released.

General provisions for latent default risks in the loan portfolio are determined in accordance with IDW RS BFA 7.

	Opening balance 1 January 2025	Additions	Release	Utilisation	Exchange rate-re- lated and other changes	Closing balance 31 December 2025
	T€	T€	T€	T€	T€	T€
Loan Loss Provisions	3,210	85	-2,290	-31	-35	939
Provisions	0	0	0	0	0	0
Risk provi- sion for Country risks	370	306	-296	0	0	380
Flat-rate va- lue Adjustments	255	159	-225	0	0	189
Total	3,835	550	-2,811	-31	-35	1,508

Table11: Development of balance sheet provisions for risks in the 2025 financial year

In T€	Banks	Public sector	Companies and private individuals	None Counter-party Allocated	Total
Loans in arrears requiring no provision	0	0	0	0	0
Total amount of impaired receivables (non-performing loans)	0	0	-939	0	-939
Portfolio of LLP and Risk Provisions	0	0	939	0	939
Equity at the end of the period	157	180	43	0	380
Country risk provisions	141	0	48	0	189
Net addition or Reversal (-)	-157	164	-2,334	0	-2,327
Depreciation	0	0	31	0	31
Receipts from written-off receivables	0	0	0	0	0

Table12: Non-performing loans and loans in arrears by counterparty as of 31 December 2025

In T€	Germany	Other countries EU member states	Rest of the world	Total
Loans in arrears not requiring provisioning	0	0	0	0
Total amount of impaired receivables (non-performing loans)	-846	0	-93	-939
Balance of EWB and Provisions	846	0	93	939
Equity at the end of the period	0	29	351	380
Country risk provision	85	87	17	189
Net addition or Reversal (-)	-100	15	-2,242	-2,327
Depreciation	0	0	31	31
Receipts on written-off receivables	0	0	0	0

Table13: Non-performing loans and loans in arrears by main geographical area as of 31 December 2025

11. Use of nominated rating agencies – ECAIs (CRR Art. 444)

The capital requirements under the standardised approach to credit risk for the exposure categories ‘institutions’ and ‘corporates’ are determined on the basis of internal ratings, which are based on analyses of Standard & Poor’s databases. Standard & Poor’s ratings are also used to assess country risks.

No transfers of issuer or issue ratings to comparable exposures of the same or higher seniority were made during the reporting year.

12. Key parameters (CRR Art. 447)

The key parameters in accordance with CRR Article 447 as of 31 December 2025 are set out below:

EU KM 1 Key Parameters		Amount in T€
Available own funds (amounts)		
1	Common Equity Tier 1 (CET1)	99,402
2	Common Equity Tier 1 (CET1)	99,402
3	Total capital	99,402
Risk-weighted exposure amounts		
4	Total risk exposure amount	190,269
Capital ratio (as a percentage of the risk-weighted exposure amount)		
5	Common Equity Tier 1 (CET1) ratio (%)	52.24
6	Core capital ratio (%)	52.24
7	Total capital ratio (%)	52.24
7g	SREP total capital requirement (%)	1.50
Additional capital requirements for risks other than the risk of excessive indebtedness (as a percentage of the risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.50
EU 8a	Capital conservation buffer due to macroprudential or systemic risks at Member State level (%)	-
9	Institution-specific countercyclical capital buffer (%)	0.51
EU 9a	Systemic risk buffer (%)	-
10	Buffer for global systemically important institutions (%)	-
EU 10a	Buffer for other systemically important institutions (%)	-
11	Combined capital buffer requirement (%)	-
EU 11a	Total capital requirements (%)	12.51
12	CET1 available after meeting the SREP total capital requirement (%)	42.74
Debt-to-equity ratio		
13	Total risk exposure measure	493,483
14	Debt ratio (%)	20.14
Additional capital requirements for the risk of excessive indebtedness (as a percentage of the total risk exposure measure)		

EU 14a	Additional own funds requirements for the risk of excessive indebtedness (%)	-
EU 14b	Of which: to be held in the form of CET1 (%)	-
Requirement for the leverage ratio buffer and the total leverage ratio (as a % of the total risk exposure measure)		
EU 14d	Leverage ratio buffer (%)	-
EU 14e	Total debt ratio (%)	3.00
Liquidity coverage ratio		
15	Total high-quality liquid assets (HQLA) (weighted value – average value)	170,583
EU 16 a	Outflows – Weighted total	144,567
EU 16b	Cash inflows – Weighted total value	137,685
16	Total net cash outflows (adjusted figure)	36,142
17	Liquidity coverage ratio (%)	471.98
Structural liquidity ratio		
18	Total available stable funding	274,695
19	Total stable refinancing required	160,426
20	Net Stable Funding Ratio (NSFR) (%)	172.23

Table14: Key parameters

13. Interest Rate Risk in the Banking Book (CRR Art. 448)

Interest rate risk arises from differences in fixed-rate periods and interest rate adjustment options between all fixed-rate and variable-rate asset and liability positions. MBE has allocated all interest-bearing transactions to the Banking Book or the liquidity reserve.

Interest rate risk in the Banking Book therefore plays a key role in risk management and bank governance. It is calculated on a quarterly basis. The interest rate-specific market risk model used has been implemented in accordance with the regulatory requirements set out in BaFin Circular 06/2019 (BA) in conjunction with the relevant EBA guidelines. This involves a present-value approach that takes into account major currencies (USD and EUR) via currency-matched swap zero-curve interest rates by maturity across the respective stress scenarios.

The risk is quantified by using a historical simulation.

The resulting quantitative impacts as of 31 December 2025 are as follows:

(in TEUR)	Scenario + 200 BP, rise in interest rates	Scenario – 200 BP, fall in interest rates
Absolute change in present value	-519	-217
Interest rate change coefficient	-0.51%	-0.21%

Table15: Effects of an interest rate shock as of 31 December 2025

14. Disclosure of ESG risks (CRR Art. 449a)

ESG risks are treated as cross-cutting risk drivers within the existing risk categories. As part of the risk inventory, ESG risks are assessed for materiality within the existing risk categories. An ESG risk model has been introduced as part of credit risk management. Relevant ESG aspects are integrated into the existing risk management processes.

Responsibility for the identification, assessment and monitoring of ESG risks lies with the Risk Controlling department. The Management Board bears overall responsibility for the ESG strategy as part of the business strategy and for its implementation. The topic of ESG risks is an integral part of risk reporting to the Management Board and the Supervisory Board.

The Bank has defined an ESG strategy as part of its business strategy, which takes into account environmental, social and governance-related aspects.

ESG risks were assessed as material as part of the risk inventory within credit risk and are factored quantitatively into the risk-bearing capacity. An ESG-related stress test is also calculated within credit risk.

As of 31 December 2025, the bank has no risk exposures to companies in the fossil fuels sector.

15. Information on aggregate loans to shadow banking entities (CRR Art. 449b)

As at the disclosure reference date, there were no loans, commitments or other risk positions vis-à-vis shadow banking entities.

16. Information on remuneration (CRR Art. 450, Section 16(2) InstitutsVergV)

This remuneration report has been prepared in accordance with the requirements of the CRR and is addressed to MBE's stakeholders. It provides a comprehensive overview of our bank's remuneration principles and strategies for the year 2025.

The aim of this report is to ensure transparency regarding remuneration policy and to document compliance with regulatory requirements. It sets out various elements of remuneration, including the structure and composition of salaries, variable remuneration components and long-term incentive schemes, as well as their impact on the bank's risk culture.

In accordance with regulatory requirements, MBE is not classified as a significant institution and is therefore subject to the general requirements of the InstitutsVergV.



Remuneration Policy

MBE's remuneration policy is designed to attract, motivate and retain qualified staff in the long term. It is consistent with the Bank's business and risk strategy, as well as the requirements of the German Banking Act (KWG), the Institutional Remuneration Regulation (InstitutsVergV) and the relevant guidelines of the European Banking Authority (EBA).

When assessing the appropriateness of remuneration, general remuneration trends in the banking sector, general wage trends and inflation trends may be taken into account. In doing so, we attach great importance to transparency and clear communication of remuneration structures and practices.

Remuneration is based on objective criteria such as individual performance, experience and the respective area of responsibility. In doing so, we place particular emphasis on sustainable business practices and take the long-term corporate objectives into account in our remuneration policy.

Basic principles:

- **Appropriateness:** Remuneration is reviewed for appropriateness and complies with standard market practices.
- **Transparency:** Remuneration decisions are clearly justifiable and are communicated transparently.
- **Performance-based approach:** Decisions on variable remuneration take particular account of documented performance appraisals, the assumption of additional tasks and responsibilities, and, where applicable, agreed targets or key performance indicators.
- **Risk awareness:** Remuneration systems are designed to take into account the Bank's risk tolerance and long-term success.

Remuneration structure

Total remuneration at MBE comprises fixed and variable remuneration components.

The remuneration systems are structured in such a way as to avoid creating incentives to take on disproportionate risks. Variable remuneration components are granted exclusively within the framework of a sustainable and risk-oriented remuneration system.

Fixed remuneration:

Fixed remuneration comprises the basic salary as well as other additional benefits, such as contributions to the company pension scheme and insurance benefits. MBE is not bound by collective agreements when it comes to employee remuneration. Major part of the annual salaries of all MBE employees are fixed and is paid out regardless of the company's financial performance.

Employees' fixed remuneration essentially comprises the following components:



- Gross annual salary: This is paid in twelve (12) fixed and equal monthly instalments
- Employer contributions to the company pension scheme (BVV): Entitlement to employer-funded occupational pension scheme benefits only arises after successfully completing the probationary period. MBE generally covers up to two-thirds of the contribution. For employees hired before 1 January 2001, up to three-thirds of the contribution is covered.
- Accident insurance benefits
- Restaurant vouchers

Other fixed components of remuneration may, in individual cases, include contractually agreed fringe benefits and other benefits in kind.

Variable remuneration and remuneration components

Variable remuneration is granted within the framework of a bonus pool determined by senior management. It is calculated taking into account the Bank's financial situation, individual performance, documented performance appraisals and, where applicable, agreed targets and key performance indicators (KPIs). Variable remuneration is capped and is granted exclusively as a discretionary benefit to which there is no legal entitlement. Its amount is determined primarily by the operating result and net profit for the previous financial year, as well as the provisions set aside for this purpose in the annual financial statements. Key performance indicators in this regard include, in particular, the operating result and the net profit.

When determining the total amount of variable remuneration, the focus is on sustainable and risk-adjusted corporate performance. This ensures that the remuneration structure complies with regulatory requirements and takes into account both individual performance and appropriate risk considerations.

Additional remuneration components for employees include Jubilee gifts and Jubilee payments for long employment, which are based on the length of employment. Employees receive a payment after 10 years' and 25 years' employment. However, there is no fixed arrangement in the form of a works agreement.

Furthermore, exceptional performance and above-average commitment in the context of special tasks and projects may be rewarded with special payments following their successful completion.

When long-serving employees retire, there is the option of granting a special payment. The amount of this payment is based on the length of employment.

All the remuneration payments mentioned above are subject to taxation in accordance with the applicable tax regulations, insofar as required by law. The amounts listed in



this section for one-off payments – in particular, long employment payments, special payments and payments upon retirement – are gross amounts.

These remuneration instruments are designed to reward both short-term and long-term performance. This is intended to ensure that MBE's remuneration policy is consistent with the Bank's strategic objectives and risk profile.

Governance and decision-making process

The Management Board bears overall responsibility for the design and oversight of the remuneration system. The Human Resources department is responsible for the operational management of remuneration processes, the implementation of the remuneration policy, the documentation of remuneration decisions, and the preparation of the necessary analyses and reports. In addition, the Human Resources department coordinates the regular review of the remuneration system, involving Compliance and Risk Management, and supports the Executive Board in ensuring regulatory compliance. The remuneration of the members of the Executive Board is determined and monitored by the Supervisory Board.

Decision-making process:

Assessment of market conditions and remuneration benchmarks: The management, together with the Human Resources department, regularly reviews the appropriateness of the remuneration structures. Among other things, general developments in the banking sector, the Bank's economic situation and relevant labour market trends are taken into account.

Analysis of individual and collective performance: Individual remuneration decisions are based, in particular, on work performance, the assumption of additional tasks and responsibilities, documented performance appraisals and, where applicable, individual targets. Decisions on variable remuneration are made by the Executive Board and are documented in a transparent manner.

Consideration of risk management and compliance factors: As part of the regular review of the remuneration system, the Human Resources department, together with the risk management and compliance functions, ensures that the remuneration systems are consistent with the Bank's business and risk strategy, as well as with regulatory requirements. When determining variable remuneration, risk-oriented aspects and the bank's sustainable development are taken into account appropriately.

Disclosure of remuneration

In accordance with the requirements of the CRR, we disclose the following information:

Total remuneration:

- Number of employees in 2025: 54 (including Management Board)
- Total remuneration of all employees in 2025: EUR 5,871,674
- Average remuneration per employee in 2025: EUR 108,734

Remuneration of Management Board, including risk-bearers (authorized signatories):

- Total fixed salary in 2025: EUR 559.988,75
- Variable remuneration in 2025: EUR 80.167,15
- Long-term incentives: -

Remuneration of the Supervisory Board: Total remuneration for 2025: EUR 170,143.56, including taxes paid on behalf of the board.

Highly remunerated employees: The bank does not pay any employee total remuneration in excess of 1 million euros.

Risk management and remuneration

MBE's remuneration policy takes the Bank's risk strategy into account. Variable remuneration components are structured in such a way as to avoid creating incentives to take on disproportionate risks. Employees must not take any personal hedging measures that restrict or negate the risk-orientation of their remuneration.

Conclusion

MBE is committed to continuously reviewing and adapting its remuneration policy in order to meet regulatory requirements and promote the long-term interests of the bank and its stakeholders. We are convinced that our remuneration practices contribute to creating a sound and sustainable bank.

17. Final Declaration

The Management Board of Misr Bank-Europe GmbH hereby declares, by its signature, that the risk management and -controls applied by the Bank are suitable for providing a comprehensive picture of the Bank's risk profile at all times. In particular, the models used make it possible to ensure the Bank's risk-bearing capacity on a sustainable basis.

Frankfurt am Main, 22.09.2026

Ayman Foda
Ayman Foda
Managing Director

Digitally signed by: Ayman Foda
DN: CN = Ayman Foda C = DE O = Misr Bank - Europe GmbH
Date: 2026.09.23 11:43:17 +02'00'

Qamar.Khan@misr.de
Qamar Khan
Managing Director

Digitally signed by:
Qamar.Khan@misr.de
DN: CN = Qamar.Khan@misr.de C = DE O = Misr Bank - Europe GmbH
Date: 2026.09.24 17:44:58 +02'00'