



ALEXBANK

Intesa Sanpaolo Group

بنك الإسكندرية

Small & Medium Enterprises (SMEs) in Egypt and ALEXBANK's Role in Supporting Them

April 2026

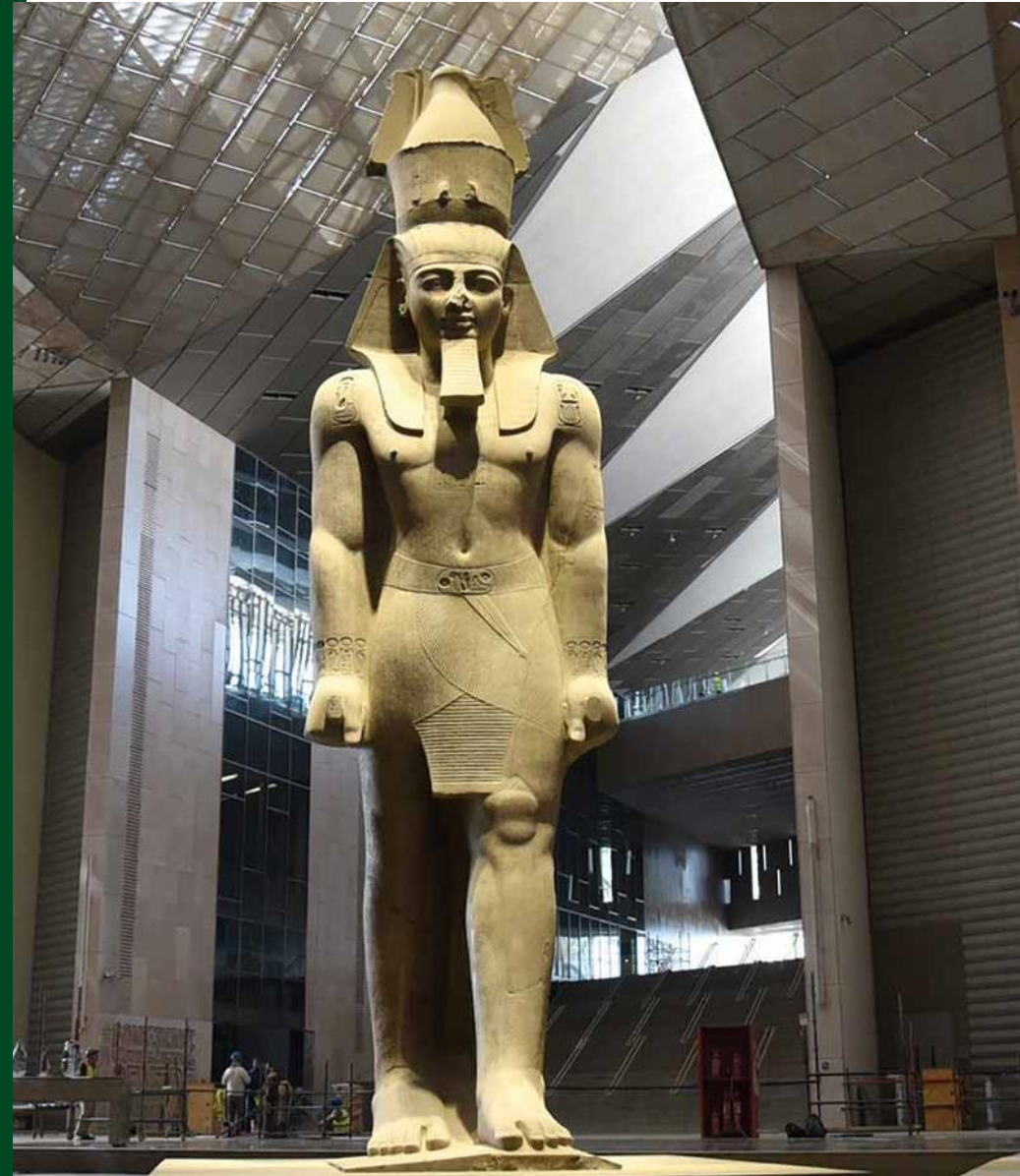
Outline

1. Macro-economic Overview

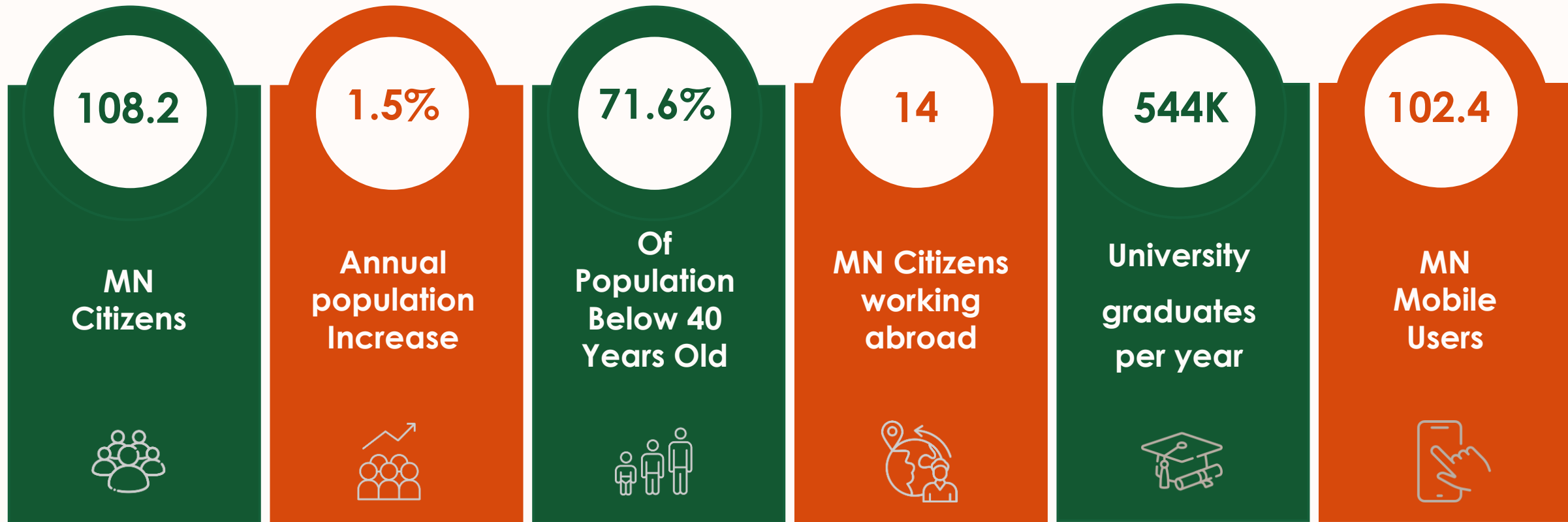
2. SMEs in Egypt

3. ALEXBANK's Role In Supporting SMEs

1. Macro-economic Overview



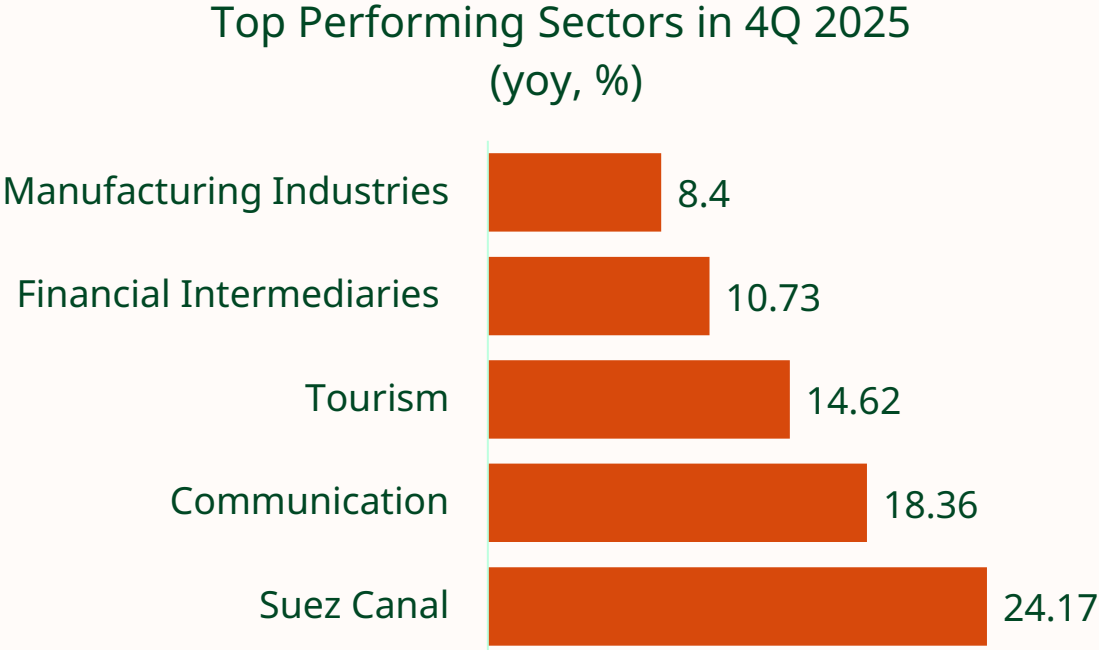
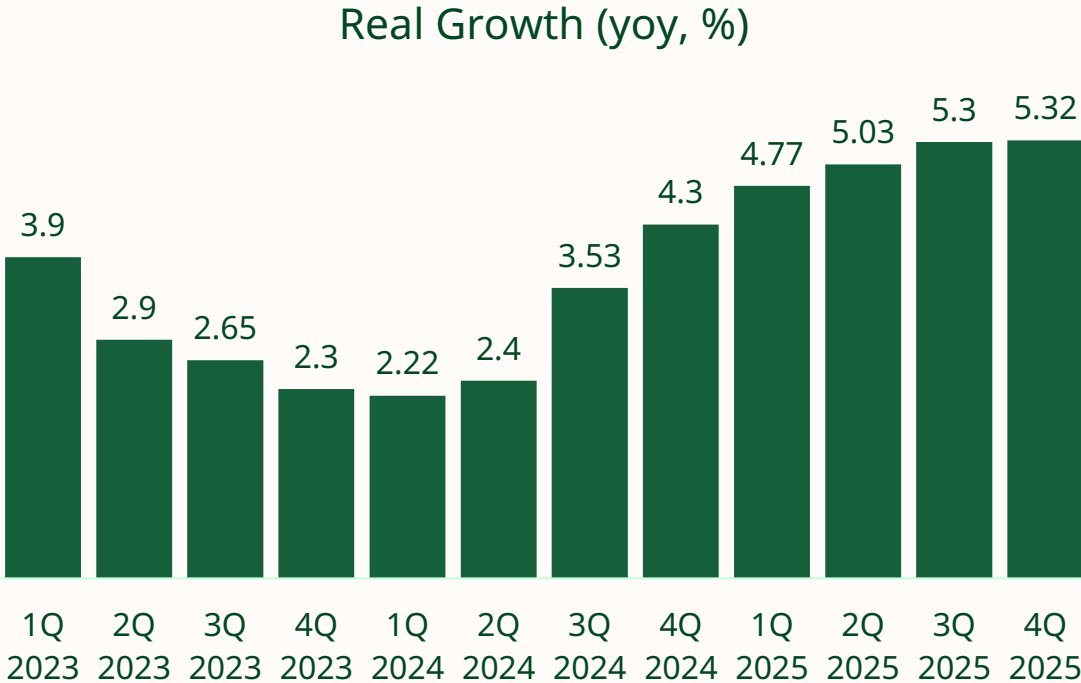
Favorable Demographics, backed by a consistently improving digital infrastructure ...



Source: CAPMAS, Other

Economy shows signs of recovery ...

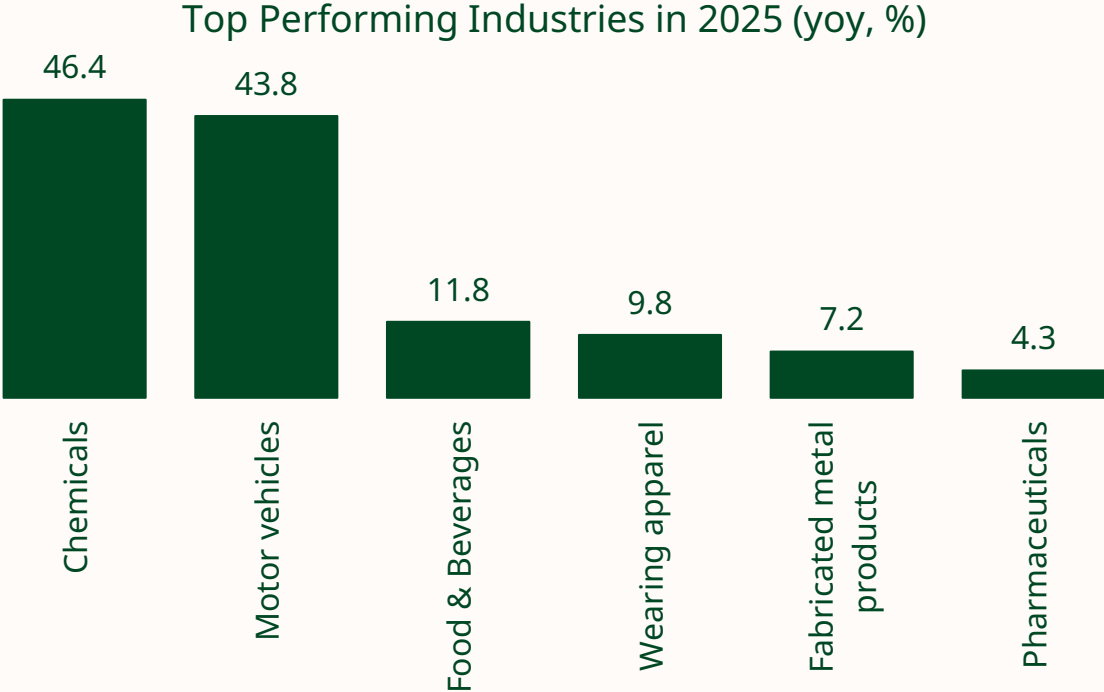
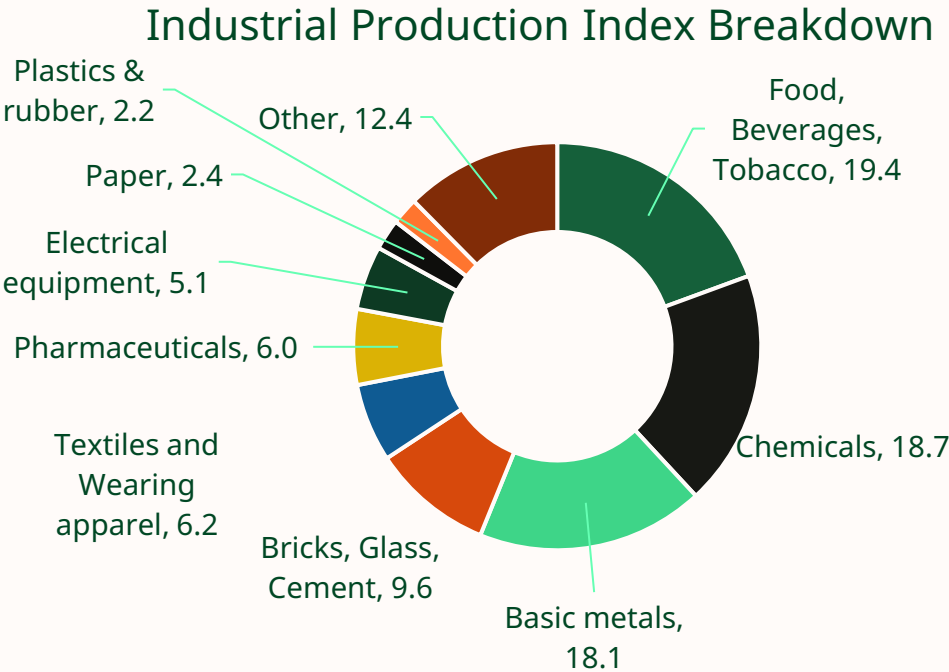
Real GDP growth rose to 5.32% yoy in 4Q 2025, mainly driven by stronger performances in tourism, telecom, Suez Canal and non-oil manufacturing. However, the IMF lowered Egypt's economic growth forecast for 2025/26* to 4.2%, down from 4.7%. This downgrade is driven by regional conflicts, higher energy/commodity prices, and reduced trade.



Source: MPED

Industrial Production Is a New Engine for Growth ...

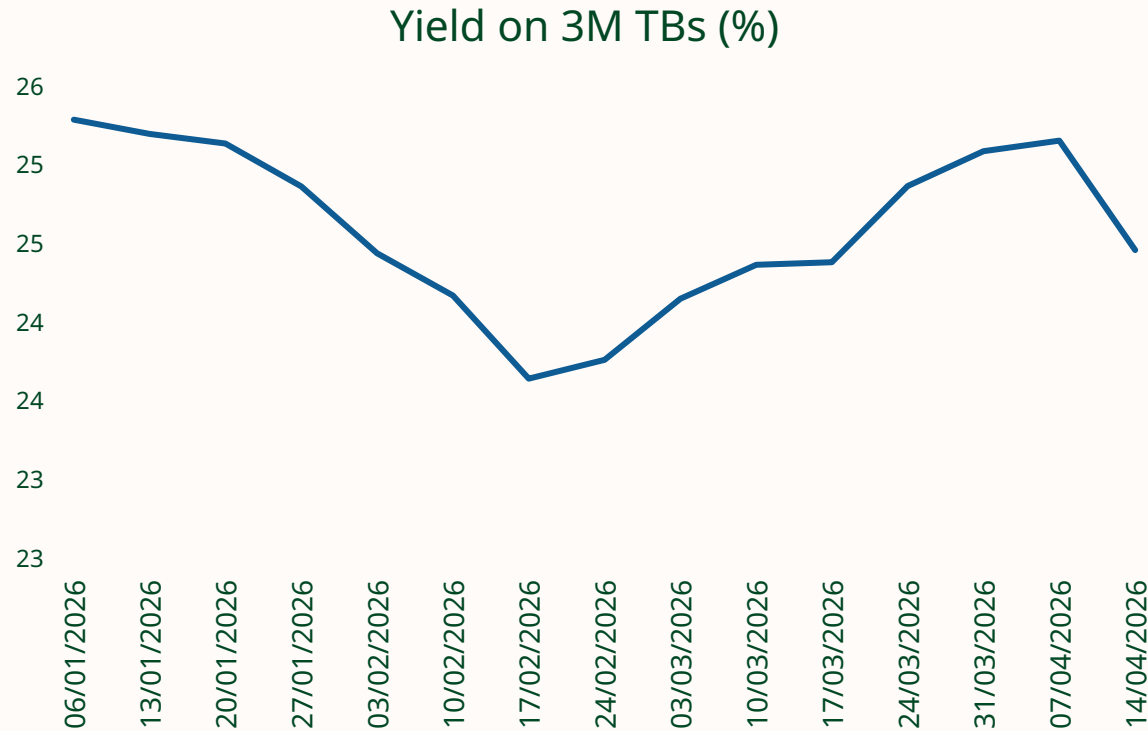
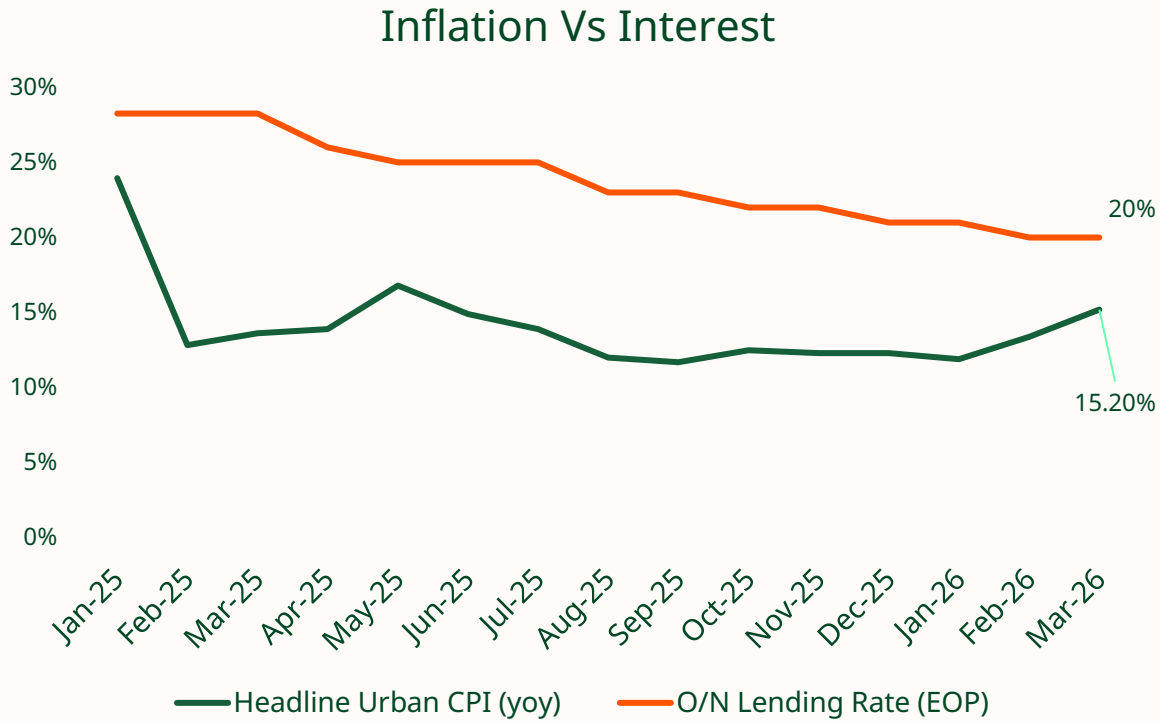
Egypt's non-oil manufacturing is picking up, supported by foreign investments in key sectors (Chinese and Turkish in auto and textiles), availability of affordable and skilled labour and rising competitiveness due to weakening local currency.



Source: CAPMAS

Inflation and Monetary Conditions Are Easing ...

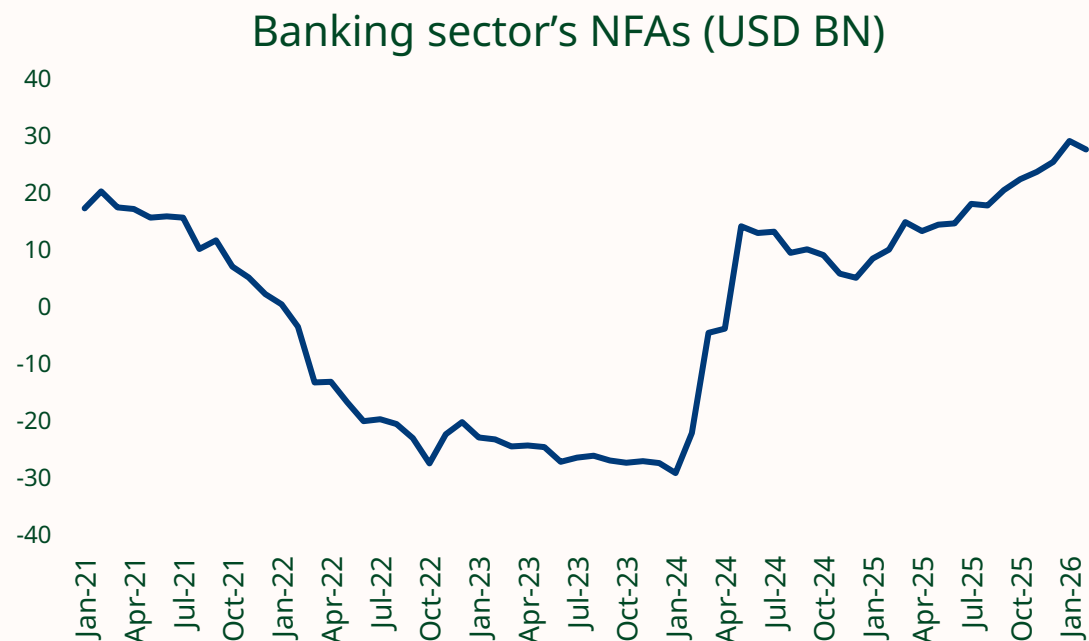
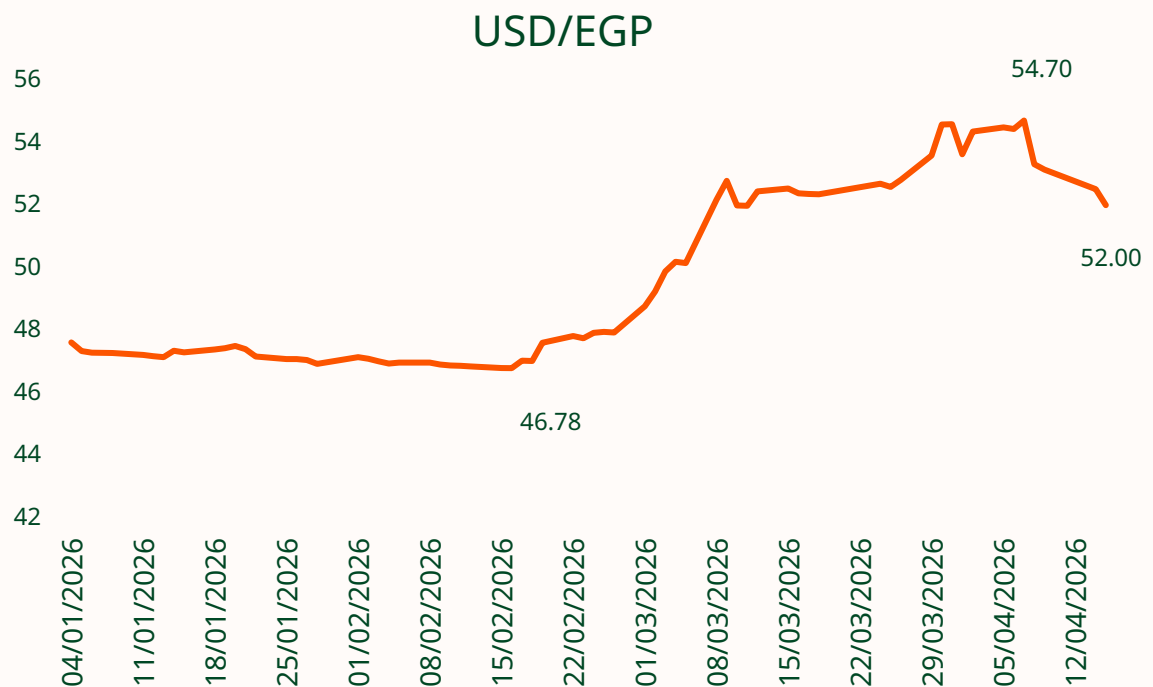
After months of easing, annual inflation rate went up in Mar-26, in light of raising fuel prices. The Central Bank of Egypt (CBE) has lowered policy rates by 825 bps during 2025 and 2026, reflecting stability in monetary conditions. Yields on government securities are starting to decline after a temporary rise following pressures related to the conflict in the Middle East.



Source: CAPMAS

A resilient external position ...

Rising tourism, non-oil exports and remittances have contributed to the decline in current account deficit. Moreover, increasing FDIs and portfolio investments helped meet the country's external financing needs. This Improvement, that led to a substantial increase in the banking sector's Net Foreign Assets (NFA), have resulted in the appreciation of the Egyptian Currency against the greenback. After the breakout of the Iranian crisis, the CBE allowed the exchange rate to adjust rather than drawing down reserves, marking a more flexible response than in past stress episodes. Moody's Ratings has affirmed Egypt's Caa1 long-term foreign and local currency issuer ratings and maintained the positive outlook. Also, S&P Global Ratings has affirmed Egypt's long- and short-term foreign and local currency sovereign credit ratings at 'B/B', maintaining a stable outlook.



Source: CBE

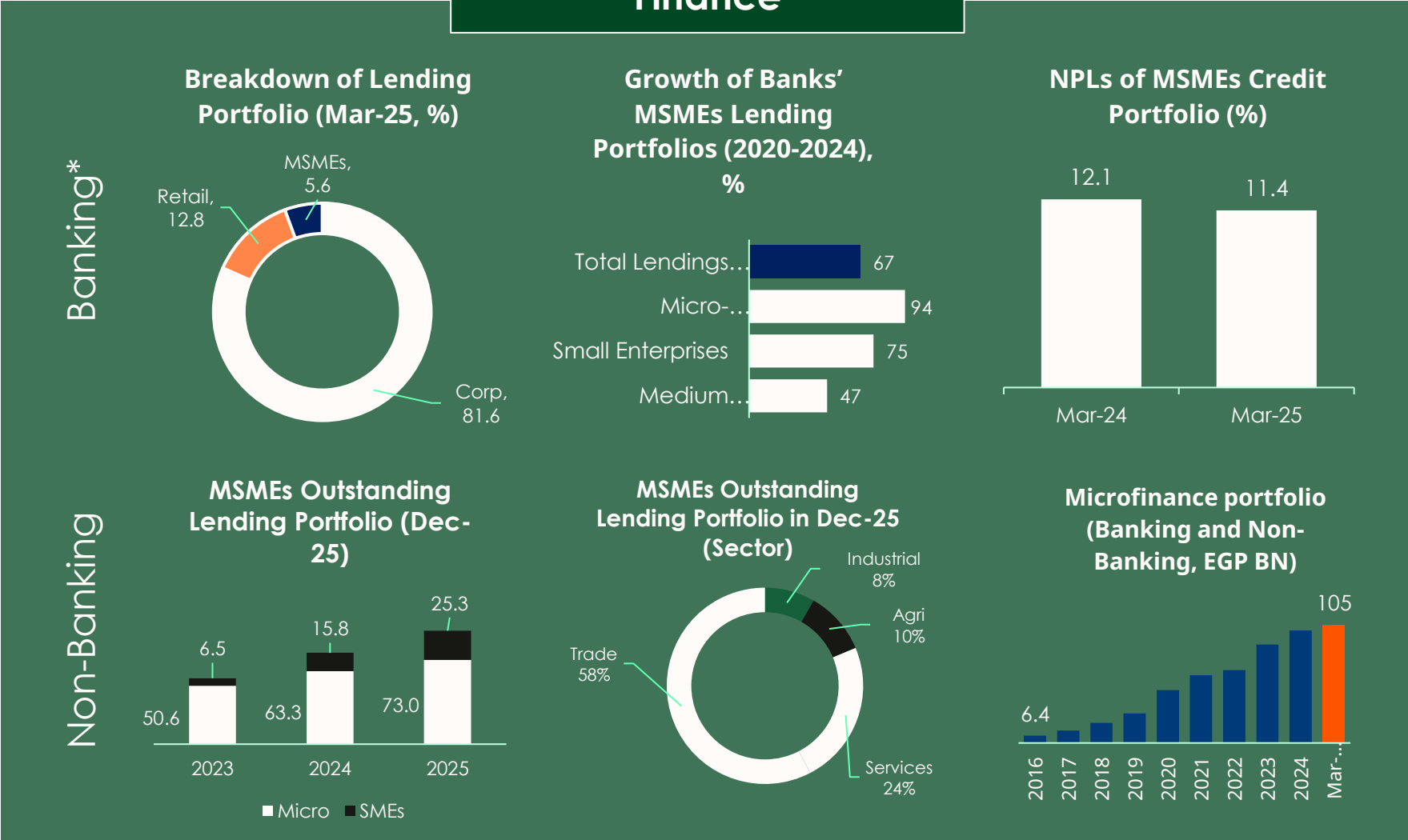
2. SMEs in Egypt



SMEs in Egypt (Key Indicators)

Finance

- 90%** Of total number of private companies
- 43%** Of total GDP
- 75%** Of total employment



*MSMEs refer to Micro, Small and Medium Enterprises

Challenges Facing The Sector

Cultural & Financial Behavior

Informality & Transparency

- Heavy reliance on cash/informal operations.
- Underreporting revenue (often for taxes reasons)
- Mixing personal and business financing.

Low Financial literacy

- Limited understanding of banking products.
- Difficulty presenting a “bankable” case.

Weak Financial Discipline

- Poor bookkeeping /lack of audited statements.
- Limited financial planning and forecasting.

Trust & Mindset Issues

- Reluctance to engage with banks due to bureaucracy and documentation.
- Preference for self-financing or informal funding.

Banking & Economic Barriers

Limited Knowledge of SMEs Clients

Lack of exposure to those clients (compared with large corporates and retail) in addition to inefficient RM coverage and conservative credit culture lead to high onboarding (KYC / compliance) costs.

Strict documentation requirements

- Multi-year audited financials required.
- Formal documentation not aligned with SME reality.

Interest Rate environment

- High rates push away SME clients, and reduce their repayment capabilities

3. ALEXBANK's Role In Supporting SMEs



About ALEXBANK

ALEXBANK is one of Egypt's leading private sector banks established in 1957 and participated by the Intesa Sanpaolo Group since 2007.

The Italian Group owns 80% of the bank's shares, with the State maintaining a 20% stake through the Egyptian Ministry of Finance.

ALEXBANK owns one of the largest private sector branch networks (175 branches) located in every major Egyptian governorate employing over 4,200 individuals who proudly serve 2 million customers.

It actively serves the widest spectrum of segments by providing value added financial products, services and solutions to Retail, Small Business, Medium and Corporate Enterprises.

ALEXBANK is currently in the midst of a radical digital transformation aimed at providing our customers with the most unique of banking experiences, via our seamless multi-channel experience incorporating Internet & Mobile Banking, Cards, Electronic wallets, and the latest generation of point-of-sale & ATMs, all powered through the power of Big Data and empowered by key players in the Fintech ecosystem.

Intesa San Paolo

The Intesa Sanpaolo Group is the leading banking group in Italy, with approximately 13.9 million customers and over 2,600 branches.

The Group has a strategic international presence, with over 900 branches and approximately 7.4 million customers. It is among the top players in several countries in Central Eastern Europe and in the Middle East and North Africa.

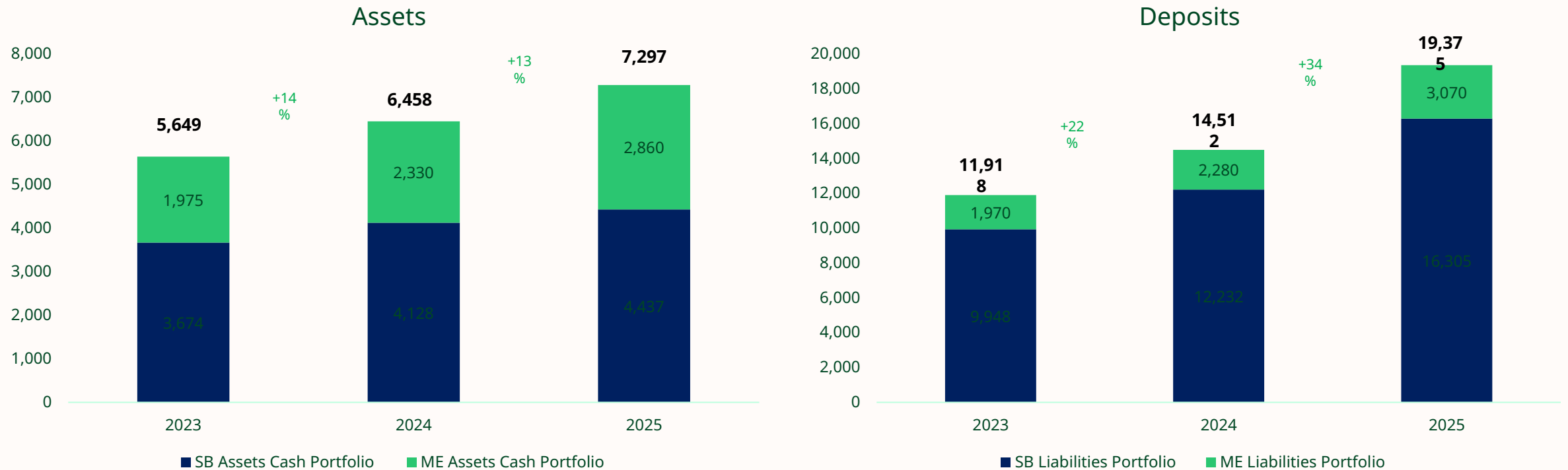
The Group operates through six divisions, one of which is the IMI Corporate & Investment Banking Division, a global partner which, taking a medium-long term view, supports corporates, financial institutions and public administrations, both nationally and internationally. Its main activities include capital markets and investment banking. The division is present in 23 countries, where it facilitates the cross-border activities of its customers.

A Sound Financial Performance (Dec-25, IFRS)

255 EGP BN 12.3% YoY Total Assets	85 EGP BN 16.2% YoY Gross Loans	27% Cost/Income	27.5% Capital Adequacy Ratio (Egyptian Accounting Standards)
186 EGP BN 10.5% YoY Total Deposits	10.4 EGP BN 40.8% YoY Net Profit	-0.13% Cost of Risk	3.1% NPL ratio

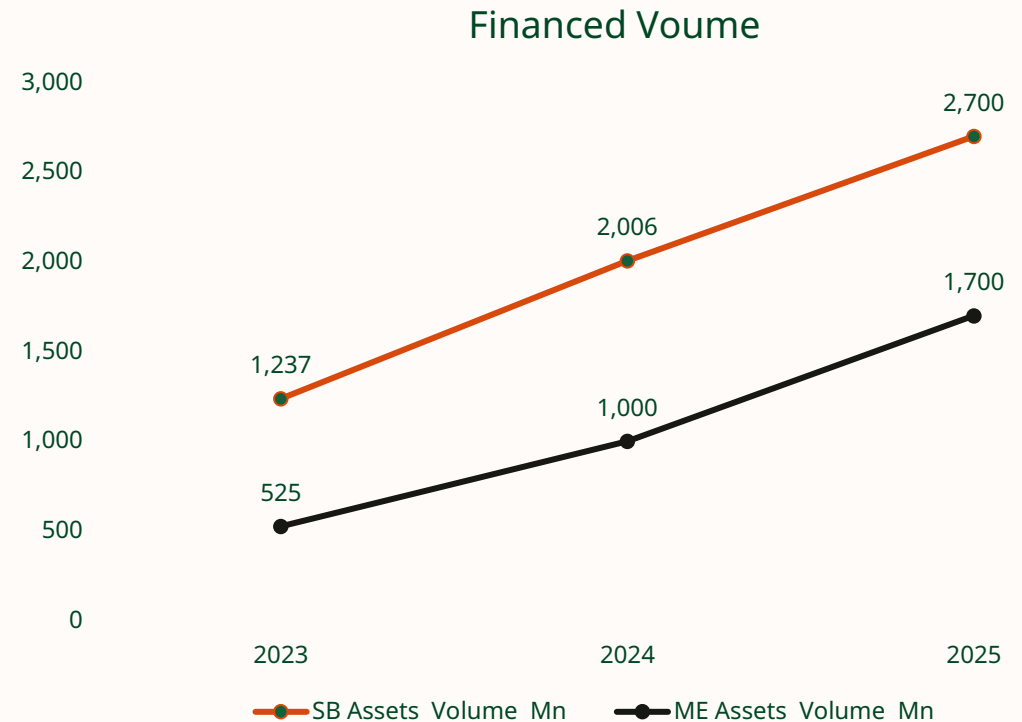
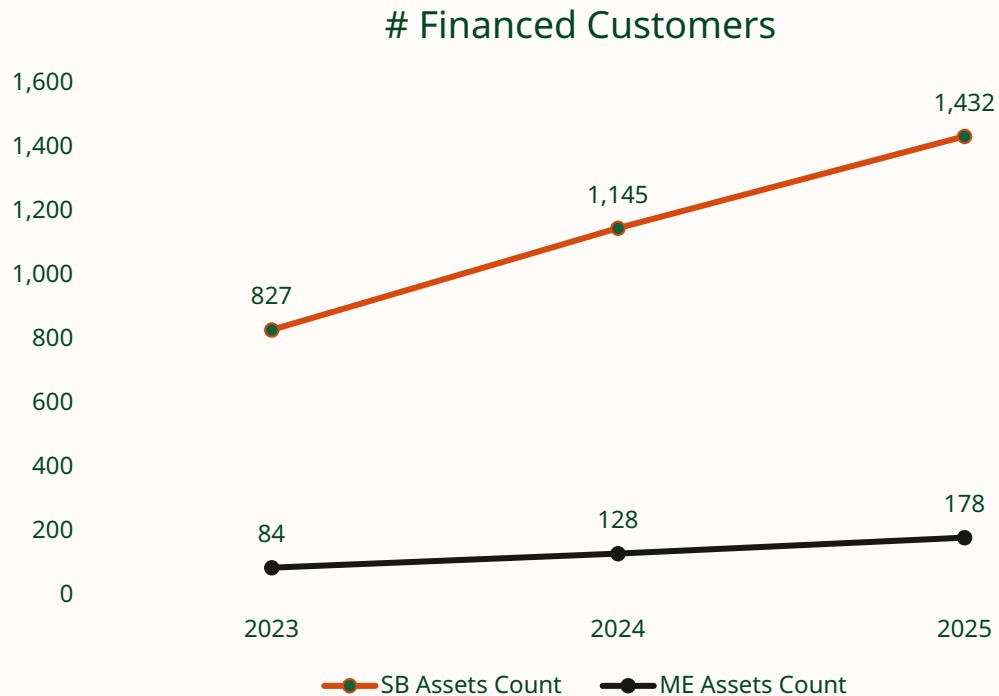
SMEs in ALEXBANK (Performance Analysis)

A solid growth in the SMEs portfolio coming from New To Bank clients, reflected in rising assets and attracting more Liabilities



SMEs in ALEXBANK (Performance Analysis)

Noticeable efforts from the Medium Enterprises & Small Business teams resulted in the increase of submitted assets applications by 77% in 2025 vs 2023. It was also reflected in the new production (+150%).



SMEs in ALEXBANK (Commercial Strategy and Key Initiatives)

Dedicated Efforts to Support Agriculture

- Tailored programs covering the full agricultural cycle - crop cultivation, livestock rearing, and CAPEX investments.
- ALEXBANK co-operates with **Cassa Depositi e Prestiti (CDP)**, Italy's National Promotional Institution. Areas of cooperation include the creation of guarantee instruments with forms of **technical assistance for local businesses**, the development of **co-funding initiatives** for high-impact projects with resources provided by both institutions (at **preferential int.rate**), and the **promotion of matchmaking events** between Egyptian and Italian companies.

Co-operation with EBRD

- In 2025, ALEXBANK secured a USD20 million financing package from the European Bank for Reconstruction and Development (EBRD). Beyond **financing**, the facility provides **incentive grants for verified green investments** and a comprehensive **technical cooperation package** to ensure equal access to climate finance. This collaboration builds on a long-standing relationship with the EBRD, which began in 2016.



SMEs in ALEXBANK (Commercial Strategy and Key Initiatives)

The Green S-Loan

- The **Sustainability Loan** is an innovative program that can be combined with some loans, designed to support companies in achieving their ESG objectives. S-Loans feature a twofold **bonus mechanism** that provides the company with an immediate benefit at the application stage for **committing to specific targets (KPIs) in the ESG** (environmental, social and governance) arena and a further benefit upon reporting that it has achieved these targets.



Promoting Renewable Energy

- **Collaborated with BLU EV**, a leading e-mobility provider in Egypt that specializes in electric two-wheelers. BLU EV offers an innovative battery leasing model. This partnership **designed tailored microfinance solutions** that will enable delivery workers and low-income urban commuters to replace conventional motorbikes with electric vehicles, expanding **access to affordable, sustainable transport**.

Thank You