بنك القاهرة
Banque du Caire

2022

ANNUAL REPORT

ARCHITECTING AN ECONOMY

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BANK **OVERVIEW**

At a Glance

Founded in 1952, Banque du Caire is one of Egypt's leading commercial banks. With over seven decades of award-winning success, expansion, and transformation, the bank has become a universal financial services powerhouse and enabler of Egypt's economic growth. Through its core retail and institutional banking arms and financial service platforms, the bank offers an expansive and inclusive range of bespoke commercial banking solutions, digital products, and non-bank services to over 3 million clients — the largest nationwide — through an exemplary, customer-first lens. Its wide network of operations, including a representative office in the UAE and strategic subsidiary in Uganda, makes Banque du Caire a gateway for regional capital management, providing the partnerships, expertise, and financial service offerings that allow people and institutions to meet their banking needs.

MARKET HEAVYWEIGHT

EGP **322** bn
TOTAL ASSETS
#6th IN EGYPT

3%
MARKET SHARE (ASSETS)
#6th IN EGYPT

EGP **15.8** bn
REVENUE
24% Y-O-Y

SOLID FOUNDATIONS

8,998
EMPLOYEES
19% WOMEN

3.2 mn
CLIENTS

248
BRANCHES
#3 IN EGYPT

INCLUSIVE BANKING

EGP **7.2** bn
MICROFINANCE
▲29% Y-O-Y

EGP **19.2** bn
SME LENDING
▲64% Y-O-Y

EGP **104** bn
INVESTMENTS
▲14% Y-O-Y

AWARD WINNER

#1 CSR BANK IN EGYPT
Global Economics Magazine
Global Business Magazine
International Finance Magazine
Global Business Outlook Magazine

#1 Trade Finance Bank in Egypt
Global Business Magazine
Global Trade Review Magazine

#1 Structured Financing Deal in North Africa
EMEA Finance

#1 Local Currency Deal
#1 Local Custodian
EMEA

Business Model

Banque du Caire maintains a robust operational and financial foundation, with a strong balance sheet, diversified lines of business, and an unwavering commitment to customer centricity and innovation. In 2022, the bank continued to capitalize on its strengths, providing high-quality offerings to customers, and maintain sustainable returns for shareholders through numerous lines of business, service offerings, and products.

Our Strengths and Capabilities

Strong Balance Sheet
The bank's resilience in the midst of challenging economic downturns is greatly reflected in its consistently strong balance sheet, inspiring confidence in the strategic direction the bank has taken throughout 2022.

Exceptional Talent
Our dedicated employees are highly qualified, well trained, and committed to upholding the bank's strong corporate culture and values with continuous opportunities to further enhance their skills and increase their productivity to help the bank's journey of growth and success.

Diversified Business Model
The bank's offerings provide retail and institutional clients with a wide range of tailored financial solutions and banking services across its footprint, with further developments in the horizon coping with the ever-changing needs of the market.

Customer Centricity
Backed by seven decades of industry experience and a robust digital infrastructure, the bank is a leader in providing seamless, customer-centric solutions.

Driving Economic Growth
Our unmatched capabilities in the institutional banking space allow us to finance and grow key industries that drive economic growth.

Adaptable to Change
Banque du Caire's unmatched ability to adapt helps it meet the needs and requirements of the changing financial eco-system, especially with the growing demand for sustainable financing.

Our Stakeholder Impact

Our Customers
We are committed to delivering excellence through our products; customer centricity is at the heart of our operations.

Our Employees
We foster an environment of empowerment and innovation where our employees feel valued and have room to learn and grow.

Our Shareholders
We deliver sustainable returns to our shareholders, building confidence in our ability to weather economic headwinds.

Our Partners
Our diversified, sustainable growth model has allowed us the know-how and network to forge partnerships that enhance the financial system nationwide.

Our Communities
We work to make positive change in the communities we operate in.

How We Create Value

Institutional Banking offers an array of products and services from capital financing products to more structured solutions for large and mid-size corporations and SMEs in innumerable sectors.

Retail Banking is central to our growth model, providing clients of all sizes with consumer banking products and digital services tailored to their needs and risk profiles.

Investments are continually being made to establish new companies and grow ventures that will complement our business activities and enrich the financial service ecosystem.

Representative Offices such as the one in the UAE, provide customers with a gateway for capital management in the region.

Cairo Bank Uganda | CAIRO LEASING CORPORATION | Cairo Exchange | taly

02

STRATEGIC REPORT

Our Strategy

Banque du Caire plays an integral role in the banking sector as a leading player with a rich heritage and valued brand equity. As a universal financial service hub, Banque du Caire is committed to driving sustainability for each and every one of its stakeholders. Building on the successful and aptly named 'Decisive Actions' strategy set out by the bank for 2018-2021 — and having achieved the desired transformation and turnaround as a result of that strategy — in 2022 Banque du Caire adopted a strategic vision that looks through the lenses of sustainable growth, customer centricity, enhanced efficiency, and holistic synergies.

The bank has embarked on an immense transformational journey with a robust strategy focusing on customers' changing needs. Banque du Caire prides itself on providing their diverse customer base with exceptional experiences and, in turn, building brand loyalty and customer retention, and driving revenue. As a leading bank in Egypt, Banque du Caire's commitment to Egypt's Vision 2030 is reflected in their accelerated digital transformation that has paved the way for digital payments and financial inclusion.

The bank's approach today not only builds on the pillars laid out in years previous, but 'connects the dots' between the achievements and milestones it has hit in years previous to align each line of business, investment approach, and growth target around a singular vision. To do this, it has devised a forward-looking strategy built around sustainably improving its financial position, strengthening brand equity, providing unfettered access to bespoke solutions and complimentary services for clients, developing efficient processes to drive growth, and driving a performance culture aligning the bank around the ethos of 'One Voice'.

Banque du Caire is committed to building a sustainable growth engine to grow market shares through multiple pillars; including diversifying the bank's product offering, promoting service excellence, and enhancing processes while maintaining a cost-sensitive approach.

Reaping the benefits of its efforts in 2022, Banque du Caire achieved EGP 250 billion in its deposit's portfolio and EGP 140 billion in its loan's portfolio.

▲ 26%	▲ 26%	
EGP 322 bn	EGP 250 bn	EGP 3.1 bn
Total Assets	Customer Deposits	Net Profit

A special focus is given to enhance net operating income and expand cross-selling capabilities by identifying customer needs and fulfilling them to achieve customer satisfaction and acquire new customers as well. The bank introduced a number of new products that appeal to a wide range of customers, including Individuals, SMEs, and large corporates. This includes a 3-year savings certificate with high return, a WhatsApp service for businesses, a chatbot service and tailored cash management solutions.

Banque du Caire has gained the trust and support of its customers, employees, and shareholders through continuous efforts to guarantee quality service, while managing costs and optimizing spending. The bank has worked heavily on the reliability of its uninterrupted operations, its services turnaround time and SLAs and introduced a dedicated 'process re-engineering' team to accelerate service durations, optimize processes, and boost efficiency.

Banque du Caire prioritizes customer satisfaction and has provided various platforms for communication including surveys and complaints which are thoroughly analyzed by a dedicated customer care team to enhance and adapt product and service offering and to meet client needs and expectations. The bank's process ensures prompt handling for clients' complaints along with solid action plans to mitigate reoccurrences.

Banque du Caire works to enrich the Individual clients' banking experience through extended channels with faster and personalized responses. In that regard, the branch network was expanded with four new branches, the bank's ATM network was expanded adding enhanced features, and the e-wallet was improved to incorporate merchant networks. Also, the bank's ambitious plan capitalized on customer segmentation to better serve Individual clients, match their needs with tailored products, and sustain their loyalty to Banque du Caire.

The bank is committed to supporting SMEs and Microfinance clients. Continuous efforts are devoted to promoting agility in services and diversifying digital products to get closer to this segment, which comes in line with Egypt's vision to support financial inclusion. The bank has introduced 12 new SME Hubs and 5 Bank Delivery Systems (BDS), and established the Financial Inclusion Hub for Corporates. Additionally, the bank introduced Engaz, a fast and simple lending product for Small clients, and launched an instant digital lending platform for Microfinance clients with expanded reach. A high-level service is also maintained to the bank's Large Corporate clients through dedicating well-trained relationship managers and introducing special offerings such as corporate specialized credit cards.

Business Portfolio

23%
EGP 67 bn
Large Corporate & Banks

64%
EGP 19.2 bn
SMEs

29%
EGP 7.2 bn
Microfinance

22%
EGP 47 bn
Retail Banking

3.2 mn
Number of Customers

1,648
Corporate Internet Banking Subscribers

1,650
ATMs

866 K
Wallet's Customers

Banque du Caire believes that digital transformation is crucial for future growth. Hence, the bank continuously address all front end and back end frontiers to enrich its digital product offering and digitize its infrastructure. The bank also forges partnerships that bring opportunities for innovative digital services in the FinTech space. The bank's digital arm, Taly, was established to offer bundled services for cash management solutions, digital lending, and POS services. The Nclude FinTech Fund was also launched in partnership with Global Ventures in addition to the established Instant Payment Network (IPN). Banque du Caire also had successful partnerships with digital solutions providers and made exclusive deals with promising FinTechs like TELDA. In parallel, the bank invests in technology for its processes to boost agility and efficiency by relying heavily on automated cycle workflows, introducing robotics, and expanding a CRM system.

With all efforts dedicated to its customers, Banque du Caire is devoted to its employees pertaining them as the main asset. The bank's goal is to provide a culture that nurture appreciation and value work-life balance, and in turn, deliver great benefits and incentives and invest heavily in training programs to drive employee engagement and retention. Additionally, the bank has made efforts to advance diversity and women empowerment and currently has 34 women in leading positions.

Employees have had 232,110 hours of training and development to enrich their knowledge and skills. In addition to the training programs, the bank has introduced the Fast Track, Emerging Leaders and Future Leaders Programs in collaboration with the Egyptian Banking Institute aiming to equip employees with diverse capabilities and the expertise required for their career growth and leadership positions. This has enabled the bank to create an efficient structure that allows for growth and inclusivity across the bank by attracting, retaining, and growing high-caliber employees, leading to a retention rate of 93%.

Banque du Caire is committed to operating sustainably and driving value for people, the planet, and the economy. This is achieved through frameworks and strategies that are in line with international standards. The bank established its Sustainability framework that outlines its green impact and sets the path for its sustainable finance. Successfully, water consumption was reduced by 40% and a paperless environment was established across all operations. Additionally, Banque du Caire was an active participant of COP27 and joined UNEP-FI in 2022. Moreover, the bank received $30 million from the Green for Growth Fund and signed a $40 million agreement with the French Development Agency in order to finance investments for Egypt's Vision 2030.

Chairman and CEO's Note

The past year has proven to be particularly challenging for the global economy, with significant impact felt here in our market as well. Geopolitical tensions in Europe, a sharp rise in commodity prices, and aggressive fiscal tightening resulted in challenging economic conditions all over the world. With rising debt levels, inflation, and interest rates, we have been struck with economic challenges with far-reaching implications on both public and private enterprises.

> Banque du Caire's robust internal framework and profitable business model has allowed us to continue to thrive in the midst of various challenges. The bank has remained resilient while navigating global financial headwinds and the global pandemic.

In light of the situation, the Egyptian government played a crucial role in implementing structural reforms. Key to this was the move toward a floating foreign exchange rate regime, signaling an equilibrium and, in turn, attracting foreign investment.

As such, we have seen signs of progress with tourism on the rise, the state's privatization program gaining momentum, and the Central Bank of Egypt's (CBE) initiatives to curb inflation and foreign exchange shortages. Despite the ongoing challenges, we are hopeful and cautiously optimistic that these efforts will continue to bear fruit in the months and years to come.

As one of the leading banking institutions in the country and a key pillar of Egypt's economic growth, Banque du Caire had to manage these kinds of challenges before. From the global financial crisis of 2008 to political unrest in 2011, devaluations of the local currency, and a global pandemic, we have consistently had to act in an agile manner in order to emerge a stronger institution and play our part in supporting our clients — whether they are individuals looking to grow their spending and saving power, small businesses looking to scale up, or institutions that form the foundation of our economy. Banque du Caire's robust internal framework and profitable business model have allowed us to continue to thrive in the midst of the aforementioned challenges. The bank has remained resilient while navigating global financial chllenges and the global pandemic.

As one of the largest financial institutions in the country, we've had to continue to lean into our core strengths in the retail and corporate banking space. In addition to enhancing our digitalization and customer centricity efforts, we are fortifying our business model with complementary offerings that boost synergies and cross-selling abilities to drive unique value for our clients, our partners, and our potential shareholders.

In 2022, our focus was on expanding and enhancing our operations, having proven throughout the years to be a well-positioned financial institution with a robust internal framework and profitable business model, a testament to our commitment to providing world-class services to our clients while also ensuring a sustainable business model. Over the past year, the bank has reaped the rewards of its reform and the first phase of transformation efforts, growing total operating income by 24%, primarily on the back of effective balance sheet management and portfolio expansion efforts. These actions saw our total loan portfolio grow to over EGP 140 billion while maintaining stable NPLs despite challenging conditions.

On the institutional banking side, we've experienced exponential growth in our client base, catering to SMEs and large corporations alike through a diversified product offering, such as global transaction banking, wholesale banking, cash management and trade, debt structured financing and more — an optimal mix that is further complemented by our digitalization efforts in this space. We have witnessed exponential customer growth over the past five years, from 163 to 937 corporate clients and from 2,180 to 5,562 SME clients. Importantly, we have expanded our reach in the debt capital market and advisory space, extending over 10 financing facilities to some of the leading corporations during the year, including the landmark milestone of acting as mandated lead arranger for an EGP 12.5 billion joint financing facility for Canal Sugar Company.

On the retail front, our competitive edge continues to lie in our size and breadth of offering, being the third-largest bank in the country in terms of branch coverage and geographical distribution. Our product offering is more specialized than ever before, with a wide variety of tailored offerings catering to our clients' needs, allowing us to grow our retail & microfinance loan book over 23% by the end of the year. Additionally, the bank has a proven legacy in microfinancing, averaging an increase of 100,000 new clients per year, a testament to our commitment to financial inclusion. The microfinance platform is also end-to-end digitalized, enabling clients to receive their loans within a few hours, and ensuring favorable client acquisition rates and a market share of up to 10%.

While the digitalization of banking continues to form the lynchpin of our growth strategy, we recognize that maintaining robust partnerships with clients necessitates an optimal mix of face-to-face interaction and digital integration. As such, our dedication to maintaining our customer-centric approach is illustrated by our continuing to open new branches, which stood at 248 by the end of the year. Additionally, our ATM network has not only been upgraded but also more than doubled, providing clients with more options for convenient access to their funds.

In the spirit of digitalization and financial inclusion, we partnered with leading financial institutions, financial technology powerhouses, and global technology developers to develop the Nclude fund, which supports early- and growth-stage fintech startups. With commitments targeted at USD 150 million, Nclude plays a dual role of supporting the CBE's financial inclusion and digital transformation strategies while bolstering entrepreneurial activity within the fintech ecosystem. We have also established partnerships and signed agreements with companies like Telda, which provides prepaid cards for youth, issuing 100,000 cards in one month with a plan to double that number in the near future.

Banque du Caire has maintained focus on expanding and enhancing its operations to ensure a sustainable business model. As far as expansion beyond our home market, during the year, Banque du Caire invested USD 82 million in African Export-Import Bank (Afreximbank), raising the total value of the bank's investments in Afreximbank to around USD 115 million. Playing a central role in promoting trade between Africa and the world, Afreximbank supports the growth and development of Africa and advances its economies. The move is directly in line with our geographic growth plans, as we continue to make inroads in expanding our retail and corporate business through Cairo Bank Uganda (CBU) — our strategic entry point into the COMESA market — and the MENA region through our representative office in the UAE.

On the investment front, we continue to capitalize on our pillars in the non-financial service space, adding factoring services to our already successful leasing business through Cairo Leasing Corporation (CLC). Offering bespoke, alternative lending solutions to clients of all sizes and at every stage of their growth, CLC managed to grow its leasing portfolio over 30% during the year, climbing the rankings to place among the top 10 leasing players in Egypt. During the year, we also successfully launched Cairo Exchange, a standalone foreign currency exchange bureau, as part of the bank's strategy to provide a comprehensive range of end-to-end financial service solutions to the widest subset of clients. In line with this same strategy, we took active steps to launch Taly, a world-class payment player linking banks, merchants, and consumers through an end-to-end, secure digital payment processing platform that will kickstart operations in 2023. In the mergers and acquisitions market, the bank has also managed to acquire a stake in IBAG, Western Union arm in Egypt, complementing the financial services offered by the bank.

In addition to our customer-centric approach, we are also committed to contributing to the betterment and sustainable growth of the communities we operate in. We are proud to have become signatories of the United Nations Environment Programme Finance Initiative (UNEP FI) and to be among leading financial institutions to promote the evolution of the sustainable finance sector in Egypt in line with Egypt's Vision 2030 and the UN's Sustainable Development Goals (SDGs). We have also set a target to identify candidates for green financing to further encourage and promote investment and funding of green projects — a key growth driver in the years to come for Egypt. Recognizing the importance of transparency and commitment regarding our internal carbon emissions and the impact we have on our society, the bank published a Carbon Footprint report covering scopes 1 and 2. This pilot Carbon Footprint report is the first of more to come, allowing us to keep track of our emissions and make a comprehensive plan to reduce them until we not only reach net-zero but also achieve net-positive. We are also developing a sustainability strategy that will further integrate ESG in our business model. Additionally, we are planning to publish our first Task Force on Climate-related Financial Disclosures (TCFD) report, identifying our climate risks and how we plan to mitigate them and adapt to new ways of doing business.

In 2022, we participated in COP27 in Sharm El Sheikh, hosting the Youth and Climate and Plastic Products and Climate Change panels. The panels provided us with an opportunity to showcase our commitment to sustainability and to discuss mechanisms for applying best practices in the financial sector to combat climate change, find new ways to eliminate plastic usage, and ensure sustainable long-term growth. Our commitment was noted within the high-level participation from field experts on a global scale, from government officials, CEOs, UN representatives, and youth.

With our solid foundations and strong internal frameworks, Banque du Caire has once again been able to remain successful during times of uncertainty and rapidly changing macro environments. The resilience and innovation demonstrated are a testament to the bank's exceptional team and Board of Directors and their unwavering commitment to supporting our clients. This would not have been possible without the hard work and dedication of our team — the men and women on our front lines with clients, the people who consistently innovate and build the digital infrastructure for growth, and the ones who ensure we operate with integrity and a commitment to compliance and world-class ethical standards. To that end, I would like to offer my heartfelt and sincere gratitude to the entire Banque du Caire family, without whom we could not have navigated this particularly difficult year.

I would also like to thank our Board of Directors whose consistent support, flexibility, and guidance have allowed us to not only maintain our standing in the market, but to grow our operations into new sectors and markets in this challenging year. It is due to this stalwart guidance, the commitment of our people, and our unwavering commitment to supporting our clients that has allowed us to remain at the forefront of the banking industry as we lead the way to a stronger and more sustainable Egyptian economic growth story.

TAREK FAYED
Chairman and Chief Executive Officer

2022 Financial Highlights

Banque du Caire's robust portfolio diversification strategy allowed it to cement itself as a leader in Egypt's banking sector and post strong results despite global fiscal tightening, soaring inflation, and the knock-on effects of geopolitical tensions. The bank's operating income recorded an increase of 24% y-o-y to EGP 15.8 billion, primarily on the back of effective balance sheet management and portfolio expansion efforts, which saw Banque du Caire's loan portfolio grow by 28% y-o-y to EGP 140.5 billion at year end 2022. The bank's profit for the year amounted to EGP 3.1 billion, inching down 11% y-o-y as the bank continued to adopt a conservative approach by booking significant provisions.

Banque du Caire's total assets amounted to EGP 321.6 billion, reflecting an increase of 26% y-o-y at year end 2022 driven by an increase in loans to customers and banks (net of provisions). Banque du Caire's Institutional Banking group continued to lead the bank's loan growth, recording a portfolio of EGP 86.3 billion, up a solid 31% y-o-y. Meanwhile, retail portfolio expanded 23% y-o-y and booked EGP 54.2 billion at year end 2022. In parallel, the bank maintained its total loan-to-deposit ratio at 56% on the back of it's successful portfolio expansion efforts over the course of the year. Moreover, despite the unprecedented events that colored the year, the bank was able to maintain a non-performing loan ratio of 4.97%.

Banque du Caire's total liabilities increased by 27% y-o-y to EGP 299.1 billion at year end 2022 on the back of a 26% y-o-y rise in customer deposits to EGP 250.2 billion.

Total equity in Banque du Caire amounted to EGP 22.5 billion, up by 17% y-o-y in 2022. Banque du Caire's capital adequacy ratio (CAR) stood at 15.3% in 2022, largely flat compared to the previous year. Meanwhile, the bank delivered a return on average equity (ROAE) of 15.1%, down from the 19.2% posted in 2021, owing to the bank's lower profitability at year end 2022.

Income Statement

	2021	2022	Y-o-Y Change	
	EGP mn	EGP mn	EGP mn	%
Net Interest Income	10,362	12,793	2,431	23%
Net Non-Interest Income	2,346	2,963	617	26%
Core Banking Income (Total Operating Income)	**12,708**	**15,756**	**3,048**	**24%**
Other Operating Income (Expense)	98	(1,409)	(1,507)	(1538%)
Administrative Expense	(5,608)	(6,696)	(1,088)	19%
Expected Credit Loss	(1,500)	(2,056)	(556)	37%
Net Profit Before Tax	**5,698**	**5,595**	**(103)**	**(2%)**
Income Tax	(2,157)	(2,455)	(298)	14%
Net Profit	**3,541**	**3,140**	**(401)**	**(11%)**

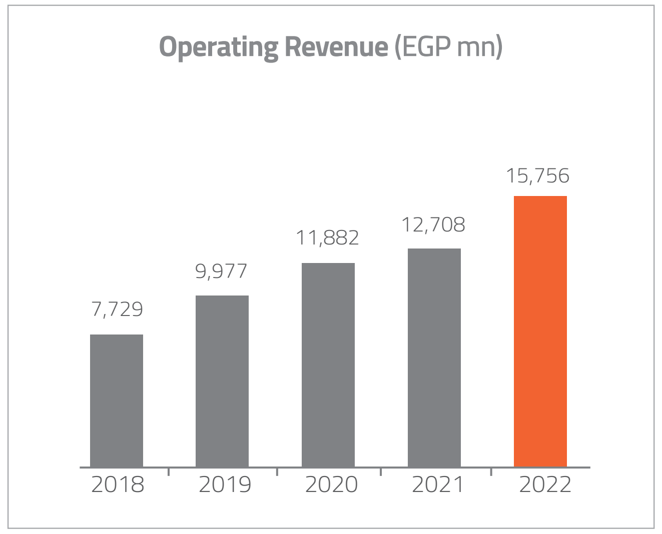
Balance Sheet

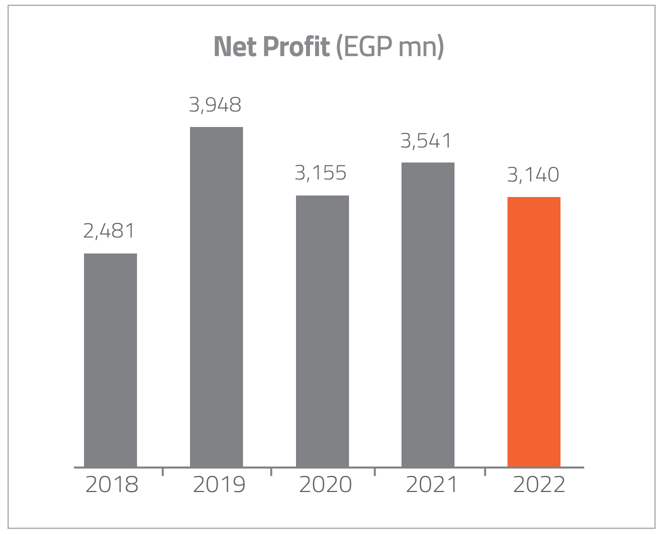
	Standalone			
	2021	2022	Y-o-Y Change	
	EGP mn	EGP mn	EGP mn	%
Cash & Balances with CBE	19,062	19,491	429	2%
Due from Banks	33,322	56,233	22,911	69%
Financial Investments	90,372	102,522	12,150	13%
Investments in Subsidiaries & Associates *including financial derivatives	876	1,790	914	104%
Loans and Advances to Customers & Banks (Net)	102,226	130,172	27,946	27%
Other Assets	9,278	11,379	2,101	23%
Total Assets	**255,136**	**321,587**	**66,451**	**26%**
Due to Banks	17,624	19,984	2,360	13%
Customer Deposits:	198,278	250,184	51,906	26%
Other Loans	11,698	17,981	6,283	54%
Other Liabilities	8,303	10,959	2,656	32%
Total Liabilities	**235,903**	**299,108**	**63,205**	**27%**
Shareholders' Equity	**19,233**	**22,479**	**3,246**	**17%**
Total Liabilities & Shareholders' Equity	**255,136**	**321,587**	**66,451**	**26%**

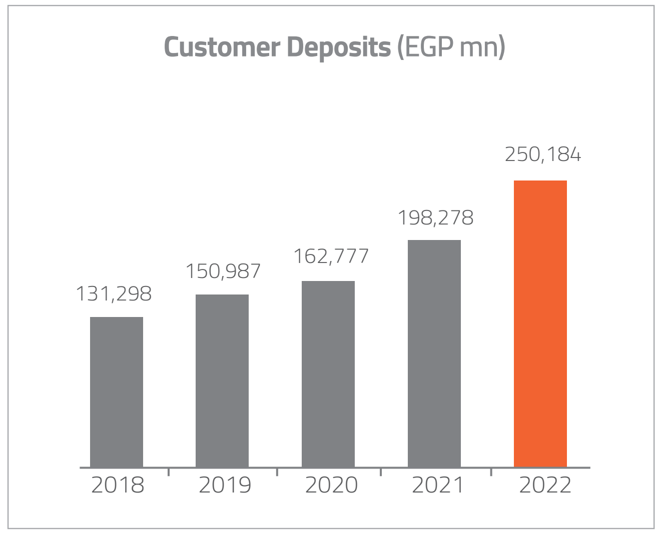
Financial Indicators

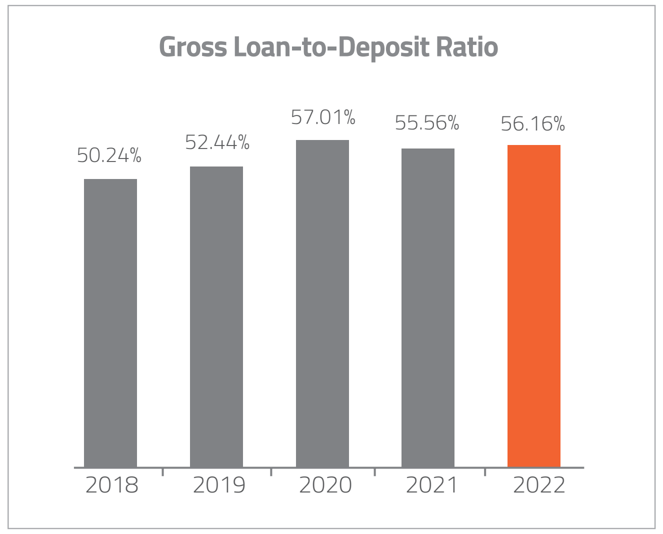
	2021	2022	Y-o-Y Change
Profitability			
ROAE	19.24%	15.06%	(4.18%)
ROAA	1.54%	1.09%	(0.45%)
Margins			
Net Interest Margin (NIM)	5.05%	4.97%	(0.04%)
Efficiency			
Cost-to-Income Ratio	44.13%	42.50%	(1.63%)
Liquidity			
Gross Loans to Deposits Ratio	55.56%	56.16%	0.59%
Net Loans to Deposits Ratio	51.56%	52.03%	0.47%
Asset Quality			
NPLs-to-Gross Loans	4.29%	4.97%	0.68%
Capital Adequacy Ratio	**15.20%**	**15.25%**	**0.05%**

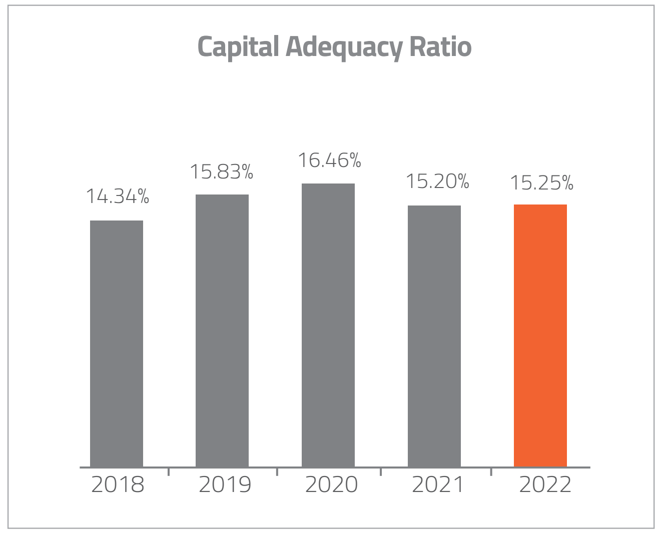
Five-Year Progression

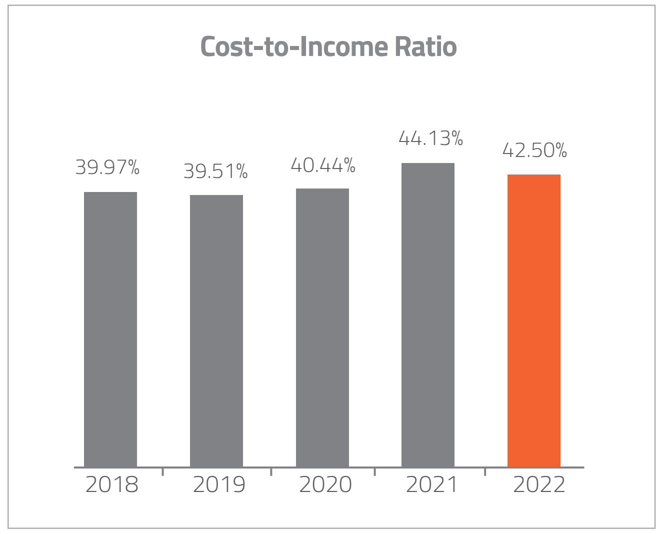












03

OPERATIONAL **REVIEW**

Institutional Banking

Banque du Caire's Institutional Banking Group, with its range of innovative financial products and solutions, has been a reliable banking partner for institutions of all sizes, with an eye toward supporting the nation's economic development through the support of numerous, value-generating economic sectors.

The group's comprehensive suite of products and solutions positions it as a core source of top-line growth at the bank, playing a central role in Banque du Caire's unique value proposition in the banking industry. In 2022, the bank continued to serve large corporates and multinational firms and mid-sized companies, looking to unlock capital, manage their businesses, and expand their presence. Banque du Caire's deep and long-standing partnerships with its corporate client base ensures its exposure to high-potential and high-value sectors in Egypt's diverse business community.

In line with Banque du Caire's strategy to drive economic growth, the group provides tailored working capital products, medium-term loans, long-term financing, and other credit solutions. Its clients are provided with access to competitive overdraft facilities, short-term loans uniquely tailored to corporates' particular business needs, as well as flexible cheque purchasing services. The group's offering is inclusive of first-rate commercial services, such as trade finance solutions, bill discounting, and refinancing under trust receipts.

The bank's commitment to encouraging and facilitating investment economic growth is reflected in its bespoke medium and long-term loans and facilities, as well as its structured finance and syndicated loans. Banque du Caire has secured its leading position in the syndicated loans space having provided joint financing with other banks and operating in key sectors of the economy.

Corporate Banking

The Corporate and Institutional group is a rapidly growing, dynamic part of Banque du Caire's business. The group's diversified portfolio is an integral source of top-line growth and provides exposure to a wide variety of vital, value-generating sectors. Banque du Caire utilizes the group in maintaining close partnerships with private and public sector counterparties operating across the Egyptian market, driving economic growth for the nation. The group serves clients ranging from large corporates with revenues over EGP 750 million per annum to mid-sized corporates with revenues between EGP 200 million and EGP 750 million per year. Along with a focus on providing working capital financing and medium to long-term financing to clients, the group offers a vast range of solutions uniquely tailored to each client's specific needs and risk appetites. Additionally, the bank's corporate clients enjoy a host of commercial services ranging from trade finance and bill discounting to refinancing under trust receipts. Corporate clients seeking financing for capital expenditure purposes are offered medium and long-term facilities at competitive rates. Moreover, Banque du Caire is a well-established participant in structured finance and syndicated loans, frequently joining other institutions or taking on leading roles to arrange joint financing for corporates operating in key sectors of the Egyptian economy.

Corporate Service Sector

The Corporate Service Sector was established in January 2018 under the Corporate Banking group with the aim of providing dedicated services to corporate clients and act as the focal point to facilitate corporate client requests. The sector is dedicated to providing best-in-class services to every corporate relationship irrespective of size.

The Corporate Service Sector's primary focus is after-sale services including product information, complaints, clarifications, and transactional inquiries. In line with the focal point of the CBE, an emphasis is placed on the ongoing enhancement of the existing procedures by introducing some amendments and applying changes in the working cycle process, leading to a minimized turnaround time and more flexible handling. The sector is committed to providing clients with a consistently high level of performance with standardized processes and minimized turnaround times.

A Year of Achievement Despite Challenges

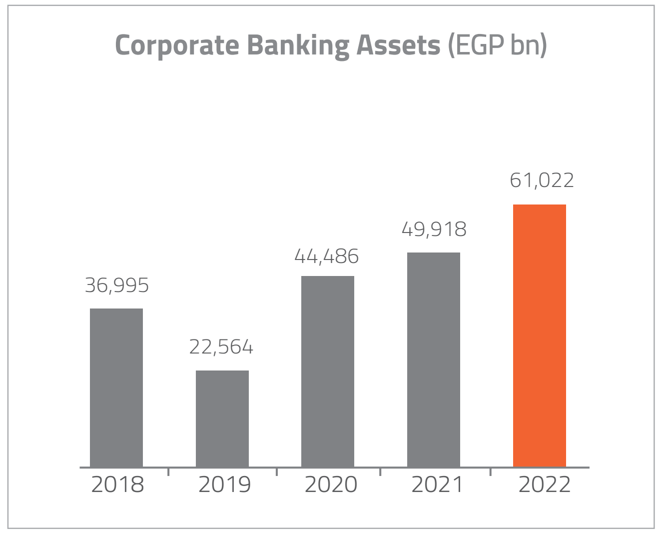
Despite global headwinds that had significant knock-on effects on the Egyptian market, including fiscal tightening that dampened lending activity and the marked drop in foreign currency reserves, the bank's Corporate Banking division was able to maintain its foothold in the corporate banking space. Throughout the year, it continued to serve its clients and meet its targets by leveraging its solid range of products and services to generate unmatched value for clients of all sizes.

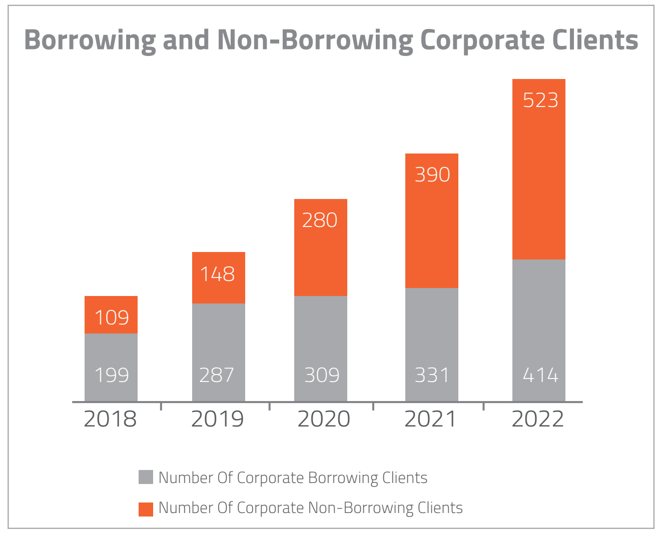
In 2022, the division prioritized maintaining a healthy lending portfolio, mitigating risks and limiting the growth of its NPL portfolio. At the same time, it focused on expanding its sector coverage — particularly in strong export sectors — adding companies in the hotel, restaurant, and textile segments by leveraging the synergies inherent in the bank's business model to capitalize on cross-selling opportunities.

The gross value of Banque du Caire's corporate loan book hit EGP 61 billion at the end of the year, up 22% year-on-year. Growth in the group's loan book was driven primarily by increased business with existing clients and the extension of facilities to new segments of clients. Banque du Caire added 88 new clients its to corporate client base for the year, 60 clients from the top-tier portfolio of large corporate customers. New top-tier clients were extended combined facility limits of EGP 6.5 billion in 2022 versus EGP 6.9 billion in 2021. The division added 28 new mid-cap clients in 2022, providing them with combined credit limits of EGP 983 million in 2022 versus EGP 790 million the year previous.

Petrochemical	11.5%
Food and Agribusiness	11.0%
Constructions	10.8%
Real Estate Developers	10.4%
Building Materials	9.3%
Oil & Gas	8.5%
Transportation	7.7%
Electricity	6.3%
Pharmaceutical & Health Care	4.5%
Others	4.2%
Aviation	3.1%
Wholesale and retail	3.0%
Communications and Information	3.0%
Steel	2.6%
Financial Institutions & Leasing	2.6%
Hotels & Restaurants (Accommodation & Food Services)	0.5%
Textiles	0.5%
Tourism	0.4%
Paper Industry	0.1%
BDC	0.1%

Corporate Loan Portfolio





Forward-Looking Strategy

Moving forward, the Corporate and Institutional Banking Group plans to maintain a healthy portfolio through the close monitoring of borrowing clients to ensure an ability to navigate a challenging macroeconomic atmosphere. The group is also dedicated to maintaining an efficient working structure through hiring, training, and retaining high-caliber employees. The group is adopting a multi-pronged growth strategy for the coming year. Corporate Banking will put a particular focus on acquiring exporting clients, attracting deposits, and increasing the operating balances of dealing companies. In terms of cross-selling and achieving a holistic approach with clients, the focus will be on product penetration rates and cross-business line sales. In line with the bank's customer-centric approach, the group plans to standardize and enhance the customer experience through the automation of service to streamline processes.

Debt and Structured Financing

Since its establishment in FY2018, the Debt and Structured Finance (D&SF) division has been considered one of the vital tools in line with the bank's master plan to provide comprehensive banking and financial services as a fully-fledged financial services provider in the market for the bank's corporate clients.

During the restructuring phase, D&SF widened its range of services — along with offering unconventional and structured financing products, such as project finance, structured finance, debt capital market products, syndicated loans — and its related agency roles and financial advisory services. The wide range of offered unconventional financing products increased the bank's business opportunities, boosted its competitive edge, and improved its market share in the banking industry.

2022 Highlights

2022 was an exceptional year with the D&SF division's contribution to the growth of Banque du Caire's assets. An increase in the assets portfolio was recorded where the figure stood at EGP 28.2 billion by the end of 2022 compared to EGP 13.5 billion back in 2017, an increase of 108%. D&SF Sector recorded an ending balance around EGP 28.2 billion for FY2022 compared to an ending balance around EGP 20 billion for FY2021.

Moreover, in line with the bank's strategy to diversify the lending channels and products to capture all lending and investment opportunities, through its debt capital market arm the division succeeded during FY2022 in taking part in 10 of the large Debt Capital Market (DCM) transaction issuances with a total production reached around EGP 1.79 billion compared to EGP 1.58 billion in 2021. The division's ending balance of EGP 4.87 billion distinguishes it and retains its position on the DCM map.

The D&SF division participated in the arrangement of five syndicated loans under the title of Initial Mandated Lead Arranger (IMLA) and Mandated Lead Arranger (MLA), with a total syndicated loans value of EGP 8.5 billion, and Banque du Caire's share was around EGP 1.86 billion

An important milestone for the division for the year was its successful participation as Initial Mandated Lead Arranger and debt servicing bank for an EGP 12.5 billion joint financing facility for one of the largest sugar production companies. The financing, toward which the bank contributed EGP 1.5 billion, was set to be used to fund the reclamation and development of 181,000 feddans in West Minya, as a part of the presidential program for the reclamation of 1.5 million feddans. The financing will also fund the establishment and operation of a sugar plant with a production capacity of around 900,000 tons of sugar annually.

Furthermore, on the level of notable structured finance, the D&SF division was initially mandated lead arranger and underwriter in one of the most structured financing transactions in the real estate sector, with a participating share of EGP 600 million.

The D&SF division's asset portfolio as a percentage of the total Corporate Banking Group's portfolio represented around 43% by the end of FY2022.

Forward-Looking Strategy

Banque du Caire's D&SF division is currently aiming to position the bank as one of the main players in the Debt Capital Market including all aspects, such as securitization finance, Sukuk finance, corporate bonds, etc. This strategy shall diversify the bank's investment and lending portfolio, increase its profitability through high-quality assets, and ensure the its position as a comprehensive financial service provider in the market.

The division is dedicated to growing the bank's market share through an increased presence in large and complex project finance transactions, while in parallel building strong ties with local international public and private sector banks.

In light of the state's interest regarding sustainable development and the vital role of the banking sector to support this vision through sustainable finance, D&SF is targeting to increase financing exposure with projects that have a positive environmental and social impact on the country.

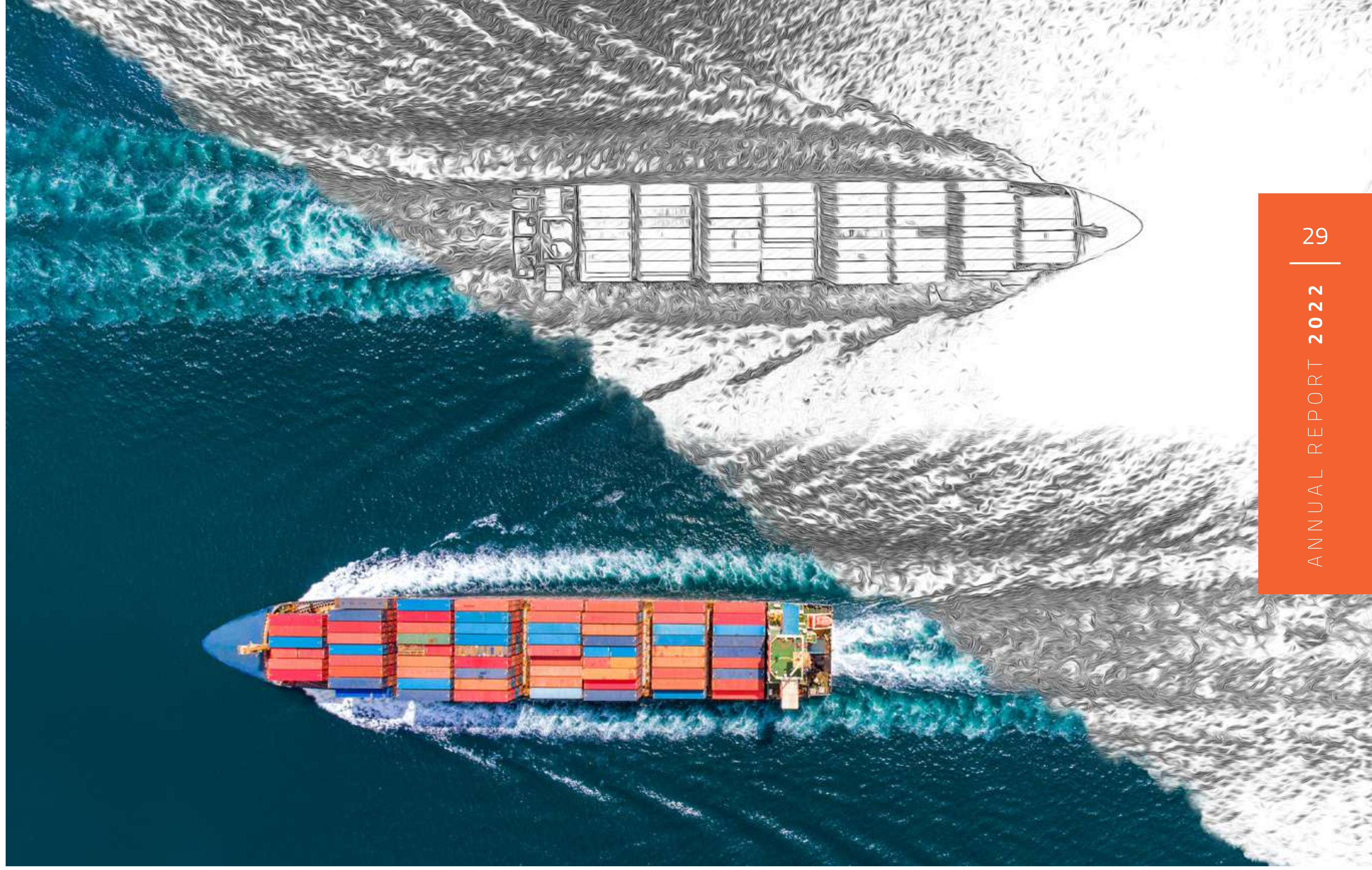
Moreover, D&SF is set to position Banque du Caire as one of the main financial consulting providers, that is considered a fully-fledged financial service provider for clients. Such positioning will help Banque du Caire sustain its current client relations and seize potential lending opportunities.

Finally, the division is actively working to affirm Banque du Caire's position as the main market player in the syndication arrangement and agency instead of being a participant bank, which should increase the bank's profitability resulting from arrangement and agency fees.

Awards

Efforts means achievements and thanks to the strong results, Banque du Caire received three awards from EMEA Finance:

- **Best Structured Finance Deal in Africa**
- **Best Local Currency Syndicated Loan in EMEA**
- **Best Structured Finance Deal in North Africa**



Global Transaction Banking

The Global Transaction Banking Group (GTB Group) played an instrumental role in contributing to the bank's portfolio, expanding its business by offering tailored solutions through unique digital channels for institutions to streamline their financial transactions and optimize resources. In 2022, the group's multi-pronged strategy was geared toward leading the digitalization agenda for the bank's institutional clients through automating digital channels and solutions, enhancing existing clients' portfolios, and providing world-class digital solutions.

Reaping the fruit of their robust strategy, the group succeeded in maximizing the use of electronic payments, enhancing clients' cash cycles, minimizing turnaround time, and improving overall customer experience. The group also succeeded in enhancing the bank's corporate internet banking (BDCBusiness) and Trade Digital Portal to promote export business. Also, in line with the group's strategy, a number of cashless solutions were introduced, including QR code collection through Merchant Wallets, ACH Direct Debit, a full-fledged e-finance platform, digital signature services, and corporate prepaid cards.

Also in 2022, the group launched the Digital Factory to create an agile, tech-enabled, and modernized digital approach to achieve operational efficiency. The group's efforts to enhance delivery and establish new products led to an increase in its product portfolio and improved customers' overall experience. The introduction of the Digital Factory will also increase the group's focus on digital products in the cash and liquidity management, foreign trade, supply chain finance, and securities services fronts. This, in turn, will lead to increased cash flow collections, reduced transaction execution times, and enhanced client cash conversion cycles, thereby ensuring a smoother overall experience.

As a result of the group's outstanding efforts during the year, it garnered Banque du Caire several accolades, including receiving an award for Best Transaction Banking in Egypt by International Finance Awards for the fourth consecutive year, as well as being named Best Sub-Custodian Bank in Egypt for the third consecutive year by Global Finance. The group also witnessed an increase in the number of customers, exceeding 25,000 across all product ranges.

Cash Management and Liquidity Solutions

In 2022, the Cash Management and Liquidity Solutions division's strategy was geared toward promoting digitalization and establishing a cashless ecosystem, continuing to provide innovative solutions, and enhancing treasury and liquidity solutions for both corporate and institutional clients. The division also worked to enhance its product offering through innovative cash management solutions driven by a strategy to uphold financial inclusion and encourage a cashless society. The division significantly enhanced the client journey and experience, both in terms of pricing and tailored solutions that directly impacted customers' cash flow and cash cycle.

In 2022, the bank witnessed an exceptional surge in the performance of transaction banking operations, with volumes up 47% y-o-y and the value of transactions up 79% y-o-y. Corporate liabilities recorded a 51% growth y-o-y.

Trade and Supply Chain Finance

A cornerstone of the GTB Group and key contributor to the bank's top line, the Trade and Supply Chain Finance Division offers a wide range of both conventional and structured trade products, as well as numerous financing solutions to corporate clients with a particular focus on SMEs. In 2022, the division established a Supply Chain Finance Program by partnering with one of the leading fintech companies in the field, while internally developing a platform that allows for a more efficient supply chain cycle for customers, and boosting profits by capitalizing on invoice discounting. On the digital front, the division capitalized on the bank's newly developed corporate internet banking, allowing clients to execute their imports and guarantees through a digitized trade portal, thereby promoting export business and enhancing the overall customer experience.

This year, the division studied the needs of exporters from various industries and worked on developing a customer-centric approach to drive momentum in the Egyptian export front. Despite trade finance challenges this year, the group's efforts resulted in acquiring a larger share of Egyptian exports, with the value of export operations up 176% y-o-y and the volume of trade operations up 21% y-o-y.

Securities Services Product

The division aims to fortify the bank's position as an integrated one-stop shop that caters for clients' needs with a focus on investment banking, asset management, and brokerage firms. The division offers a wide range of products and services, including both local and global custody clearing services, escrow accounts, depository agency solutions, and receiving bank services. In 2022, the team's efforts to streamline and standardize

Awards

Best Sub-Custodial Bank from Global Finance	**Best Transaction Banking in Egypt International Finance Awards**

the customer experience resulted in developing an automated internal operations mechanism for custody and clearing services.

In 2022, the division succeeded in enhancing their service offerings by acting as a receiving bank and expanding securities transactions in the capital market space. The division has seen great success, acting as a receiving bank for a number of investment funds and onboarding one of the largest companies operating in the digital payments space. Banque du Caire, as a custodian, saw a 114% y-o-y increase in the value of assets under custody and a 67% y-o-y increase in commissions.

Innovation and Digital Banking

Following the pandemic, much has changed in the way companies complete day-to-day banking activities, with many adopting a digital approach. Banque du Caire was able to foresee such changes and, accordingly, has introduced a full state-of-the-art digital agenda with global standards, in collaboration with a reputable advisory firm since 2018.

This led to the inception of BDCBusiness, the bank's leading corporate internet banking platform, in 2020, which has seen a sharp adoption from customers since. In 2022, the platform recorded 4,303 transactions and reached 1,648 active customers, up from 581 in the preceding year. Within the same year, new features were introduced, such as feeding prepaid cards and digital wallets, which offloaded branches by 35% and directly contributed to the bank's commitment toward financial inclusion through digital intermediation strategies.

Additionally, the bank made efforts to deepen its digital service offering by establishing Taly, a digital payment company that is fully owned by the bank giving customers a full-fledged, state-of-the-art digital payments ecosystem. In addition, the Digital Factory was introduced by adapting an agile delivery methodology to hasten digital product deliveries while increasing customer satisfaction and loyalty.

For more information about Taly, please refer to the Investments section of this report.

Business Development

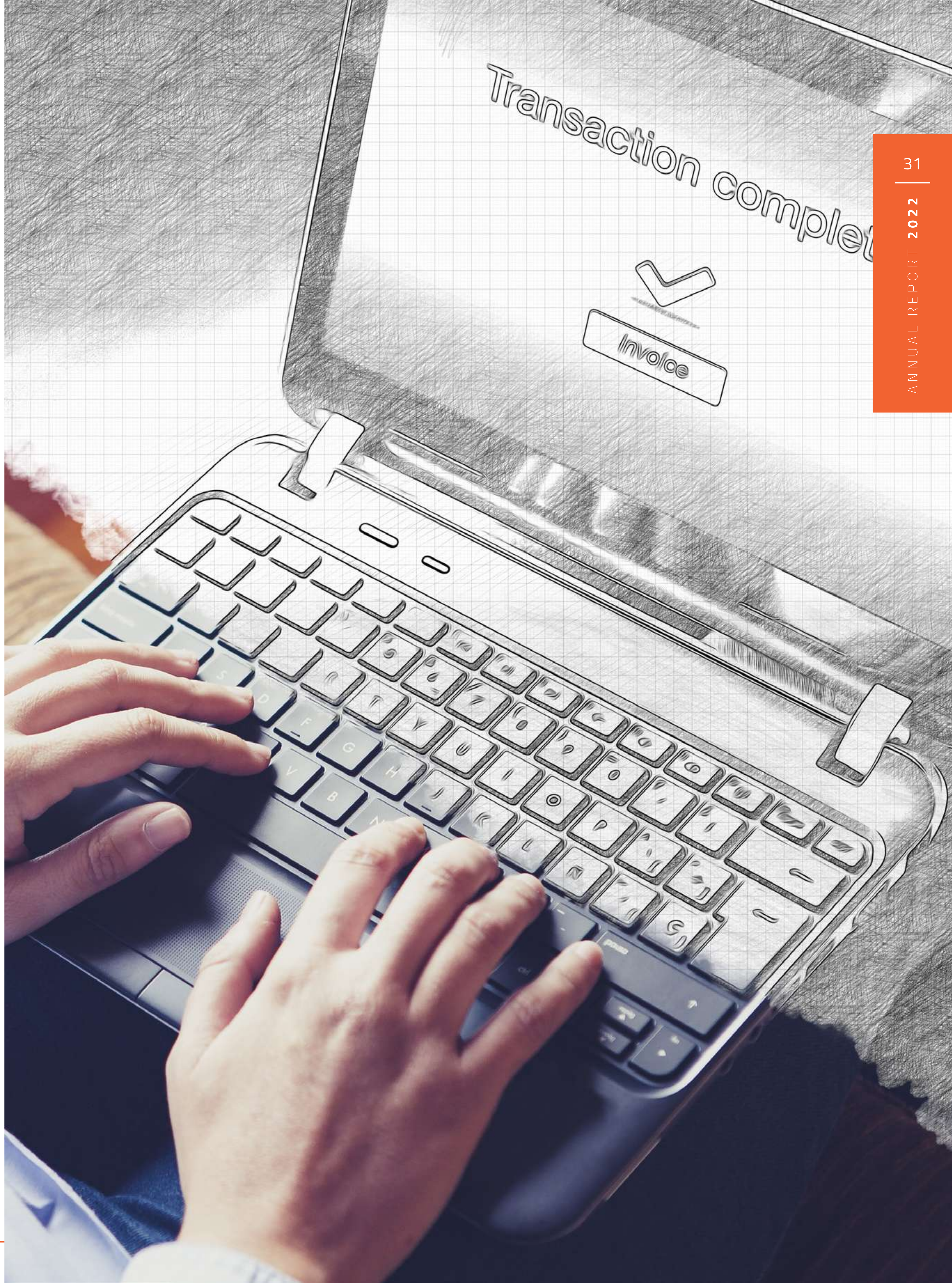
In line with the bank's strategy, Business Development Management's main focus is to offer innovative cash management solutions allowing for a seamless client journey in terms of pricing and tailored financial solutions to enhance the customer experience.

This year, the ivision tailored a number of structured trade finance propositions, resulting in an enhanced value proposition that benefited both buyers and suppliers.

The division is enhancing its product offering to ensure it meets industry needs and market trends, equipped with technological advantages that ensure simple and secure accessibility. As such, additional bundled solutions for cash management and supply chain finance have been offered, serving specific industries. As a result, call and visit numbers grew to over 700 in 2022, covering corporate banking clients.

Forward-Looking Strategy

Banque du Caire is committed to furthering its leading position in Egypt's institutional banking space through the development of innovative, tailored-made solutions. The GTB Group plans to consolidate its position as the go-to partner for Egyptian corporates, adopting a strategy of focusing on digitizing and maximizing the use of electronic payments to enhance client cash cycles and reduce transaction times. The group plans to continue utilizing existing products and developing new ones, such as electronic wallets enabled with QR-code technology and internet banking services, while capitalizing on foreign trade, export, and supply-chain-financing solutions.



Treasury and Capital Markets

Banque du Caire's Treasury and Capital Markets (TCM) Group is dedicated to optimizing the bank's income streams through investments and trading activities in a variety of asset classes. The group is also committed to supporting the local market and the bank's clients with needed liquidity and funding through its activities. The TCMG strategy for 2022 revolved around promoting new derivatives products and enhancing the use of existing ones, further catering to importer and exporter hedging requirements.

2022 was an exceptional year for the group due to a dynamic strategy executed through agile and proactive action plans and rapid responsiveness to local and global headwinds, particularly those that negatively impacted foreign currency reserves, trade finance volumes, and interest rates. By diversifying its foreign currency streams, increasing trading revenues, and enhancing net interest margin (NIM), the group was able to exceed its revenue targets by 52% to hit EGP 608 million by year end, with assets under management (AUM) growing 28% to EGP 151 billion for the year and interest income surpassing EGP 14 billion.

During the year, the TCMG managed to maintain the bank's market share in the wholesale banknotes business, serving market needs by importing USD 675 million. In parallel to the bank's launch of the Cairo Exchange. The TCMG also worked towards enhancing and developing its relationship with external exchange houses. This resulted in an increase in remittances volumes through a competitive foreign currency exchange rate pricing mechanism. At the same time, the TCMG onboarded several new premium foreign investor clients to help maintain its leading position in the foreign exchange market.

The group added the non-deliverable forwards (NDFs) to their collection of products and services this year, allowing clients to hedge their foreign exchange exposures. On the digital front, the bank took the lead in providing the pricing for new EGP derivatives products based on Bloomberg and Reuters data and successfully launched an automated foreign currency cash flow system to ensure effective liquidity management.

With the year witnessing unmitigated foreign currency reserve issues, the group had to comply with consistently evolving policies while, at the same time, maintaining local currency liquidity. The TCMG also responded promptly to unexpected Monetary Policy Committee meetings in 2022 and reviewed all business product rates to improve margins. The group adjusted the FTP policy to apply SOFR, as opposed to LIBOR, ensuring early compliance with the LIBOR transition global mandate. It also updated the relevant internal procedures to accommodate for new derivatives products such as the foreign exchange NDFs.

Awards

As a result of its consistently positive performance for the year, the TCMG was able to garner numerous awards.

The European Awards

- Best Treasury Management Bank
- Best Foreign Exchange Banking Provider
- Best Fixed Income Banking Provider
- Best Liquidity Management Provider

International Finance

- Best Foreign Exchange Bank

Forward-Looking Strategy

In 2023, the TCMG strives to amplify the bank's treasury product market share by introducing new product ranges and creating business opportunities catering to client needs. In addition, the TCMG will be seeking opportunities for efficient and profitable expansion across all business activities. The TCMG will also look to expand its market share of foreign investor flow and local exchange bureaus to maximize profits and NIM, achieving the bank's ambitious growth plans and support balance sheet growth. A special focus will be made to expand the bank's client base and counterparties, with an emphasis on treasury direct clients. The TCMG will additionally make efforts to onboard new exporter clients with the support of the bank's internal stakeholders.

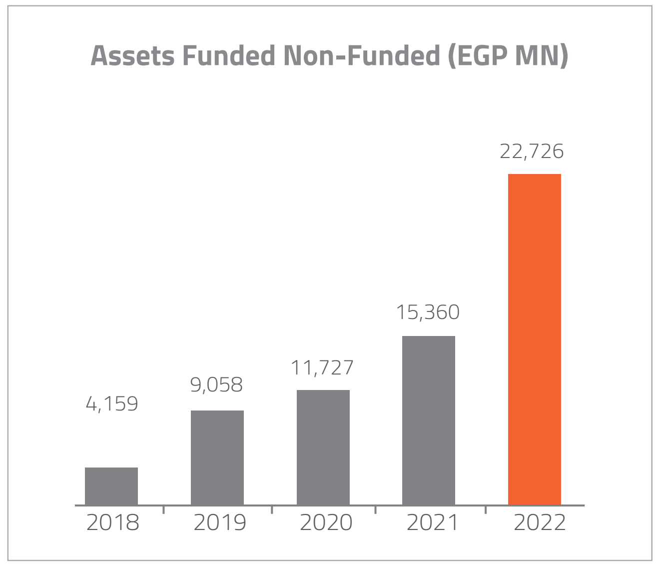
In 2023, the TCMG also plans to increase its derivatives trading products, providin foreign exchange forwards, foreign exchange NDFs, swaps, and IRS, better catering to client needs. The TCMG is preparing to kickoff phase II of the Kondor Front Office System in 2023 to facilitate diverse activities in the derivatives, options, IRS, and repo spaces. Finally, the TCMG will also be supporting the LIBOR Transition Project Committee to finalize it by June in line with market mandates.

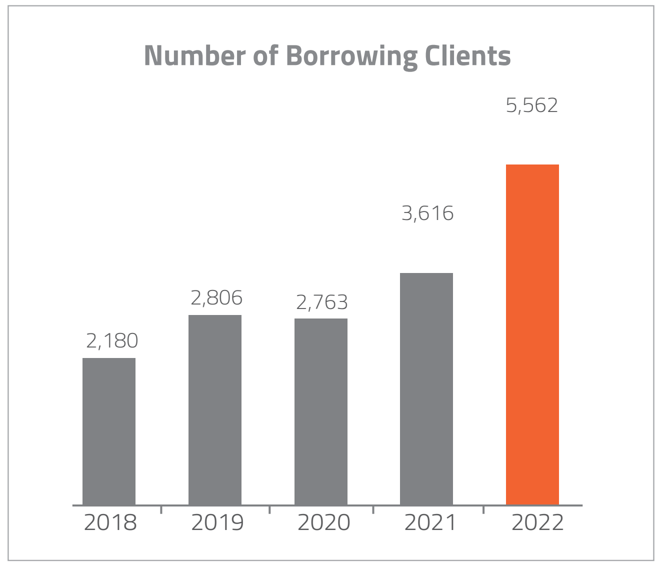
SME Banking

Banque du Caire is a leading bank for Egyptian SMEs, given its commitment to supporting the drive toward nationwide financial inclusion in alignment with Egypt's Vision 2030.

Along with a wide variety of services and products tailored to the SME segment, the bank prides itself on its accessibility with its extensive branch network across Egypt. Banque du Caire is equipped to serve SME customers through dedicated relationship managers allocated in 48 business centers across Cairo, Alexandria, Delta, Canal and Red Sea, and Upper Egypt.

The SME Banking Group performed exceptionally well in 2022, with the SME portfolio (Funded & Unfunded) exceeding a record of EGP 22 billion, achieving 48% y-o-y growth, and attaining 24% of the CBE mandate related to MSMEs. Meanwhile, liabilities witnessed an exponential growth in which the portfolio more than tripled, recording EGP 8.6 billion in 2022. Additionally, over 1,900 new SME clients were successfully onboarded during the year, compared to 800 new-to-bank clients in 2021.





Customer Centricity

The group developed two lending programs tailored to the needs of small clients during the year: (1) the Engaz Loan, a fast and simple lending scoring product through which small enterprises with annual sales turnover below EGP 20 million are eligible to be granted loans of up to EGP 500k in seven days; (2) the Small Enterprises (SE) Lending Program, which targets small clients with a sales turnover below EGP 50 million and offers credit limits up to EGP 7 million serving industrial and non-industrial sectors.

Recognizing the importance of proximity to clients, 10 new business centers were established, expanding the SME network to 48 business centers across Egypt, all dedicated to serving small and medium enterprises. The group plans on expanding the network further through opening more business centers to better reach and serve existing and potential customers.

Digitalization

Capitalizing on the bank's digitalization strategy, the group focused on changes that allow for a smoother customer experience, streamlined operational processes, and overall increased productivity.

The SME workflow system has been a focal milestone in the group's strategy, with the aim of being accessible to all internal departments involved in SME Lending Journey. The workflow system is designed to provide an end-to-end, fully automated lending process.

This mega project is two-fold, with the first phase dedicated to implementing an automated workflow for new enterprises requesting lending facilities, and the second focused on already existing facilities that are submitted annually for review.

The group also secured plans for further digitalization in the coming year with the launch of a Digital Scoring Platform in 2023, which is expected to provide an effortless lending experience for very small customers. The platform is expected to offer clients 24/7 online loan accessibility along with an online loan status follow-up.

NAWAH SME Business School

NAWAH is an end-to-end journey that aims to provide innovative training and market trending programs for its participants. The school's ultimate goal is to build highly skilled and fully trained calibers to boost the SME banking sector in Egypt. In 2022, NAWAH SME Business School successfully graduated 20 students, bringing the total up to 70 graduates since its inception in 2020.

NilePreneurs

In line with its strategic focus on non-financial services, the bank partnered with the NilePreneurs initiative, which is powered by the CBE in collaboration with the Nile University, with the goal of driving growth in the SME space.

In recognition of Banque du Caire's commitment to support the initiative, the bank was awarded the 1st-place ranking in terms of supporting non-financial services in 2021, as well as being recognized among the top performing banks in this regard in 2022.

In 2022, the group established five new Business Development Service (BDS) Hubs located in Ramses, 10th of Ramadan, Sidi Beshr, New Dammietta, and 6th of October, bringing their total up to eight hubs dedicated to offering non-financial services.

Furthermore, the group sponsors the Export Excellence Center (EEC) and all its activities with the aim of supporting newly established and existing SME clients. The goal is to help boost their export business through innovative solutions and start capacity building programs to improve export capabilities, ultimately better positioning Egyptian products in international markets.

Forward-Looking Strategy

The group's target is to further expand its existing portfolio by reaching out to more customers and strengthening the relationship with existing clients, with a particular focus on approaching the small segment, in line with Egypt's financial inclusion agenda. Furthermore, sustainable financial products will be offered to help SMEs achieve their green growth plans and work towards a sustainable future.

Building on 2022's digitalization efforts, the SME Banking Group plans to further streamline processes through additional investment in digital infrastructure and processes that enhance the customer experience and achieve operational excellence. In 2023, the group will be launching the new Digital Scoring Platform to provide an efficient, seamless, and simple lending experience for very-small enterprises. Also, the SME Workflow System Phase 2 will be launched in 2023, automating the full credit cycle from the initiation of the credit file until booking. Building on the first phase, which focused on new-to-bank clients, the second phase includes renewal for existing client facilities.

Financial Institutions

The Financial Institutions (FI) Sector comprises of four arms Correspondent Banking Relations, Non-Banking Financial Institutions (NBFI), Structured Products, and Remittances. The four teams are Banque du Caire's first point of contact for banks and non-banking financial institutions, managing the bank's relationship with institutions with regards to assets, liabilities, trade finance, and remittances.

A key highlight of the year was the sector's ability to successfully secure Tier II capital financing worth USD 100 million from the European Bank for Reconstruction & Development (EBRD) and British International Investment (BII), with the EBRD providing technical support to improve the bank's climate corporate governance practices and BII providing guidance on managing environmental and social risk. The first transaction of its kind in the Egyptian market in seven years, the facility will support the bank's growth plans, optimize its capital structure, expand its equity base and raise its capital adequacy ratio. By the end of the year, the sector's portfolio exceeded EGP 62 billion, with remittance volume growing to EGP 2 billion.

FI's Correspondent Banking department took great strides during the year, with the bank's network of correspondents growing to over 620 banks with a particular focus on those falling within Egypt's top trade partners in Europe, Asia, and the Middle East. The FI's sector has utilized their coverage of 43 countries in the African market to support Egyptian corporates in increasing their trade business engagement with their African counterparts.

The NBFI division also performed well during the year, with its portfolio reaching EGP 34 billion through increased engagement with their factoring, consumer lending, leasing, microfinance, insurance, auto finance, brokerage, e-payment companies, and investment funds.

Forward-looking Strategy

FI will continue to dedicate efforts to maintaining the bank's position as the bank of choice in the Egyptian market. In 2023, the sector aims to expand its strong business relationships with major financial institutions in

regional and global markets. Concerning the local market, the FI sector's target is to increase the volume of the NBFI business by expanding business partnerships with clients and offering a competitive product mix.

The FI sector seeks to diversify the bank's global network of correspondents to fulfill client needs, increase the bank's business with Egyptian exporters, and maintain partnerships with major African correspondents to facilitate client business in Africa.

Additionally, the division is determined to enhance cooperation with multilateral and developmental financial institutions and, in turn, increase foreign currency resources available to the bank.

In 2023, the FI is committed to growing their remittances network and providing new services to increase the bank's market share remittances while at the same time bolstering the bank's foreign currency reserves.

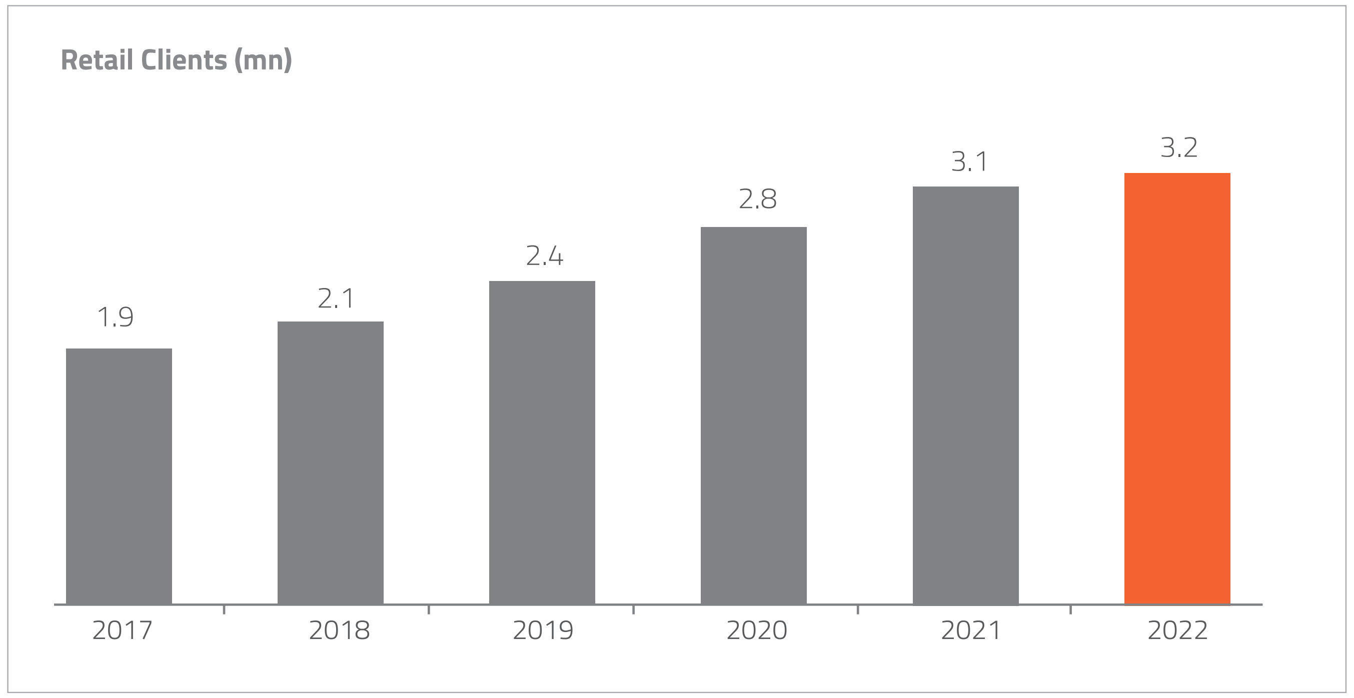
Retail and Microfinance

Backed by Banque du Caire's extensive and deep industry knowledge, the Retail Banking Group is exceedingly successful in providing high-quality products for their retail clients. Following the bank's successful transformation strategy, Banque du Caire's Retail Banking Group become truly customer centric by leveraging the power of segmentation, cross selling, and digital infrastructure to develop bespoke products for a range of clients — from financing micro small business owners to managing finances for high-net-worth individuals. Banque du Caire offers a full suite of services across their country-wide branches and ATM networks, as well as unique and innovative online and mobile banking solutions that allow clients to manage their accounts.

3.2 mn
CLIENTS

1,650
ATMs

180K
CARDS

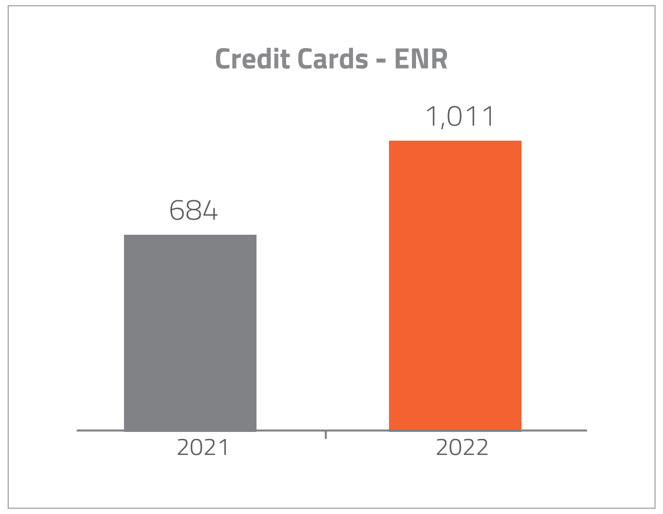


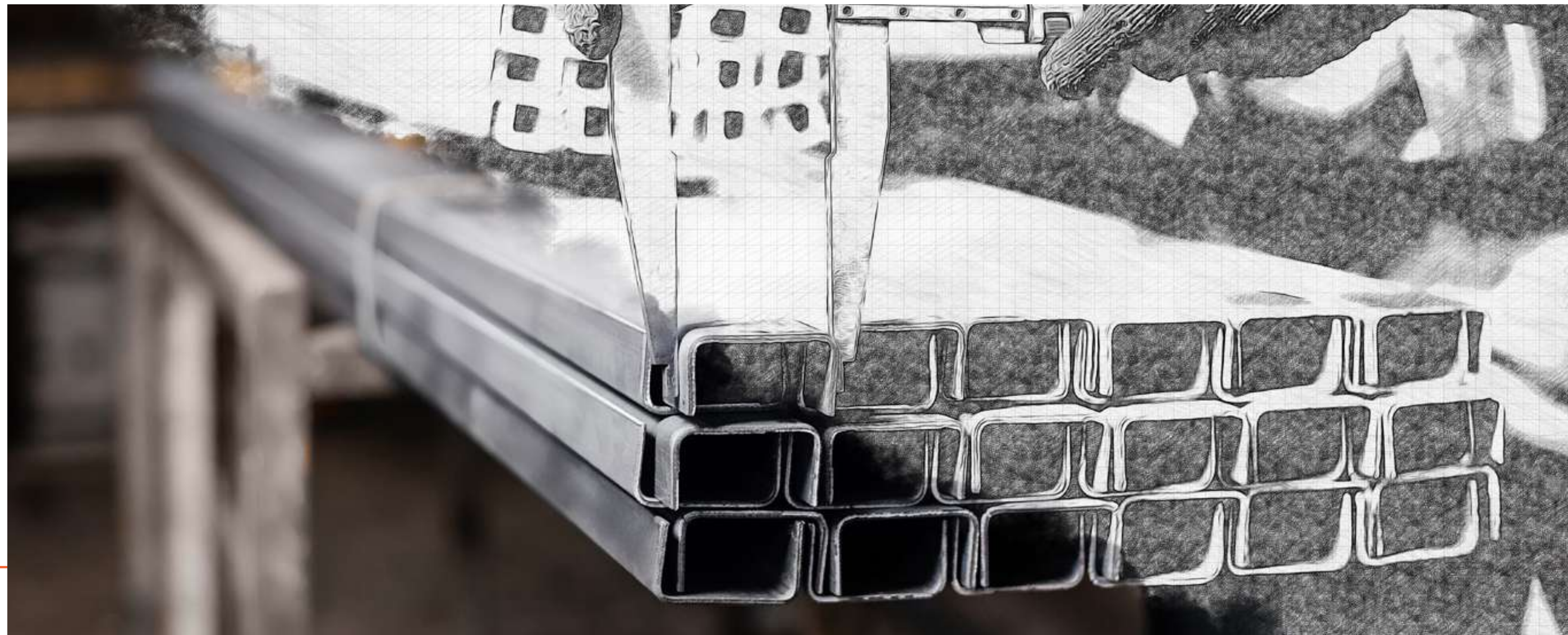
Cards

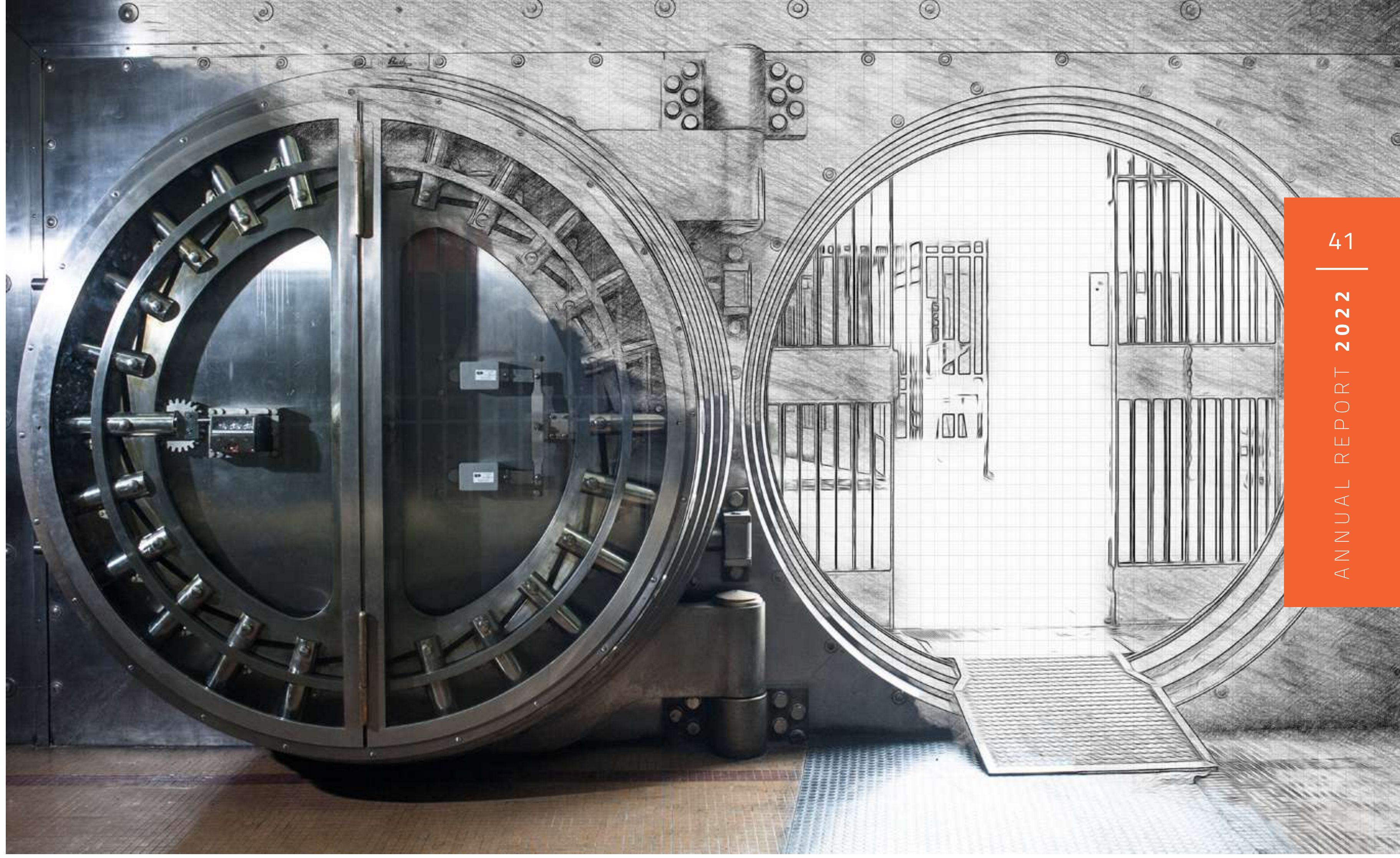
In 2022, Banque du Caire enhanced and expanded its cards selection and services to provide clients with the highest quality services. Card users are provided with credit cards with an E-statement ensuring more secure transactions, protecting user privacy, and maintaining confidentiality with card information. The Retail Banking Group began various seasonal marketing strategies and spending activities to boost card usage and enhance customer service. Additionally, the group's Zero-Installment program established in 2021 has maintained its deals with retailers providing financing deals and payment plans for credit cardholders to allow for a seamless shopping experience.

The bank also now offers a full range of card types across all segments for credit, debit and prepaid cards, catering to different customer needs. 2022 saw new card launches and services such as Telda prepaid cards, platinum credit cards, corporate credit cards, and the salary in advance feature for the government payroll cards. The group is now also allowing debit card activation through the contact center as opposed to branches, enhancing customer experience and allowing for a smoother activation process. Also this year, the group established a new life insurance policy that allows credit cardholder to reach EGP 1 million.

The group successfully issued 79,511 new credit cards, up 22% y-o-y, and reaching a credit card portfolio of 180,000 cards up from 158,000 in 2021. As a result, fees and commission hit EGP 261 million, up from EGP 110 million in 2021. The Cards segment also reached 1 billion ENR, placing Banque du Caire with the top market players within the credit card business.





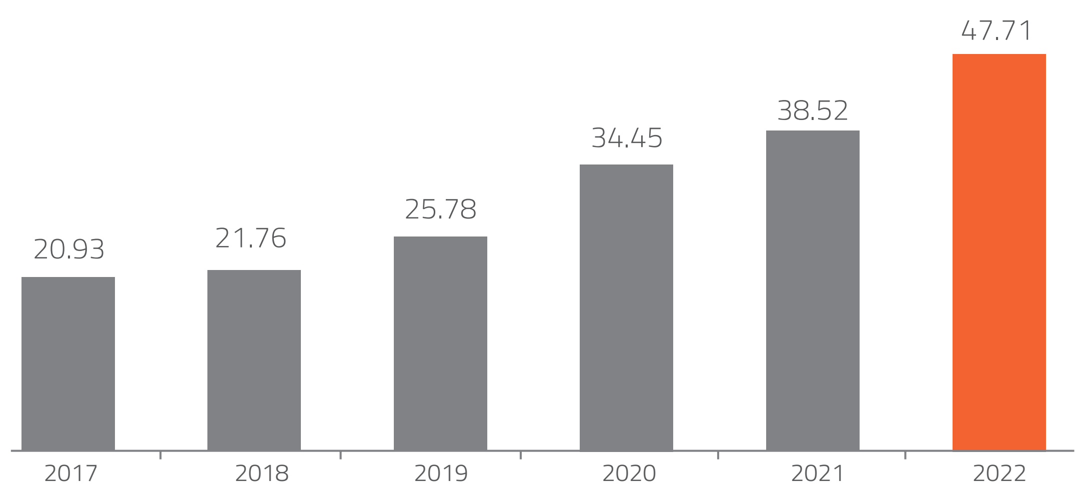


Loans

Banque du Caire is continuously searching for and identifying opportunities that are in line with the bank's customer centric approach to drive the expansion of its loan portfolio. The group offers both cash loans such as secured, unsecured, or governmental loans taken by individuals as well as non-cash loans including auto-loans, mortgage, cars, and domestic electronic goods. Since 2020, the bank has focused on expanding cash finance against collaterals, as well as establishing competitive lending policies for governmental and private sector employees to encourage demand and grow the loan portfolio. The bank continued to reap the rewards of this strategy in 2022, with its loan portfolio up from EGP 38.5 billion in 2021 to EGP 47.7 billion Also this year, fees and commissions reached EGP 611 million up from EGP 591 million in 2021.

Government Loans	49%
Auto Loans	5%
Mortgage Loans	7%
PIL (unsecured loans)	6%
PIL (secured loans)	28%
SEL	5%

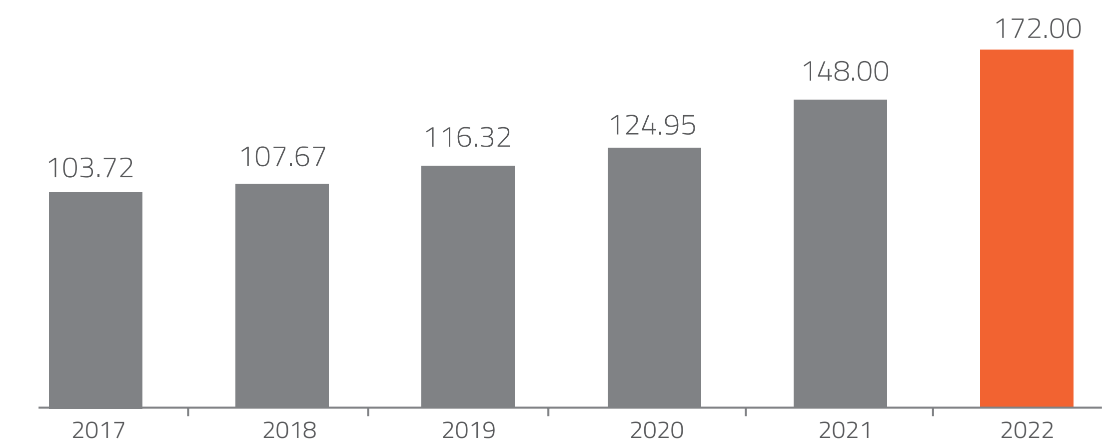
Retail Loan Portfolio Progression (EGP bn)



Deposits

Banque du Caire's Retail customer deposits grew 16.2% y-o-y reaching EGP 172 billion in 2022, a testament to the incredible performance of the segment driven by the bank's product launches, enhanced services, and profound ability to fulfill the needs of retail clients. The Current Plus Account, Tharwa Account, and TD in Advance product established last year all contributed to 2022's success in terms of deposits.

Retail Deposits (EGP BN)



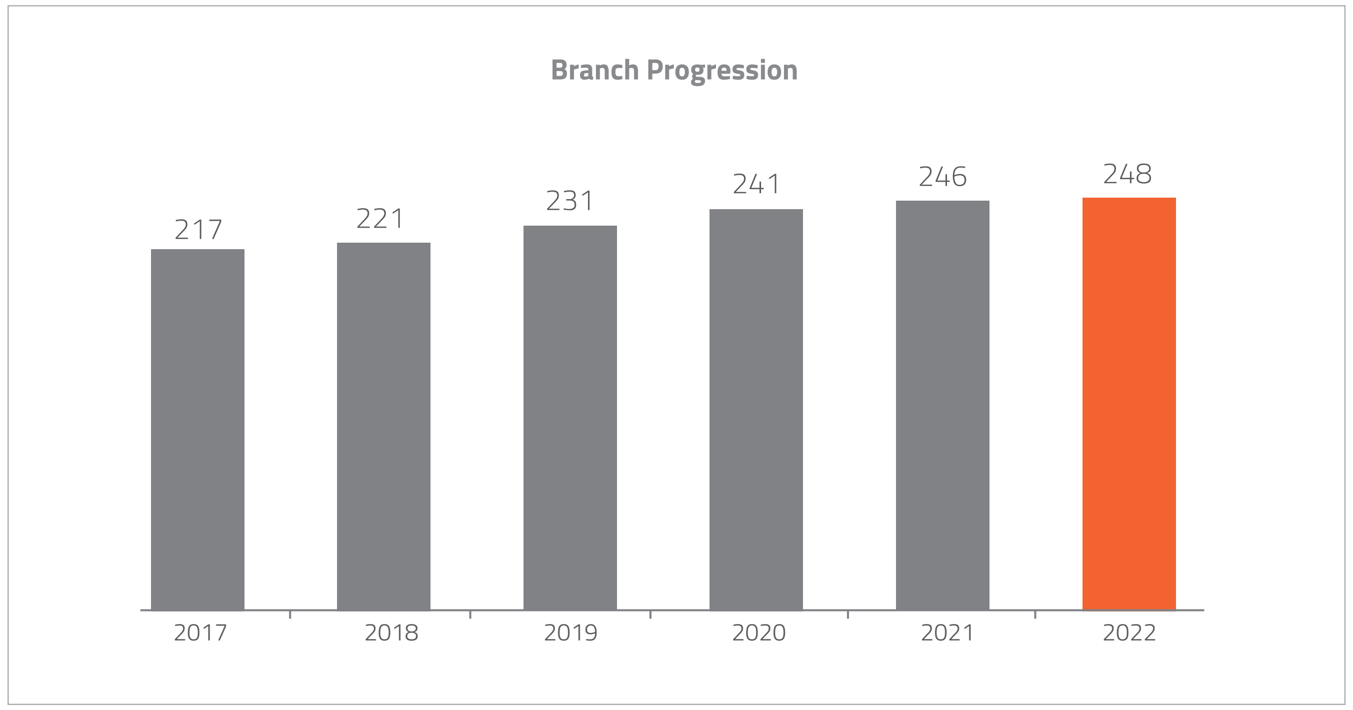
Bancassurance

Banque du Caire's bancassurance portfolio grew to EGP 872 million up from EGP 687 million in 2021. The division focused on bolstering its offering to clients by enhancing digital access to the bank's insurance services. The division ensures they are aligned with the bank's customer centric approach by maintaining its strategic relationship with global insurance provider Allianz to satisfy customers' growing insurance needs by providing an array of insurance packages and programs. Banque du Caire offers an integrated set of insurance and investment programs for education, a child's marriage, retirement, and life protection by providing coverage and ensuring the financial independence of families in case of tragedy. The programs are tailor-made to cater to clients and offer a wide margin of flexibility in terms of premiums and insurance amounts, ensuring the needs of different customers are met. The division maintains a consistent line of communication with bank insurance clients to ensure their needs are met and to address any concerns.

Branch and ATM Network

In 2022, Banque du Caire's ATM division's robust strategy was based on expansion and innovation. The bank successfully installed 200 new ATMs bringing their total to 1,650 and expanding in prime locations. On the innovation front, the division also launched a cardless deposit function in this ATMs. In line with the bank's efforts towards inclusivity, ATMs for people with disabilities were also launched in 2022. Additionally, the bank is particularly proud to have launched the first ATM fully powered by solar energy. Moving forward, the bank has 10 new ATM-related projects in the pipeline for 2023.

While Banque du Caire has taken strides on the digitalization front, and banks across the globe are going fully online, the bank maintains its belief that physical branches are still necessary as part of its financial inclusion initiatives. This year, the bank widened its branch network by two branches to hit 248 across the nation and enhanced the look and feel of seven branches in line with its transformation strategy.



Digital Banking

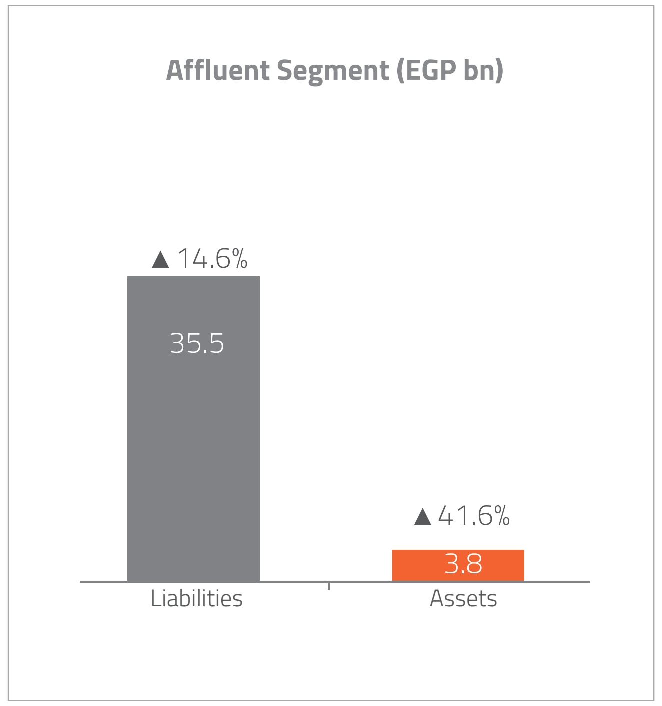
Banque du Caire's digital transformation initiatives continue to enhance operations and customer experience, through the launch of new and innovative services during the year. In 2022, the bank expanding the ATM network bringing the total to 1,650, launched cardless deposits in accounts, and expanded the ATM profit in the process.

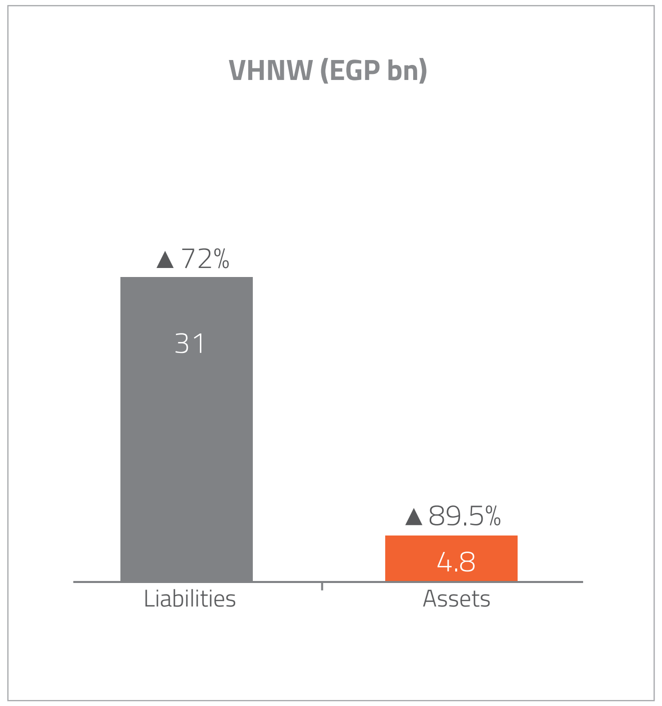
The mobile wallet was also enhanced through the introduction of self-registration for the bank's customers, enriched by adding new billers and enlarged by incorporating the Fawry merchant network. This will make the entire online experience significantly smoother. Further improving the online experience, the bank also launched a WhatsApp for business service as well as a chatbot that will make customer service faster and alleviate traffic at branches and through phone banking channels.

2022 also saw the bank providing Account Value Load from Meeza cards, Cash In and Cash Out from Fawry merchants. The bank is also planning on providing multi-use virtual card numbers (VCN), and salary advanced for payroll customers. The digital saving and digital lending services have also been enhanced to ensure customer satisfaction.

Wealth Management

Banque du Caire introduced the Tharwa service in 2019, a tailored service targeting Egypt's affluent individuals, who maintain balances between EGP 1 million and EGP 5 million, and Very High Net Worth (VHNW) individuals, whose balances exceed EGP 5 million. Tharwa provides clients with a bespoke advisory service offering through a dedicated team of relationship managers. Tharwa also offers a number of exclusive services to the bank's clients with privileges such as access to Tharwa lounges across the bank's branch network, a dedicated call center, and a unique set of non-banking concierge services. In early 2022, the bank revamped the Tharwa proposition through increased benefits for affluent and VHNW and exclusive Safe Boxes for affluent customers.



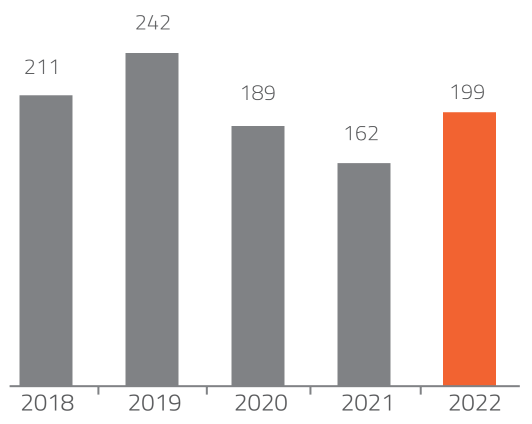


Microfinance

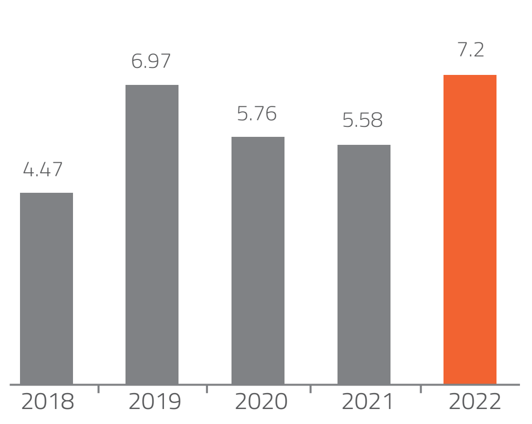
Banque du Caire recognizes that microfinance is a critical financial inclusion tool with the potential to empower individuals in marginalized communities through banking. The bank has been a leader in the segment, taking actions that foster inclusive economic growth. In 2022, the bank saw an increase in the microfinance loan portfolio, now EGP 7.2 billion up from 5.6 billion in 2021.

The bank's continued efforts to digitalize its processes have been incredibly fruitful for the microfinance segment as it directly supports financial inclusion and increases accessibility for customers, particularly in places with no bank branches.

Microfinance Clients (000')



Microfinance Loan Portfolio (EGP bn)



Financial Inclusion

Banque du Caire recognizes the importance of financial inclusion to achieving economic growth and sustainability. To that end, the bank established the Financial Inclusion Department in 2020, in line with the CBE's decision with respect to the banking sector to establish independent financial inclusion departments. The department is primarily responsible for coordinating the bank's pipeline of financial inclusion initiatives between its divisions and ensuring they are properly implemented.

In 2022, the Financial Inclusion Department worked towards making branches more suitable for people with disabilities. Training was conducted for the employees of 24 branches on how to best cater to people with disabilities and were taught sign language to better serve all segments of society. Additionally, applications now have a braille option, and several ATM machines are equipped with a sound option and a braille keyboard.

Several initiatives took place in 2022 to spread financing literacy, including a collaboration with the national initiative "Hayah Kareema". Members of the team visited over 45 villages to provide financial literacy sessions as well as issued prepaid cards and taught residents how to make payments through them. Additionally, some of Hayah Kareema villages are equipped with ATMs, with QR codes given to merchants to ease purchases using the cards.

The Financial Inclusion Department also developed the "Waffar Accounts" which are characterized by their simplicity, requiring only a national ID to sign up and featuring reduced charges. As of December 2022, over 30,000 accounts had been issued. This is complemented by the "Waffar Current" account, also launched in 2022 for artisans, freelancers, or people with businesses on social media. The account support allows the segment to meet their business needs by collecting payments through POS or QR codes. Finally, the department launched the "Waffar Business" account which can be used by startups and small entities that may not have the complete documentation required by traditional banking channels, encouraging them enter the financial system and reduce their reliance on cash.

Forward-Looking Strategy

Products

The group's robust strategy for the coming year revolves around increasing revenues through a particular focus on profitable unsecured programs with higher interest rates. There are plans in the pipeline to launch targeted campaigns for specific sectors such as banks, the petroleum sector, and governmental entities. The group plans on introducing new programs to attract new customer segments and increase products' unique selling proposition. It is also planning on introducing a number of new programs to increase market share such as those targeted for medical professionals, conventional mortgage financing, and rent financing facilities.

Contact Center

In line with the bank's dedication to customer centricity, ensuring effective customer service is imperative for customer satisfaction and retention. The group will continue to hire top talent at the contact center with a strict process from screening through to employment. The division will also be automating all reports for stronger and more consistent analysis, to glean a full picture of the metrics and targets needed to improve quality of service.

Cards
The division has ambitious plans for the coming year with the launch of tokenization, a process that replaces card details with other characters during transactions, which will provide further protection and privacy to card-holding clients. Also in the pipeline is the introduction of a new credit policy program that will target new segments and support the financial inclusion efforts. These innovations are set to enhance the customer experience and, along with all other retail banking products, increase ENR market share.

Wealth
The wealth division consists of two client segments: Affluent and VHNW. In 2023, the segment is expecting to launch new benefits as well as a commercial name and marketing campaign. The segment is also expected to enhance the existing branches with inserts, and incorporate more lounges to increase coverage across the bank's branches. The segment will also put a particular focus on cross-selling to provide clients with more opportunities and increase sales for the division.

Microfinance
The Microfinance Division will be expanding in the next year with the goal of delivering services to an additional 100,000 new clients. Through improved efficiency and financing, the division's goal is to increase the portfolio to EGP 10 billion.

Financial Inclusion
In 2023, the Financial Inclusion Division's target is to expand its reach by focusing on university students both through product activation and financial literacy sessions. The division also plans on participating in a project organized by the Ministry of Planning and Economic Development targeting women in villages and providing an opportunity to develop their financial literacy and overall standard of living, proving microfinancing programs and training programs on how to start small businesses.

04

INVESTMENTS

Subsidiaries and Affiliates

Cairo Leasing Corporation

Cairo Leasing Corporation (CLC) is a leading provider of corporate leasing solutions in the market, having been established in early 2018 to expand the Banque du Caire's service portfolio into the nascent non-bank commercial lending space. The company provides a wide variety of leasing products and services ranging from commercial and administrative real estate, systems and IT, and fleet management. Seeking to further diversify its operations, CLC introduced factoring services in 2022, unlocking necessary working capital for clients through a tailored set of financial services.

With a team of experienced professionals, CLC leans on both its exemplary advisory services and a streamlined operating model to ensure its portfolio management strategy is sound and that it continues to offer clients an exemplary service experience. Being a fully-owned subsidiary of one of the largest banks in the country, CLC is able to leverage synergies and cross selling with Banque du Caire to drive maximum value for clients.

2022 Highlights

Despite a challenging macroeconomic backdrop underpinned by global monetary tightening, geopolitical tensions, and subsequent pressure on the local currency, CLC was able to grow its leasing portfolio 30% y-o-y. This was supported by CLC's strong and adaptable business model and superior portfolio management, resulting in an immaterial NPL ratio of almost 3% for the year. Following the launch of its factoring services, CLC was able to grow its factoring portfolio by the end of the year. As a result, in 2022 CLC climbed the rankings to place among the top 10 leasing companies in Egypt by portfolio size — a testament to the strides the company continues to make in its growth story.

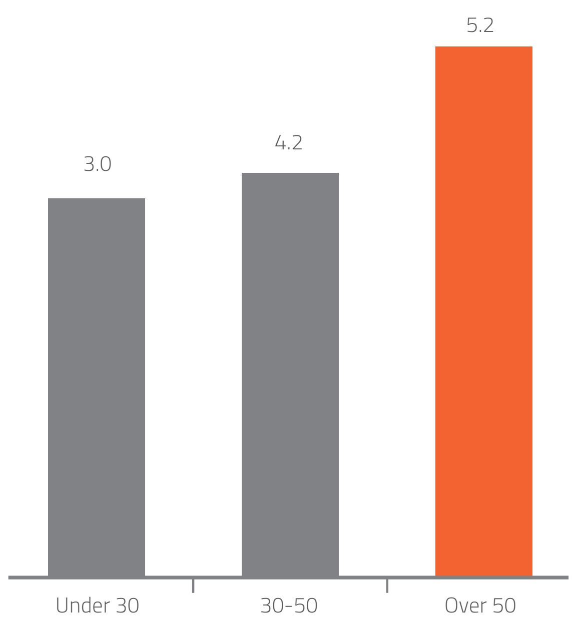
On the operational front, CLC separated the Operations and Credit Control departments during the year to ease and expedite its control functions and workstreams. The year also saw the leasing company fully implement Pixel as their new operating IT system as part of a bank-wide mandate to fortify technological infrastructure.

The company achieved a strong financial performance, despite a turbulent environment. Paid-in capital increased to EGP 350 million, compared to EGP 250 million in 2021, showing a healthy inflow of funds and strong financial position for the company. Total leasing revenue hit EGP 439.3 million, while net income attributable to shareholders reached EGP 62 million, a testament to the company's effective utilization of its assets and operational efficiency. Average return on equity (ROE) hit 16.9% in 2022, a strong indication of the company's ability to generate returns for shareholders.

Leasing Portfolio Breakdown

Textile	171,184
Health Care	3,349
Communications and Information Technology (CIT)	62,899
Furniture & Fixture	6,522
Transportation	40,074
Glass	16,368
Power & Energy	58,760
Retail	31,553
Pharmaceutical	65,601
Logistics	35,561
Tourism	20,571
Printing & Packing	13,181
Chemicals	25,447
Trading	21,296
Sports & Social Activities	5,853
Food & Beverage	154,519
Others	47,564
Agriculture	125,446
Petrochemicals	94,691
Building Materials	66,366
Education	161,329
Automotive	155,302
Distribution	4,438
Contracting	751,524
Real Estate Developer	697,880
Financial Investments	85,959

Portfolio Progression (EGP bn)



Forward-Looking Strategy

CLC aims to build on 2022's success while closely monitoring its existing client base and changes in their cash conversion cycles, particularly in response to economic changes such as currency devaluation. The company also plans to expand its leasing and factoring portfolio, raise additional equity of approximately EGP 150 million and strengthen its collaborations with leading financial institutions to secure funding lines. At the same time, it plans to expand operations and client outreach beyond Cairo while continuing to offer the level of service clients have come to expect of the company.

Additionally, CLC will continue to offer bespoke solutions tailored to each individual client based on their evolving needs, size, industry, and risk appetites, which will allow the company to continue to gain partnership opportunities, facilities, and clients while maintaining superior portfolio management.

Cairo Bank Uganda Limited (CBU)

Cairo Bank Uganda

Cairo Bank Uganda Limited (CBU), formerly Cairo International Bank Uganda, is a commercial bank operating in Uganda and entirely owned by Banque du Caire. Traditionally positioned as the bank of choice for SMEs, educational institutions, government organizations, and other small corporate entities, following its rebrand from Cairo International Bank Uganda in 2020, the bank now serves a growing customer base of over 10,195 retail and corporate clients. Today, it also serves a vital entry point for Banque du Caire clients looking for investment opportunities in the Ugandan market. The bank operates out of 6 branches located across the country and currently employs 139 experienced bankers. Banque du Caire's investment in CBU not only gives it a regional presence and an ability to service clients abroad but is a strategic entry point into the COMESA market.

10,195
CUSTOMERS

6
BRANCHES

UGX **130.1** bn
CORPORATE PORTFOLIO

UGX **0.1** bn
RETAIL PORTFOLIO

2022 Highlights

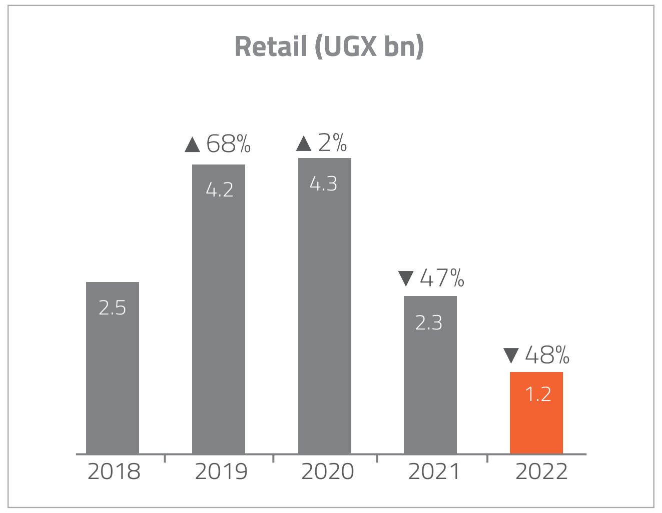
UGX mn	2018	2019	2020	2021	2022
Revenue	12,898	17,057	20,137	20,370	20,247
Net Interest Income	10,072	13,246	16,674	15,942	15,559
Net Loss	-3,484	-2,839	-2,571	-1,857	-5,273
Cost to Income	130%	132%	102%	113%	113%
NIM	12%	13%	12%	10%	8%
LTD	68%	89%	87%	87%	76%
CAR	32%	23%	25%	24%	27%
ROE	-9%	-5.4%	-4.7%	-3.2%	-8%
ROA	-2.8%	-1.5%	-1.2%	-0.8%	-2%

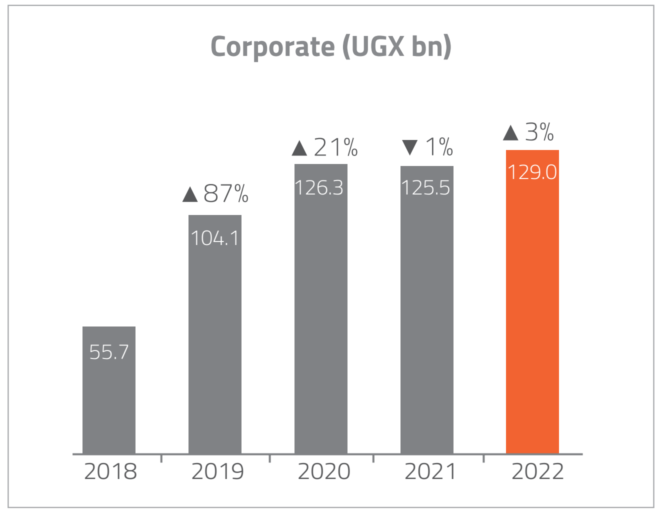
CBU's revenue for the year was largely flat compared to 2021, maintaining UGX 20.0 billion, slightly below budget expectations due to low entry balance sheet momentum and increased non-performing customer loans. The same also had a minor impact on net interest income, which came in at UGX 15.6 billion compared to UGX 15.9 billion in 2021 as the bank continued to grapple with the after-effects of COVID-19 and global economic headwinds.

The Ugandan banking sector was resilient in 2022 despite significant challenges, with asset quality across the sector improving due to prudent non-performing loan write offs. By this token, CBU's gross non-performing loans rose to 16.2%, above the industry average of 7%, reflecting impact of Covid-19 on the bank's loan book deterioration, particularly on big client exposures under SME sector.

CBU's corporate lending portfolio grew 4% y-o-y to UGX 130 billion as the bank continued to focus on selective and prudential new-to-bank lending in the SME sector, particularly for corporate borrowers. Meanwhile, the retail portfolio dipped in 2022 to UGX 0.1 billion as a result of upgrading performing retail customers to SME as well as writing off non-performing retail names. Meanwhile, deposits closed 2022 at UGX 170.9bn, up by 16.4% on the back of corporate deposits which grew by 25.4% to 162.1bn, reflecting the bank's efforts to retain existing corporate partnerships for additional funding while onboarding new clients and partnerships e.g. Credit Institutions, Insurance companies, and Micro Deposit taking Institutions. The retail liability book dipped mainly as a result of an annual upgrading exercise of retail clients with substantial funds and business potential into the Corporate portfolio.

CBU booked Tier-2 capital worth UGX 60.2bn and Tier-1 capital worth UGX 59.0bn, with a capital adequacy ratio of 26.9% for the year, maintaining a solid liquidity position. The Bank of Uganda (BoU) issued new capital guidelines requiring banks to hold a minimum capital of UGX 120 billion by the end of 2022, and UGX 150 billion by June 2024. CBU's plan to comply by the 30th of June 2023 has been approved by the CBE.





Operationally, CBU's comprehensive restructuring and transformation continued to take in shape in 2022. In the third quarter, the board approved a change in the bank's structure, repositioning branches as profit centers with branch managers tasked with driving business growth for the bank which is expected to drive profitability in the year ahead. Also in 2022, a Chief Operations Officer was brought on board and tasked with managing the Information Technology department as part of efforts to streamline operations, particularly on the digital transformation front.

By that same token, the bank launched a new iteration of its internet banking platform, allowing customers to transact online. Additionally, CBU rolled out two new collection products to enhance deposit mobilization: School Pay, which allows customers to make school fee payments from any partner bank or mobile money channels, and Agency Banking, a collection solution that allows customers to make deposits from various agents of member banks. With 20,000 agents as of 2022, Agency Banking is integrated with 21 banks and Microfinance Deposit-Taking Institutions (MDI).

Forward-Looking Strategy

Moving forward, the bank's strategy focuses on growing deposits and loans, reducing its cost-to-income ratio, and working towards profitability in 2023. The bank is looking to grow its customer base in target segments such as medium sized enterprises, small enterprises, and retail.

CBU is also developing and increasing its digital products in order to streamline processes, drive efficiency, and grow transaction volumes. The bank plans to further utilize partnerships with mobile network operators MTN and Airtel, as well as fintech platforms to offer more digital products such as digital accounts, bank-to-wallet and wallet-to-bank, utility payments, and collection products for Savings and Credit Cooperatives (SACCOS), and investment clubs.

Herasat for Security Services

Herasat, which was established in 2019 by Banque du Caire provides world-class security services to banks and other corporate clients. Launched with the initial aim steeling the bank's security network, Herasat has since expanded and improved its service portfolio and now offers over 14 clients in several industries throughout the country with superior security and protection services. Through a team of highly skilled and experience professionals, Herasat protects clients' business, employees, VIP personnel, and physical assets by providing physical security services, security consulting and planning, security risk assessment and loss prevention as well as bespoke training solutions.

In 2022, Herasat was contracted by AlBaraka Bank for all its sites, and acquired new commercial clients such as Garden Park, Eden, and Labydoor Mall in an effort to broaden its operational capabilities to commercial sectors. In 2023, Herasat's primary priorities are to improve service quality as it works to be ranked among the top 50 security companies in Egypt and top-10 largest by 2026.

323	14	1,316
PROJECTS	CLIENTS	EMPLOYEES

Services

- Guarding
- Training
- Risk Assessment
- Event Management
- Risk Analysis & Loss Prevention
- Corporate & Industrial Investigations
- Beat Patrol
- VIP Protection

Key Clients

Banque du Caire, sacm, Banque Misr, alBaraka Bank, Attijariwafa bank, Al Rehab New Cairo, Eden Mall, Green Park, LABYDOOR MALL, CLEOPATRA HOSPITALS GROUP (CHG)

Taly

In 2021, Banque du Caire began laying the foundations to launch Taly — its first, omni-channel digital payment platform. Slated for launch in 2023, Taly's world-class technology infrastructure will allow it to create a true digital payment ecosystem, linking banks, merchants, and consumers through an end-to-end, secure digital payment processing platform. Taly is a payment and technology company that defines payments as a digital settlement of dues from any party to another. That includes the walk-in customer settling a merchant or a corporate biller, the merchants settling their corporate suppliers, and the corporate settling their supply chain and services bills. This allows anyone in any community to exchange money through one digital cash-free pipeline. As part of the bank's drive to support nationwide financial inclusion through digital intermediation efforts, Taly's bundled services will replace cash transactions by empowering enterprises with omnichannel acceptance, cash management solutions, and 360-processing services to both issuers and acquirer banks.

Additionally, Taly owns a robust, unbroken, scalable, and integrated infrastructure for a payment ecosystem connecting all payment channels, core systems of banks, corporates, merchants, consumers, and schemes seamlessly. The company also connects with all available payment networks including card schemes and wallets - MA, Visa, Meeza, IPS, and ACH.

By March 2023, Taly will have acquired all CBE to provide POS, QR, and ECOMM services as well as card issuance and processing services including tokenization, ACS, and EPG. Once launched, Taly plans to expand its services to other banking clients and, in the more medium term, to clients across the GCC and Africa.

Cairo Exchange

In November 2022, Banque du Caire launched Cairo Exchange — its first standalone foreign currency exchange provider — as part of the bank's strategy to provide a comprehensive range of end-to-end financial service solutions to the widest and most diverse subset of clients. With 42 exchange companies in the market, Cairo Exchange is the one that has most recently received its operating license. The current number of market players is expected to decline due to the new regulations set by the CBE including the capital requirements of EGP 25 million, also now considered a barrier for entrance. Although exchange companies are now challenged by market conditions, Cairo Exchange is expanding to be a well-equipped company, capitalizing on the recovery of the market after the recent challenges.

Cairo Exchange will play a central role in propping up the CBE's financial inclusion directive by opening branches in underserved governorates such as the Delta and Upper Egypt to offer clients in traditionally underserved with advanced foreign exchange facilitation services. While the company serves to bolster the bank's foreign exchange reserves, it in tandem capitalizes on cross selling and synergies with the bank to boost its client base.

By leveraging an optimized business model while adopting advanced solutions to improve the exchange experience and overall service quality, in just three months of operation, Cairo Exchange has already established four branches — in New Cairo's Al Rehab City, Damanhur, Desouk, Sohag, and Hurghada. Looking ahead, Cairo Exchange plans to further expand its reach to all governorates by establishing 50 branches over the next four years. The company has completed its organizational and administrative structure and appointed the necessary technical personnel to carry out its activities in accordance with the rules of corporate governance, regulations, and various work systems. The first approved financial statement by the board should be issued by December 2023.

Portfolio Investments

Nclude Fintech Fund

Nclude Fintech Fund (Nclude) was established as a collaboration between Banque du Caire, Banque Misr, National Bank of Egypt (NBE), and Dubai-based Global Ventures, alongside other investors including eFinance Investment Group and the Egyptian Banks Company. In partnership with leading financial institutions, financial technology powerhouses, and global technology developers, Nclude supports early- and growth-stage fintech startups, targeting total commitments of USD 150 million and IRR of 25%. The fund plays a paramount role in supporting the Central Bank of Egypt's (CBE) nationwide strategies for promoting financial inclusion and digital transformation, in addition to bolstering entrepreneurial activity within the ever-growing Egyptian fintech ecosystem.

As part of efforts to position Egypt as a fintech innovation hub in the MENA region, and firmly believing in the fintech sector's ability to upscale economies, Nclude provides fintech-focused startups in the region with the necessary tools, insights, support services, and financing to operate and scale their businesses, with ticket sizes ranging between USD 500,000 and USD 5 million.

Alongside its investments in existing start-ups, Nclude will be supported by global venture builder Shipyard Technology Ventures, leveraging their unparalleled development capabilities to develop and scale fintech startups that capture local and regional opportunities.

2022 Highlights

In 2022, Nclude was successful in concluding a multitude of investments in the fintech space, with a special focus on startups backed by innovative and sustainable business models. In just under a year, the fund ramped up its investment portfolio to register a total of eight fintech-centric companies.

The year saw Nclude invest in Paymob, a leading digital payment and infrastructure solutions provider. Up-and-running since 2015, Paymob offers a comprehensive suite of financial and technology offerings through its digital platform, with an eye for empowering financial service providers and facilitating swift and seamless payment transactions across the region and the world at large. At present, Paymob's platform boasts over 12 million users, EGP 6 billion in volumes, and over 120 million facilitated transactions.

Nclude also invested in Khazna during the year, a financial application that serves as a credit line account for Egypt's underbanked population, and extends premier financial services through a seamless and inclusive customer-centric platform. Khazna offers users with a roster of easy-to-access services through its platform, including cash advances, buy-now, pay-later (BNPL), transfers, and bill payments.

The fund also invested in one of Egypt's leading consumer-focused fintech applications, Lucky, which offers a myriad of discounts, promotions, and cashback on transactions without charge, facilitating convenient solutions for customers' purchases and elevating their shopping experiences.

Another milestone for Nclude during the year was its investment in Mozare3, Egypt's leading agri-fintech platform that serves the agricultural and non-agricultural needs of farmers across the country. Bridging the gap between farmers and buyers, Mozare3 provides farmers with a reliable source for production and supply needs, enabling them to effectively meet local and international standards.

The fund was also part of a USD 3.6 million seed round raise for FlapKap, at tech-enabled revenue-based financing platform is that aims to revolutionize e-commerce growth by assisting online stores to maximize their growth potential through data analytics to assess the business and provide inventory funding.

Previously, the fund made investments in second-home ownership and book platform Partment, a technology enabled supplier and wholesale distributor, OneOrder, and leading digital pharma platform Grinta.

Avanz Manara Fund of Funds

The Avanz Manara Fund of Funds is a first-of-its kind "fund of funds'' in Egypt. Launched as a collective effort between Banque du Caire, Banque Misr, NBE, Ahli United Bank, Suez Canal Bank, United Bank, and Attijariwafa Bank, in addition to leading local institutions including Misr Insurance Holding as well as Avanz Capital Associates Egypt and Avanz Capital Egypt for Formation and Management of Securities Portfolios and Investment Funds, the fund's mandate is to develop an ecosystem of private equity and VC funds in Egypt, while providing access to financing for SMEs. The Avanz Fund, which is expected to target investments amounting to USD 109 million (EGP 2 billion), falls in line with CBE directives to fund and support SMEs, recognizing the integral part they play in economic development and job creation.

2022 Highlights

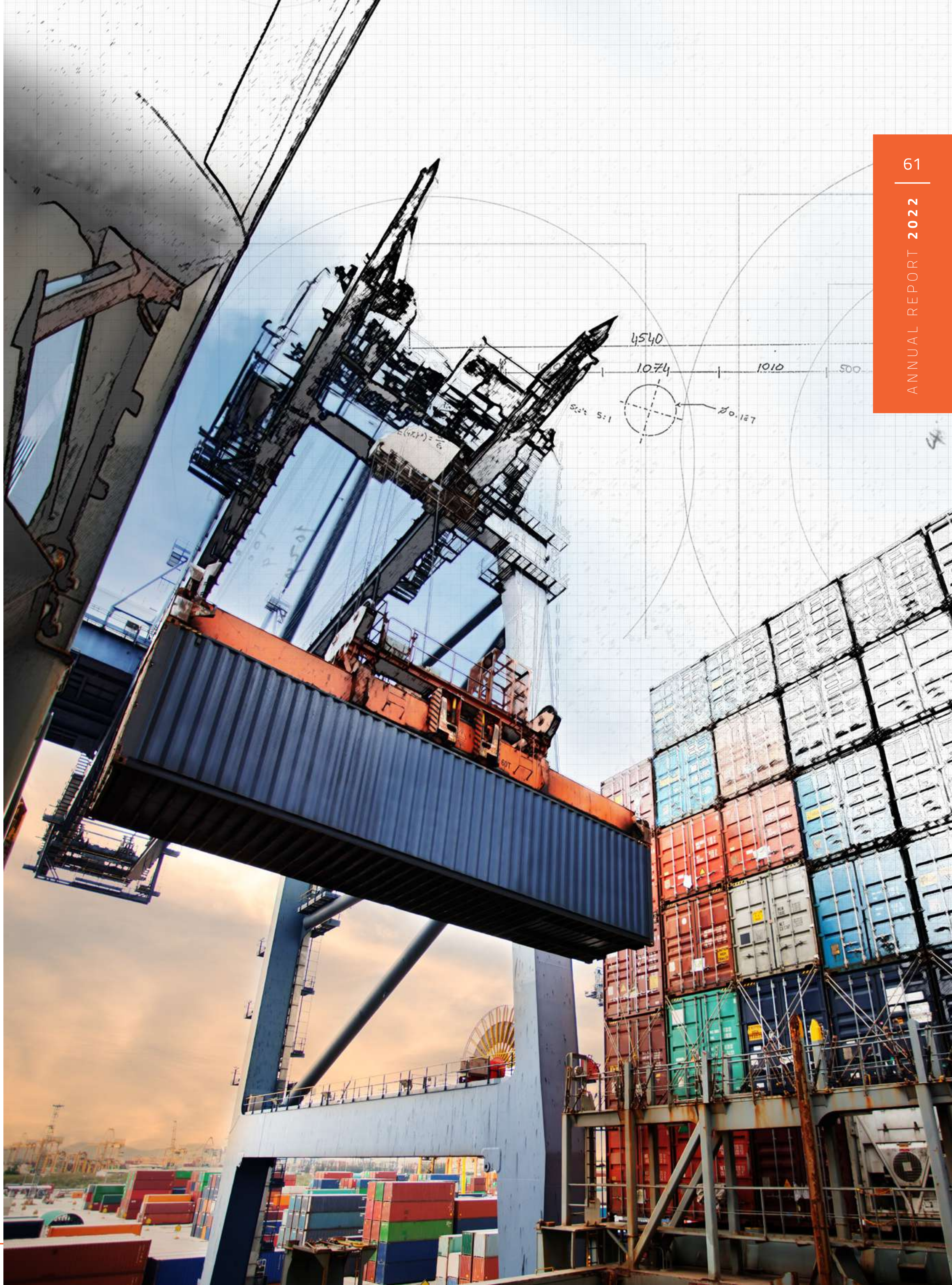
Today, total commitments in the fund stand at EGP 905 million with an authorized capital of EGP 2 billion and an IRR target of c20%. In 2022, the fund invested in private equity player and leading SME-focused fund manager Ezdehar (USD 5 million investment value) as well as trucking platform Trella (USD 2 million investment value).

Misr Real Estate Investment Fund

2022 also saw Banque du Caire join forces with Banque Misr, Misr Insurance Holding Group, and Allianz Egypt, to launch the Misr Real Estate Investment Fund, marking its entry into yet another value generating sector in Egypt. As the Egyptian real estate sector continues to witness remarkable growth, the launch of the fund aims to provide liquidity for real estate developers, enabling them to further expand existing projects and establish new developments. The fund, which targets a total capital of EGP 750 million and an IRR of 17%, will invest in commercial real estate assets, including assets from Talaat Moustafa Group (TMG) in Al-Rehab City and Madinaty. Since launch, the fund reached an EGP 360 million first close with each of the three banks contributing EGP 100 million and Allianz contributing balance.

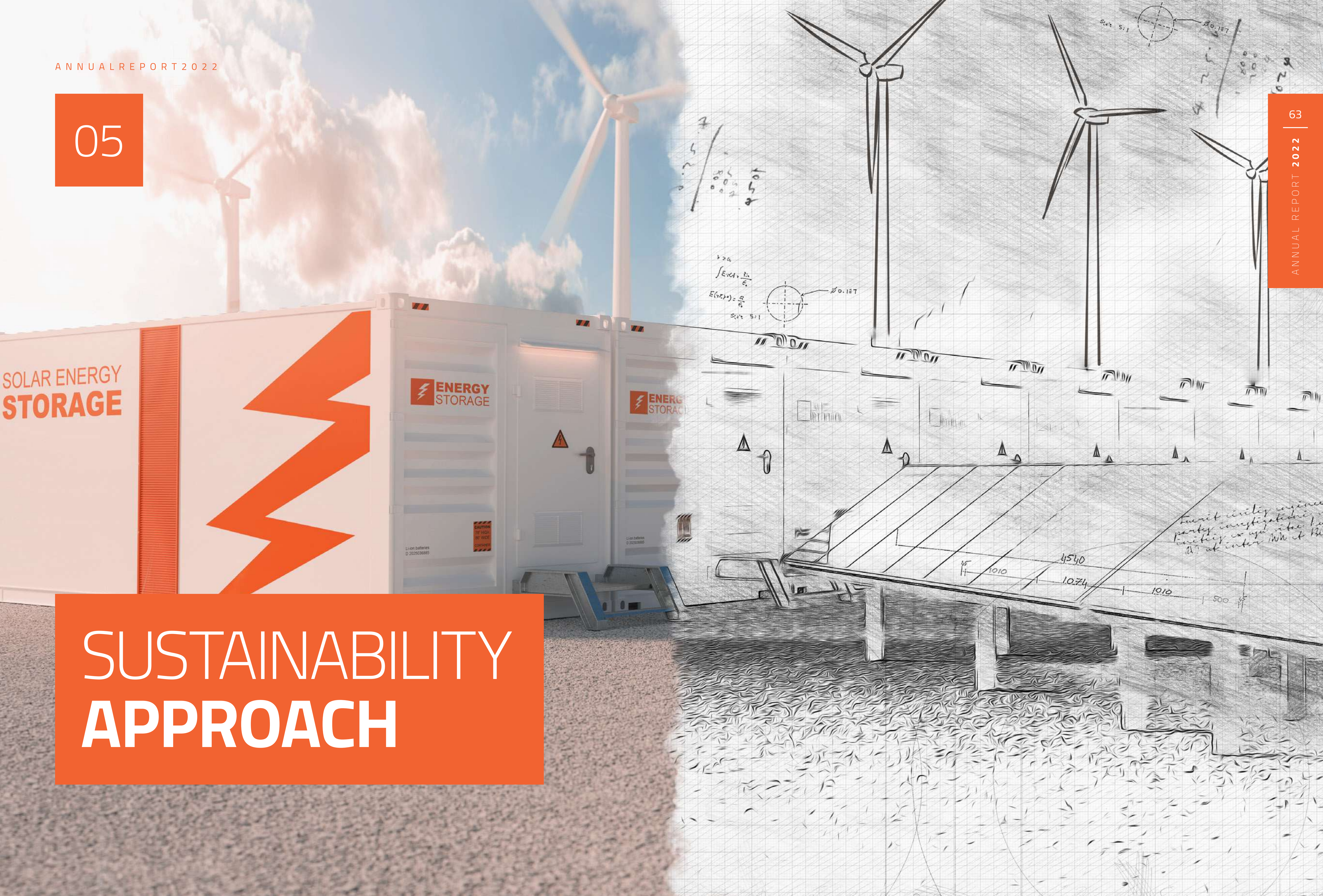
Banque du Caire Public Market Funds

Funds	Features	Benefits
Islamic Fund	▪ Available for Egyptians, foreigners, individuals and institutions. ▪ The minimum ticket size is 50 certificates. ▪ Subscription/redemption requests take place at bank branches. ▪ Managed by CI Asset Management, one of Egypt's leading asset managers.	▪ Shariah-compliant Investment fund with cumulative returns. ▪ Returns are tax-free. ▪ Easy tool for new investors to have stock market exposure with Shari-ah-compliant instruments. ▪ Long- term investment with high expected returns. ▪ Reports, financial statements are published semi-annually.
Money Market Fund	▪ An effective cash management tool. ▪ Invests in a variety of short-term financial instruments. ▪ Managed by Beltone Financial, one Egypt's leading asset managers. ▪ Has both the flexibility of a current account and the returns of a saving account without any duration restrictions. ▪ Investors can purchase/redeem a minimum of one certificate with no maximum.	▪ Returns are tax-free. ▪ Investors have debit cards issued to access the fund's account and ATMs can be used to withdraw after closing hours (settlement will occur on the following day) ▪ Accumulates the daily returns without freezing the assets. ▪ Reports, financial statements are published semi-annually.
Equity Fund	▪ Long-term investment. ▪ Managed by EFG Hermes, one Egypt's leading asset managers. ▪ High expected returns associated with high risk. ▪ Investors can purchase/redeem a minimum of one certificate with no maximum.	▪ Allows clients to invest in Egyptian stock market through a professional fund manager. ▪ Reports, financial statements are published semi-annually.
Fixed Income Fund	▪ Open-ended fund. ▪ Invests in various basic financial instruments, such as treasury, corporate bonds and other debt securities with no tenor limits aiming at generating high yields with moderate associated risk. ▪ Available for Egyptians and foreigners (individuals/institutions). ▪ Managed by CI Asset Management, one Egypt's leading asset managers.	▪ Returns are tax-free. ▪ Reports, financial statements are published semi-annually. ▪ High returns associated with moderate risks.



05

SUSTAINABILITY **APPROACH**



Sustainability Strategy

Banking with a Purpose

Since 2015, Banque du Caire started taking actionable steps in building the right foundation to help create a safe and prosperous environment for all stakeholders, from shareholders and staff to customers and beneficiaries from our philanthropic initiatives. Utilizing an innovative and pragmatic approach, the bank developed a sustainability framework that not only preserves our environment and stakeholders, but also sets the path for long-term sustainable growth with financial profitability and social growth in mind.

Banque du Caire's sustainability framework is built on pillars that form the foundation for the bank's second phase of transforma tion, these pillars are:

Strategy	Capacity building	Internal sustainability and governance	Sustainable finance	Reporting and disclosures

Strategy

A fully-fledged strategy is the basis for all of Banque du Caire's successes, sustainability included. Once the strategy is finalized, full integration into the bank's One Voice strategy would be completed.

The development of Banque du Caire's sustainability strategy is an important milestone for us, since 2015 we have been building a solid foundation on which we can continue to build upon, furthering our efforts into becoming a more sustainable bank. Whether internally through all aspects of our operations or on the external front, through our lending.

Capacity Building

An integral aspect of Banque du Caire's sustainable transformation is developing the right tools and instruments to help not only raise awareness, but create a knowledge database for all of the bank's stakeholders to benefit from.

As of this date, we have provided many opportunities to spread a growing culture of sustainability that transformed our staffs understanding of how becoming more sustainable impacts them on a daily basis.

Some of our projects so far include:

- Annual GRI reporting training in collaboration with DCarbon
- Ambassadors training in collaboration with local experts
- Green bonds and sustainable finance in collaboration with the IFC
- Certified Expert in Sustainable Finance Frankfurt School of Management and Finance
- General sustainability awareness virtual training in collaboration with the EBI
- Introduction to Sustainability and Sustainable Finance with the PRB Academy
- Climate Risk Management through local experts

Internal Sustainability and Governance

As a financial institution, Banque du Caire's management responded swiftly to the calls for change. Understanding that the old ways have become obsolete, changes began to take place in order to ensure smooth transformation into a sustainable bank.

So far, the bank has accomplished various milestones, including:

- Establishment of Banque du Caire's Sustainable Finance department
- Development of Banque du Caire's new lending policies with E&S risks and opportunities in mind
- Development of the bank's network of sustainability ambassadors internally who help push for change within their departments
- Action taken in collaboration with the various departments, especially in the areas of energy and resource efficiency
- The formation of the bank's Sustainability Steering Committee to oversee and monitor the transformation and ensure positive progress is happening, reporting to the Chairman

Sustainable Finance

During the year, Banque du Caire announced it was set to receive USD 30 million in Tier-II capital investment under a financing agreement with the Green for Growth Fund (GGF), which is backed by German development bank KfW. The facility GGF's first Tier-II investment in Egypt, after receiving the necessary license from the Central Bank of Egypt (CBE) to act as a Tier-II lender, allowing it to finance Egyptian banks for on-lending to energy efficiency, resource efficiency and renewable energy projects. Banque du Caire in 2020 received the same amount of Tier-II capital from KfW's Sanad fund for financing green initiatives for Egypt's SMEs and farmers.

Ahead of COP27, the bank signed an agreement with French Development Agency (AFD) to launch the Finance in Common Program in Egypt, committing to credit lines and grants amounting to over more than EUR 153 million, including a EUR 13.25 million grant from the European Union to contribute to objectives of Egypt's Vision 2030 to achieve progress toward the SDGs.

As per the Central Bank of Egypt's mandate, the bank established a new Sustainability and Sustainable finance department. This new unit will focus on developing tools and instruments for our customers to gain access to green products that help them meet their goals, both financial profitability and sustainable growth. In addition to developing the reports needed to map Banque du Caire's continuous growth in the market.

Reporting and Disclosures

Banque du Caire has always been at the forefront of the market in developing sustainability reports, going all the way back to 2015, with our membership in the United Nations Global Compact. Since then, our projects have included:

- GRI reports
- Joined the United Nations Environment Programme Finance Initiative
- Published our Principles for Responsible Banking 2021/2022
- Carbon Footprint Report
- United Nations Global Compact Communication on Progress

As of 2022, Banque du Caire's plan include publishing our first TCFD report and joining the Carbon Disclosures Project, in addition to develop our Digital Reporting Hub. These projects signal further measures Banque du Caire is going to take to further boost our sustainable transformation.

Environmental Impact

Banque du Caire is dedicated to taking actionable steps to mitigate its environmental impacts and measures to hasten the transition toward net-zero by employing a dedicated environmental risk management strategy, a calculated approach to environmental mitigation, and a concerted effort put toward investments in initiatives to combat climate change.

Reducing Environmental Impacts

Banque du Caire is committed to keeping the environmental impact of the bank and its branches to a minimum, aided primarily through the digital infrastructure and products it offers clients.

Supporting Environmental Bodies

During COP27, Banque du Caire held two panels, with one's topic discussing the ways in which the financial sector can contribute to climate change by supporting youth and empowering them with the tools and knowledge necessary to combat climate change, particularly through the lens of responsible financing lead by our Chairman and CEO, Mr. Tarek Fayed.

Our second panel, lead by Head of Corporate Communications and Sustainability, Ms. Heidi El Nahas, titled "Plastic pollution and its impact on climate change'' discussed the significant impact plastic products have on the environment, the severe repercussions they have on climate change and the solutions needed for a better and safer future.

Beyond 2022

In the years ahead, the bank will ensure that its sustainability strategy implementation incorporates all aspects of the bank's internal operations such as data digitization and the facilities we provide. Enforcing our E&S lending policy and the inclusion of ESG into our risk management process through our ESMS will define our bank's alignment with national and international standards.

SDG Commitments

Management Approach

Reducing the Environmental Footprint of Operations	Sustainable Financing	Supporting Environmental Bodies
Funding Environmental Preservation Initiatives	Raising Awareness Among Stakeholders	Reporting and Monitoring

Outcomes

6,325	**40%**	**13%**	**150**
mtCO2e - GHG Emission	Water Consumption Reduction	Paper Consumption Reduction	Schools in Alexandria, Cairo, and Giza outfitted with recycling bins

Social Impact

Our Community

Community engagement is at the core of Banque du Caire's strategy and long history. A strong believer in giving back to the community in which it operates – social responsibility is a central pillar in the bank's mission to uphold socioeconomic prosperity throughout the nation. The social initiatives it participates in align with its values and priorities as one of Egypt's leading banking institutions and are a collaborative effort with trusted partners. Egypt is full to the brim with potential, and Banque du Caire continues to shine the light on what the country is capable of producing. This occurs through developing the right partnerships and projects aligning with the UN SDGs and Egypt's Vision 2030 as follows:

Goals 01 and 02
"No poverty, Zero Hunger"

Expanding support to provide winter supplies, clothes and food supplies

Every year since 2013 Banque du Caire has annually organized "Ramadan Campaign'' for Food supplies during the Holy Month of Ramadan. Additionally, for 6 years the bank has provided for people's needs in various governorates of the Republic, especially Upper Egypt during the winter season.

Banque du Caire's contribution to national development has always been a priority, having proudly donated to various funds such as Tahya Masr during the year. Banque du Caire collaborated with Tahya Masr on their winter campaign to provide necessities to survive the cold winters. In addition to our contribution to Sonaa El Kheir, Rotary and Nour ala Nour for the same purpose.

Goal 03
"Good Health and Well-being"

Egypt's healthcare industry has undergone significant transformation to provide advanced medical services and world-class standards of care. As such, Banque du Caire has seen to provide its support to the medical community through engaging with the Ministry of Health and various medical institutions

Throughout 2022, Banque du Caire supported Magdi Yacoub's Hospital for Cardiology, Ahl Masr Hospital, 57357 Hospital, Red Crescent Hospital and Ain Shams University Hospital. Through this support, these institutions were able to build new campuses, cover operational costs and to purchase new state-of-the art equipment. The bank also funded treatment with the Orman Association and participated in treating cases at Mansoura University Hospital.

As part of efforts to battle cancer and raise public awareness on the issue, the bank collaborated with Baheya Hospital and the Baheya Foundation to support the fight against breast cancer. Over the course of this important partnership, Banque du Caire provided EGP 100 mm to the benefit of 1,000 cancer patients by contributing to support establishing Baheya Zayed Hospital.

With the bank's newly launched volunteering program for staff, it plans to extend regular visits to the hospital to provide emotional support to the patients and let them know they are not alone in their fight. It also extended donations to the Cairo University Kasr El Ainy Hospital to support the hospital's cancer facilities.

The bank's partnership with the Floating Hospital run by Rotary Egypt allows Banque du Caire to provide care that reaches the most difficult and underprivileged areas in the country, in 2022 this partnership succeeded in supporting over 1000 patients, throughout different medical cases.

In collaboration with Akhbar Al-Youm, Banque du Caire sponsored the Touch Your Dream Initiative's annual festival of the Hope Village Association for "People of Determination''. The bank also continues to provide regular donations and support to El Wafaa and El Walaa, an organization that helps children and adults with special needs.

The bank additionally worked alongside the Ministry of Youth and Sports to promote initiatives such as "Daragtak Sehetak'' to encourage bike riding and build a healthier community

Goal 04
"Quality Education"

Scholarships in universities and technical and vocational schools

We focus on educational initiatives that make education more accessible and develop the capacity of individuals in our community. Banque du Caire is a strong believer in the importance of the educational sector and the impact it has on the future of this country, with the end result seeping into every aspect of life, this includes economic development and potential of Egypt. The bank proudly sponsored outstanding students at various universities such as:

- Nile University
- Arab Academy for Science, Technology and Maritime Transport
- King Salman International University
- New Mansoura University
- New Alamein University
- Zewail City university
- Galala University

Throughout these partnerships, Banque du Caire successfully established sophisticated Information Technology (IT) laboratories as part of its commitment to modernizing digital and technological infrastructure and education throughout the country.

Goals 06 and 11
"Sustainable Cities and Clean water"

Banque du Caire aligned its social development agenda with the country's strategy; this was to ensure effective community development in underprivileged areas in Egypt. Every year, the bank supports various partners and projects directly contribute the development of underprivileged areas. This year, Banque du Caire collaborated with "Sonaa El Kheir'' organization as one of the first banks to join the "Decent Life'' initiative to develop 12 villages in Nubia, Aswan. In addition to, provided professional development training to help develop the heritage handcrafts industry and provide new revenue sources for the most vulnerable in these communities.

Goal 08
"Decent work and Economic Growth"

Women and Youth

The bank is also an active donor to initiatives that train and raise capacities of the youth and provide them with the tools needed to start their careers and enter the labor market in full force. As such, the bank cooperated with INJAZ Misr to support educational programs for schools as well as ENACTUS Egypt to connect students' knowledge with entrepreneurship and startup communities. Leveraging its leading position in microfinance, the bank collaborated with Misr El Kheir NGO to train and provide work opportunities to 210 youth in the Sohag governorate to reduce unemployment.

In line with its commitment toward Egypt's 2030 Vision, the bank not only develops products and offers services for the underserved, but also forges key partnerships that drives socioeconomic development through financial inclusion. In 2022, Banque du Caire collaborated with the Nidaa Foundation to complete the second phase of the skills development project, which aimed to train people to manage and grow their finances. During the year, over 100 people trained under the handcrafts project.
In cooperation with the Orman Association, the bank launched the Good Loan Project to finance 2,000 small projects for women and youth breadwinners. By that same token, it collaborated with Al Hassan Foundation to support income-generating projects as well as a large number of people with disabilities in Upper Egypt to include them into the financial system.

To provide vital capital that supports cultural and historical heritage preservation, the bank launched the Women's Training Project in the field of handicrafts in the Al-Asmarat District. Alongside the SME Enterprises Development Authority, the bank promotes the development of small businesses in traditional artisanal fields, having sponsored the "Turathna'' Exhibition during the year

Goal 10
"Reducing Inequalities"

Scholarships in universities and technical and vocational schools

The provision of opportunities for "People of Determination'' continues to be a priority, based on the importance of inclusion. Under the bank's commitment to support "People of Determination'', it sponsors the SEED project. This important project successfully assisted 500 individuals with special needs for the second consecutive year who successfully graduated from SEED by providing them with training and tools to help them enter the labor market.

Goals 12,13,14,15
"Environment"

bGreen initiative was launched in 2020 in conjunction with the initiative of President Abdel Fattah El-Sisi, "Prepare for the Green'', to raise awareness regarding eco-friendliness among Egyptians. Through initiatives such as the below to help raise environmental awareness, have been building up a more prepared ecosystem for the environmental challenges we face on a global scale.

Banlastic:
- Beach Cleanups in the North Coast and Alexandria.
- Fuad Plastic Free
- Kafr Abdo Plastic Free

Greenish:
- Greenish Club at the Greek Campus (over 1500 Beneficiaries).
- Greening the bank's rooftop surfaces.

Go Clean:
- Recycling bins in more than 150 schools in Alexandria, Cairo, and Giza.
- Recycling the bank's electronic products and sponsoring support for environmentally friendly products.

Eco-Fiesta:
- In partnership with Camps Les Eleves, we raised awareness for children aged 7 to 15 in Almaza Bay to support the environment.
- "Turathna Exhibition'' under bGreen Initiative promoted eco-friendly exhibitors through national exhibitions

Sharm El Sheikh Plastic Free:
- Partnering with UNDP on a mega project pre, during and post the COP27 to replace plastic bags in Sharm EL Sheikh with sustainable paper bags
- More than 100000 bag were distributed in phase one

COP 27:
- Contributing in the COP 27 Green Zone and Blue Zone
- Running an ecofriendly sustainable exhibition in partnership with MSMEDA to sell Egyptian Handcrafts products " sustainable''

Goal 17
"Partnership for the Goals"

- UN Agencies
- International Agencies (DEDI, Swiss)
- Ministries
- Embassies
- NGOs

Our People

As one of Egypt's leading financial institutions, Banque du Caire is committed to ensuring it attracts, develops, and retains the best and brightest minds in the industry, giving them the tools they need to grow and develop to drive both their individual success as well as that of the bank. Banque du Caire positions itself as an employer of choice by maintaining a positive, diverse, and ethical work environment through the implementation of world-class practices. The bank's Human Resources Group is responsible for the recruitment, training, and wellbeing of our employees. Recognizing the importance of employee satisfaction and its direct relationship to productivity, the bank works to foster a culture that allows for employee engagement.

8,998
EMPLOYEES

92.59%
RETENTION RATE

871
NEW HIRES

22%
FEMALE NEW HIRES

Remuneration and Benefits

Banque du Caire's remuneration policy encourages the achievement of the bank's strategic objectives by aligning the reward system with long-term sustainable performance. The bank provides its employees with market competitive compensation and benefits that include a monthly salary, performance driven increase on salaries, and a diversified benefits scheme.

In 2022, the bank introduced a new end-of-service program, enhanced the medical program and life insurance benefit, as well as the employee facilities program to the effect of the following:

- All employees and their families are covered by a market competitive policy to ensure their wellbeing
- All employees are covered by a partial and full disability insurance policy
- All female employees are guaranteed the law mandated 90 days of paid maternity leave and an additional two years of unpaid leave per child
- All employees are offered an optional end-of-service program where the bank provides double the employee monthly salary, in addition to the government mandated pension program
- All employees are provided with discounted rates on bank products including loans and credit cards, as well as extended repayment durations

Diversity and Inclusion

It is our belief that the diverse perspectives of our human capital base are an integral part of the successes we achieved in building out what is now a leading financial service franchise throughout the country. Our HR Group strives to structure a workforce that reflects the diversity of our clients, and the population at large. This allows us to serve them with empathy and the quality they have come to expect and rely on. As such, the bank has focused on hiring and retaining employees from all walks of life, age brackets, genders, and levels of ability, instilling strong policies surrounding diversity and inclusion such as those in the employee bylaws, code of ethics, whistleblower policies, and disciplinary bylaws.

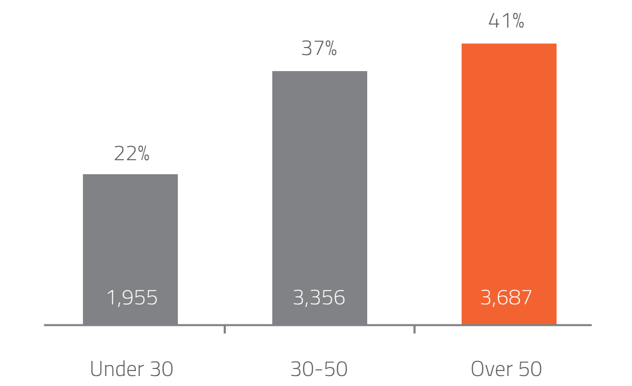
202
employees with disabilities,
7 in positions of management or governance

19%
employees are women

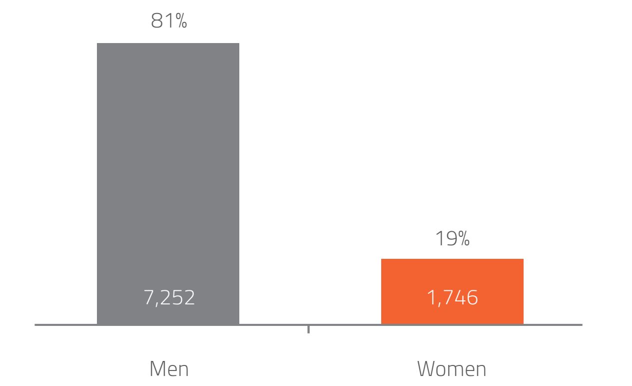
34
female employees in senior management positions

0
incidents of discrimination reported in 2022

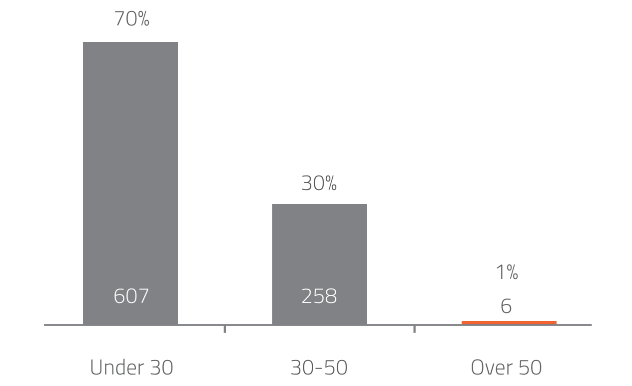
2022 Employee Count by Age



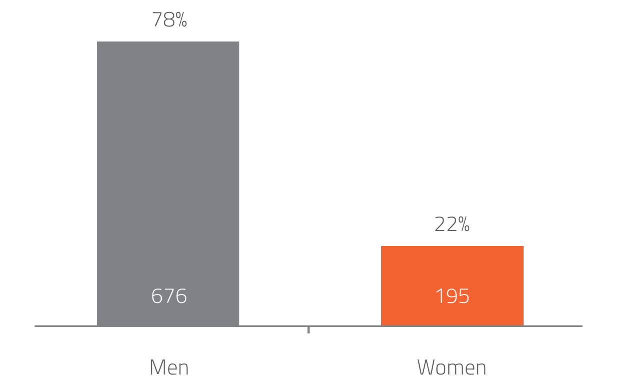
2022 Employee Count by Gender



2022 New Hires Count by Age



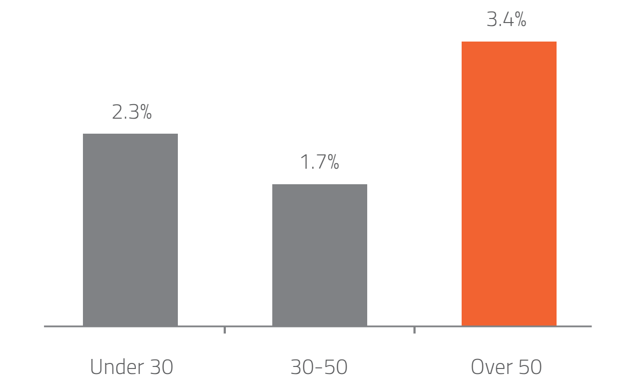
2022 New Hires Count by Gender



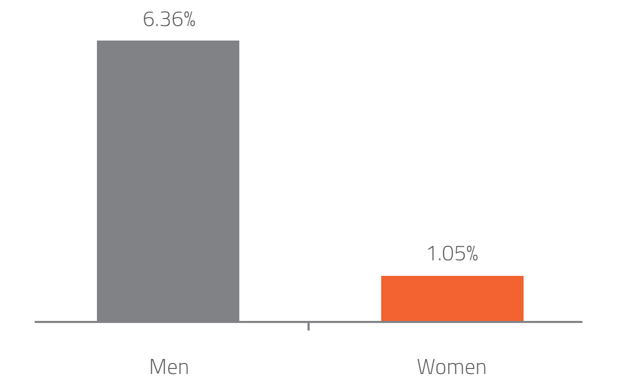
Employee Engagement and Retention

Employee engagement is critical to the bank's success, given its clear link to job satisfaction and employee morale. Engaged employees are more likely to be more productive and higher performing, and often are retained for much longer periods. Employee retention is a key plank in the bank's strategy as part of its previous transformation efforts and along the way to realizing this transformation in the years to come as we work to fledge our core values across the organization. In saying this, the bank aims to measure employee engagement levels to ensure turnover is kept at a minimum.

2022 Employee Turnover by Age



2022 Employee Turnover by Gender



2022 Parental Leave

	Female	Male
Employees that took parental leave	**128**	-
Employees that returned to work after parental leave	**81**	-
Retention rate of employees that took parental leave	**63**	-

Training and Skill Development

As part of our employee engagement strategy, an abundance of unique opportunities is available to our employees, which helped the bank foster a learning culture and developed specialized skill sets across the bank's functions. At the same time, our learning and development tracks are open to all employees irrespective of gender or level, engaging staff in dynamic simulation sessions, virtual and e-learning solutions, specialized growth for each line of business, and continuing general awareness initiatives.

We offer employees numerous opportunities for growth and development such as training programs on technical and soft skills, leadership and management, international exposure, and awareness. We also provide new employees with extensive inductions and awareness programs for the bank as well as the opportunity to acquire certificates to further their development. Additionally, employees have the option of entering the Fast Track Program that allows for faster career progression at the bank.

7,850
EMPLOYEES TRAINED

232,111
TRAINING HOURS

30
AVERAGE TRAINING HOURS PER EMPLOYEE

29
AVERAGE TRAINING HOURS FOR WOMEN

Training and Development Programs

Training Path	Number of Trainees		Total Number of Training Hours
	Female	Male	
Induction	**51**	**275**	18,648
Awareness	**544**	**1866**	30,775
Technical	**901**	**3994**	94,683
Soft Skills	**416**	**1858**	16,626
Leadership and Management	**29**	**139**	4,012
Academies	**248**	**4745**	24,354
Certificates	**97**	**270**	41,083
International Exposure	**10**	**37**	1,930
Grand Total			**232,111**

Average Hours of Training per Year per Employee

Male	Female	Total Average
25 hours/employee	**29 hours/employee**	30 hours/employee

Average Training Hours by Employee Category

Band	Hrs./Employee
Middle Management	**22**
Senior Management	**26**

Average Training Hours by Division

Division	Average Hours
Financial Affairs Group	**82.6**
Structured Finance and Syndicated loans Sector	**79.9**
Treasury and Capital Market Group	**78.7**
Change, Transformation & Reengineering Sector	**69.9**
Corporate Banking Group	**46.6**
Global Transaction Banking Group	**44.3**
SME Banking Group	**41.7**
Corporate Communication and Sustainable Development Sector	**39.6**
Risk Management Group	**39.3**
Information Technology Group	**38.0**
Financial Institutions sector	**37.8**
Financial Inclusion Division	**37.3**
Core Banking Development Sector	**36.3**
CEO Technical Office and Secretariat Division	**33.6**
Retail Banking Group	**32.9**
Human Resources Group	**31.2**
Internal Audit Group	**30.5**
Compliance and Corporate Governance Group	**26.8**
Micro finance Sector	**25.6**
Legal Affairs Group	**25.1**
Investment Sector	**24.4**
ICU Sector	**23.2**
Branches Network Group	**22.3**
Banking Operations Group	**15.8**
Vice-Chairman and CEO Office 1	**12.8**
Debt Recovery and Workout Sector	**12.5**
Admin Affairs and Real Estate Group	**12.2**
Africa Business Development Department	**12.0**
Security Sector	**6.0**
Research and Analytical Studies Division	**3.3**

06

GOVERNANCE AND CONTROLS

Corporate Governance

Protecting the professional integrity of the bank, Banque du Caire conducts operations with corporate governance frameworks that are in line with international best practices. The bank ensures that transparency, sustainability, and efficiency are at the forefront of all bank operations.

Corporate Governance Strategy

In pursuit of professional integrity and adding value to its stakeholders, Banque du Caire makes use of a robust corporate governance framework aligned with international best practices across all operations. The bank adheres to all Egyptian laws and regulatory requirements and holds its employees to the highest ethical standards.

The bank makes use of its governance framework to safeguard the interests of all stakeholders including customers, shareholders, employees, and the communities in which it operates. This commitment to integrity across all its operations is reflected in the bank's institutional culture, spurring all employees to perform their duties with diligence. Additionally, by adhering to the highest ethical standards, Banque du Caire promoted a transparent, ethical, and corruption-free environment within Egypt's banking industry.

Board of Directors

The Board of Directors is composed of eight members, including the Chairman, the Vice Chairman, and six independent Non-executive Members, four of which are male and two female. Each member is committed to their role in supporting the bank's operations, ensuring its activities are both ethical and compliant with relevant laws and overseeing its growth strategy.

The bank boasts a young and diverse board that leverages their experience to set and uphold strategies, key policies, and frameworks as well as risk management oversight in line with Egyptian law, the Central Bank of Egypt's (CBE) guidance, as well as the bank's own corporate governance framework. Board members' varying perspectives allow for a dynamic decision-making environment, allowing the board to guide the bank's leadership and strategic vision with agility.

Non-executive board members do not perform any executive duties or hold full-time or part-time positions within the bank, in line with the bank's corporate governance policy. In 2021, the bank agreed that board members would serve for a period of three years.

Duties of Board Members

The members of the board are bound by their duties of diligence, loyalty, and adherence to institutional authority as specified in the relevant laws and regulations. They are additionally bound by the corporate governance guidelines issued by the CBE as well as those by Banque du Caire. Members work on the basis of clear information, in good faith, with the necessary attention, and in the interest of the bank and shareholders.

Chairman of the Board

The chairman of the board assumes the duties of the chief executive officer of the bank, with the approval of the board of directors. The chairman is responsible for approving the agenda for board meetings, ensuring operations run smoothly, and ensuring accurate information is delivered in a timely manner. As stipulated in the corporate governance guidelines, the chairman encourages members of the board to participate fully in the conduct of any affairs of the board and ensure it works in the interest of the bank.

Secretary of the Board of Directors

The secretary of the board is responsible for recording, coordinating, and keeping minutes of the board's meetings, in addition to keeping track of records, books, and reports submitted to and from the board. The secretary also secures the right to communicate and coordinate with the members of the board. They also distribute information to the board, shareholders, executive management, and all employees.

Board Remuneration

Based on Company Law No. 159/1981 and its amendments, the bank has set a special policy for determining the remunerations of board members in accordance with the provisions of the law. A mechanism has been established to determine board remuneration, which is disbursed annually to the general assembly for approval. Non-executive members of the board do not receive remuneration.

Board of Directors

Name	Title	Director Since
Mr. Tarek Fayed	Chairman and Chief Executive Officer	1/1/2018
Mr. Bahaa El Shafei	Executive Vice Chairman	3/10/2021
Mr. Wael Ziada	Non-executive Board Member	26/9/2017
Mr. Ashraf Bakry	Non-executive Board Member	26/9/2017
Mrs. Amal Esmat	Non-executive Board Member	26/9/2017
Mr. Hisham Sanad	Non-executive Board Member	28/2/2018
Ms. Leila Mokaddem	Non-executive Board Member	31/3/2021
Mr. Hisham Hendi	Non-executive Board Member	31/3/2021

Mr. Tarek Fayed
Chairman and Chief Executive Officer

Mr. Tarek Fayed is the Chairman and CEO of Banque du Caire, with over 32 years of banking experience in various fields including banking supervision, risk management, as well as corporate and investment banking.

Mr. Fayed is currently a board member of the Egyptian Banking Institute, Social Fund for Mortgage Finance, Egyptian Stock Market, Union of Arab Banks, Credit Guarantee Company (CGC), Cairo Leasing Company (CLC), General Assembly Egyptian Holding Company for Aviation, and the Federation of Egyptian Chambers of Commerce.

Prior to his tenure with Banque du Caire, Mr. Fayed spent 10 years working for the CBE, having joined the bank during the second wave of the banking sector reform program. He has overseen several departments under banking supervision including ongoing surveillance, licensing and macroprudential supervision. He successfully shifted the supervisory framework from a compliance to a risk-based approach and introduced new supervisory tools such as early warning and stress testing. He also participated in the introduction of a large range of prudential regulations including Basel Standards. Additionally, he established Egypt's first financial stability report in 2016 and was also part of the CBE negotiation team with the International Monetary Fund (IMF) to facilitate Egypt's economic reform program in 2016.

Mr. Fayed represented the CBE in several regional and international organizations such as the Arab Trade Finance Program and the Financial Stability Working Group at the Arab Monetary Fund. He was a board member of the PTA Bank, currently known as Trade and Development Bank (TDB) and Deputy Chairman of the Islamic Financial Services Board (IFSB), an international standard-setting organization for Islamic financial institutions. He also represented the CBE as a non-executive director for a number of financial institutions as part of their transformation. These included the Agriculture Bank of Egypt, United Bank, Arab International Bank, and the National Committee for Refund of Funds.

Prior to his tenure with the CBE, Mr. Fayed was the General Manager and Chief Risk Officer at the Arab International Bank in Cairo, where he also held a position on the bank's Risk and Steering Committees. Mr. Fayed worked at Samba Financial Group, an affiliate of Citigroup, in Riyadh, Saudi Arabia in the position of Audit Director.

Mr. Fayed holds a BA in Commerce from Ain Shams University, in addition to various certifications in Credit and Risk Management. He also led and attended numerous study tours and seminars with supervisory bodies and international institutions, such as the Federal Reserve, European Central Bank, Bank of England, Deutsche Bundesbank, and Bank for International Settlements.

Mr. Bahaa El Shafei

Executive Vice Chairman

Bahaa El Shafie has 30 years of banking experience in Corporate and Investment Banking.

Throughout the last 10 years, El Shafie headed the Corporate and Investment Banking Division at QNB Al-Ahli (previously National Société Générale Bank).

Besides managing the bank's large corporate portfolio, he managed the bank's Private Equity Portfolio in addition to Custody services and Mutual Funds. He was a leading member of several committees at QNB Al Ahli including; Management Committee, Assets and Liability Committee, Risk Review Committee, Recovery Committee as well as the Investment Committee.

Mr. El Shafie multidisciplinary background resulted in becoming the representative for QNB Al Ahli in a number of companies in various sectors including tourism, petroleum, and asset management, where he was assigned as member of the Board of Directors representing QNB Al Ahli.

El Shafie had spent several years working as the Head of Project Finance and Structured Finance at QNB Al Ahli, during which he arranged and managed several Syndicated loans for mega projects in different economic sectors including petroleum, petrochemicals, telecommunications, construction, as well as large national projects that required coordination amongst multiple Egyptian and foreign banks and Multilateral Institutions.

El Shafie led his team in assuming several leading Agency and Security agency roles as well as leading the arrangement of almost all Syndicated transactions in the local market. He Structured and Managed the execution of complex transactions including Mergers, acquisitions and leveraged buy-outs.

As an Executive Director and a core member of the committees at QNB Al Ahli, El Shafie has actively participated in multiple financial mergers throughout his career including the initial merger between National Société Générale Bank and Misr International Bank which was then followed by Qatar National Bank's acquisition of National Société Générale Bank.

During El Shafie's career, he managed to consolidate a range of certifications. After receiving a post-graduate degree in Investment Appraisal and Risk Management from Harvard University in Massachusetts, USA, El Shafie continued advancing his knowledge by having training courses - internally and externally - in the fields of Advanced Capital Market and Portfolio Management and Advanced Credit Analysis at the American University in Cairo, Derivatives and Options at SOGEMARC – Paris.

As El Shafie continues to stay well versed in the industry's on-goings, he most recently took part in the Future Leaders Program at the Egyptian Banking Institute, the Leadership Program at London Business School as well as the Executive Leadership Program at Harvard University - Harvard Business School to be exact - in the USA.

Mr. Wael Ziada

Non-executive Board Member

Mr. Wael Ziada was appointed as a Non-executive Board Member on 26 September 2017. Mr. Ziada has over two decades of experience in money markets in the Middle East and is currently the Founder and Executive Chairman of Zilla Capital for Investments, a regional private investment company and a board member of various entities, both financial and non-financial.

Prior to that, Mr. Ziada was the Executive Chairman and CEO of EFG Hermes Finance and a member of the Executive Committee of EFG Hermes Holding. He was responsible for the vision and the executive plan for EFG Hermes to venture into the field of non-bank financing to diversify revenue streams and lower dependence on volatile money market sectors. He was also head of EFG Hermes' award-winning and internationally recognized research division from 2008 to 2014. Under his leadership, the department underwent a significant turnaround that witnessed its coverage expanding to more than 12 countries with output expanding threefold and its services offered over digital platforms. He succeeded in assessing and promoting several initial public offerings, the most important of which were Vodafone Egypt, Emaar Malls Group, Talaat Mostafa Group, Telecom Egypt, Palm Hills for Real Estate Marketing, the Arabian Cement Company, and the promotion of the first real estate investment fund in the Arab world—the Emirates Real Investment Trust (REIT).

Mr. Ziada holds a BA in Economics from the American University in Cairo.

Mr. Ashraf Bakry
Non-executive Board Member

Mr. Ashraf Bakry was appointed as an Independent Non-Executive Board Member in Banque du Caire on the 1st of January 2018.

Mr. Bakry is the Vice President of Future Fit Operations in North Africa and the Middle East and a member of the North Africa and Middle East (NAME) Leadership Team. He has over 29 years of experience in both Supply Chain and General Management in Multinational Organizations.

He started an academic career in 1992 as a demonstrator in the Faculty of Engineering then moved a year later to join Procter and Gamble in 1993.

He spent six years in various manufacturing assignments in Saudi Arabia as well as regional category international assignments, which involved working in the UK and France looking after a consolidation project in the Middle East, Africa, and Pakistan.

Mr. Bakry moved back to Egypt in 1999 and joined Unilever Egypt as a Plant Manager.

He joined the Unilever board in 2001 as the Supply Chain Director, then moved to General Management in 2006 to manage Levant and Iraq.

In January 2009, he joined the NAME board as NAME Supply Chain Vice President looking after the operations in the 20 countries spanning from UAE to Morocco.

In 2014, he was assigned as the Managing Director leading the Unilever business in the Mashreq region then in July 2021 moved to become the regional Future Fit Operations Vice President for North Africa and Middle East.

Mr. Bakry co-chairs the Industrial and Trade Committee in the American Chamber in Egypt, is a non-executive board member of Banque du Caire Uganda, Oriental weavers and Misr Investment and Development company. He was part of the Internal Trade Development Committee and the head of the Egyptian Cosmetics Export Council (part of the Medical/Cosmetics Export Council).

Mrs. Amal Esmat
Non-executive Board Member

Mrs. Amal Esmat joined Banque du Caire as a Non-Executive Board Member on the 1st of January 2018 bringing almost 30 years of banking experience, mostly with Citigroup in the Middle East.

In her last assignment with Citi, she was the Middle East Regional Risk Management Head for Citigroup Global Markets Limited - Dubai from 2006 to 2016.

Prior to that, she was the deputy Regional Risk Management Head for the Middle East based in Bahrain from 2005 to 2006.

Mrs. Esmat joined Citibank in Cairo in 1997 as a Relationship Manager in the Corporate Banking Team. In 2003, she joined the Risk Management Group under the Credit Risk Analytics Department Head for Citibank Egypt. Prior to Citi, Mrs. Esmat worked for three years as a Project Finance Officer with the Export Development Bank of Egypt.

Aside from her banking career, which focused mostly on Corporate Banking and Credit Risk Management, she conducted audits on numerous bank branches in Africa, the Middle East, North Africa, and London.

Mrs. Esmat holds an MBA in International Banking and Finance from the University of Birmingham, UK, and a BSc in Chemical Engineering from Cairo University.

Mr. Hisham Sanad
Non-executive Board Member

Mr. Hisham Sanad joined Banque du Caire as a Non-Executive Board Member in March 2018. Mr. Sanad's has 35 years of experience in the IT services sector supported by vast business and organizational planning expertise punctuated by expert knowledge of regional markets, various economic sectors, and services provided by the ICT sector. Mr. Sanad is currently the Chairman and CEO of Egabi Solutions. In mid-2006, he co-founded Egabi Group, a leading IT Solutions and Services Company with regional coverage across a number of subsidiaries and branches in Egypt, Saudi Arabia, and the UAE as well as a technical training company and a specialized company focused on the delivery of dedicated technology solutions and services to the Banking and Financial Services sector.

He is a Board Member of the Technology Development Fund (TDF), former Board Member and Chairman of the Chamber of Information Technology and Communication, and former Board Member of the Information Technology Industry Development Agency (ITIDA), the executive IT arm of the Ministry of Communications and Information Technology.

He was the Managing Director of Raya Software and Raya Regional Services, the General Manager of Raya Integration, and the General Manager of Solutions and Technology Services (STS).

Mr. Sanad holds a BSc in Electronics and Communication Engineering from Ain Shams University. He graduated from the Strategic Executive Leadership Program at Harvard Business School, USA in 2004.

Mrs. Leila El Mokaddem
Non-executive Board Member

Mrs. Leila El Mokaddem joined Banque du Caire as Non-Executive Board Member in March 2021. She is Director-General Southern Africa of the African Development Bank (AfDB), responsible for 13 countries in the region. Prior to that, Mrs. Mokaddem was the Country Manager and Resident Representative of the AfDB in Morocco and Egypt from 2014 to 2020. She occupied the position of Regional Resident Representative in Dakar, Senegal, from 2011 to 2013.

Mrs. Mokaddem started at the AfDB in 2002 as Head of Financial Institutions, where she supported the financing and capacity building of financial institutions across Africa, including regional commercial banks and capital market development. She designed innovative financial solutions for Africa, including the African SME Guarantee Fund, AfDB trade finance Initiative, and the Women in the Business initiative. Mrs. Mokaddem led the origination and management of multi-billion investment portfolios in 35 African countries, particularly in the infrastructure and financial services sectors. Prior to AfDB, she was the long-term fiscal advisor to the IMF. She started her career at the Ministry of Economy of Tunisia, later becoming a Board Member of the West Africa Development Bank and Microfinance Advans Holding.

Mrs. Mokaddem has an MBA in Finance and International Trade.

Mr. Hisham Hendi

Non-executive Board Member

Mr. Hisham Hendi is an Egyptian currently living and working in Spain. He is currently the Managing Director of Consumer Business in Vodafone Spain.

Prior to moving to Spain he was the CEO of Vodacom Tanzania Plc, Mr. Hendi worked as Chief Commercial Officer for Vodacom International Business based in South Africa, where he led the design and implementation of all commercial strategies across all Vodacom African markets, in addition to serving as a board member in Vodacom Tanzania and Vodacom Mozambique.

Mr. Hendi worked in Vodafone Egypt, for more than 8 years across different areas within the commercial business, prior heading to South Africa he was leading the consumer marketing.

Previously, he was in Vodafone Group in London, where he focused on growing partner networks consumer revenue across 13 different markets in Latin America, Europe & Middle East.

He is a visionary C-Level Executive & Transformation Leader, with 20 years' experience, progressing up to board level as CEO & MD for a global FTSE100 listed mobile telecom market leader.

Mr. Hendi is an accomplished strategist, experienced at leading multi-billion/million businesses in the EMEA, including politically complex emerging markets in Africa; shaping/operationalizing plans to drive business transformation/turnaround, P&L, market share, and sales growth, digital agendas, IoT and customer value management, and service excellence, delivering shareholder value and ROI.

Throughout his career his focus is on mobile financial services, digital transformation, customer value management, innovative solutions and new ways of working which help businesses to gain a competitive edge, improve organizational capability and maximize performance.

Mr. Hendi holds a bachelor's degree in Business Management, faculty of commerce (English Section) - Cairo University in Egypt and is a graduate of two executive programs from IMD Business School in Switzerland and London Business School in UK.

Committees and Attendance

Banque du Caire's board is supported by several committees with individual charters and mandates that set out their responsibilities and composition requirements. The committees hold regular meetings throughout the year along with ad-hoc meetings whenever necessary to assist the board in effectively fulfilling its responsibilities.

The board adheres to the provisions of the Corporate Governance Manual and met at least once every two months, or upon invitation by the chairman. The board met 11 times in 2022, and director attendance was over 96%

Audit Committee

The Audit Committee assists the board in fulfilling its oversight duties regarding the bank's financial reporting process and internal control systems. It supervises Banque du Caire's internal audit process, compliance function, and external audit process.

Risk Management Committee

The Risk Management Committee oversees the bank's risk assessment and management functions, ensuring compliance with board-approved risk strategies and policies.

Remuneration Committee

The Remuneration Committee advises the board on appropriate compensation for board members and executive officers. This committee ensures that Banque du Caire's compensation schemes are consistent with the bank's strategic goals and that they enable the institution to recruit and retain top talent.

Corporate Governance and Nomination Committee

This committee assists the board in its general governance oversight responsibilities and its effort to promote a culture of integrity and rigorous corporate governance within the bank. Additionally, the committee assists in identifying and nominating candidates for director positions.

Investment Policy Committee

The committee is responsible for following up on the implementation of the bank's investment policy to achieve high returns by creating an investment portfolio with diversified asset classes.

Banking Information Systems and Technology Committee

The committee oversees the development of digital banking services, monitoring their operational efficiency and accuracy. Additionally, the committee seeks to avoid risks and ensure uninterrupted availability of the services as well as data protection.

Executive Committee

The Executive Committee oversees Banque du Caire's corporate and investment portfolio to ensure quality and the effective allocation of funds in line with overarching strategic goals.

Committee Meetings in 2022*

Name	Audit	Risk Management	Remuneration	Corporate Governance and Nomination	Investment Policy	Banking Information Systems and Technology
Mr. Wael Ziada	▪ C		▪ M	▪ M		
Mr. Ashraf Bakry			▪ C		▪ M	▪ M
Mrs. Amal Esmat	▪ M	▪ C		▪ M		
Mr. Hisham Sanad	▪ M	▪ M				▪ C
Mr. Leila Mokaddem		▪ M		▪ C	▪ M	
Mr. Hisham Hendi			▪ M		▪ C	▪ M
Total # of Meetings	9	9	4	4	4	6

Executive Management

Mr. Tarek Fayed
Chairman and Chief Executive Officer

Mr. Tarek Fayed is the Chairman and CEO of Banque du Caire, with over 32 years of banking experience in various fields including banking supervision, risk management, as well as corporate and investment banking.

Mr. Fayed is currently a board member of the Egyptian Banking Institute, Social Fund for Mortgage Finance, Egyptian Stock Market, Union of Arab Banks, Credit Guarantee Company (CGC), Cairo Leasing Company (CLC), General Assembly Egyptian Holding Company for Aviation, and the Federation of Egyptian Chambers of Commerce.

Prior to his tenure with Banque du Caire, Mr. Fayed spent 10 years working for the CBE, having joined the bank during the second wave of the banking sector reform program. He has overseen several departments under banking supervision including ongoing surveillance, licensing and macroprudential supervision. He successfully shifted the supervisory framework from a compliance to a risk-based approach and introduced new supervisory tools such as early warning and stress testing. He also participated in the introduction of a large range of prudential regulations including Basel Standards. Additionally, he established Egypt's first financial stability report in 2016 and was also part of the CBE negotiation team with the International Monetary Fund (IMF) to facilitate Egypt's economic reform program in 2016.

Mr. Fayed represented the CBE in several regional and international organizations such as the Arab Trade Finance Program and the Financial Stability Working Group at the Arab Monetary Fund. He was a board member of the PTA Bank, currently known as Trade and Development Bank (TDB) and Deputy Chairman of the Islamic Financial Services Board (IFSB), an international standard-setting organization for Islamic financial institutions. He also represented the CBE as a non-executive director for a number of financial institutions as part of their transformation. These included the Agriculture Bank of Egypt, United Bank, Arab International Bank, and the National Committee for Refund of Funds.

Prior to his tenure with the CBE, Mr. Fayed was the General Manager and Chief Risk Officer at the Arab International Bank in Cairo, where he also held a position on the bank's Risk and Steering Committees. Mr. Fayed worked at Samba Financial Group, an affiliate of Citigroup, in Riyadh, Saudi Arabia in the position of Audit Director.

Mr. Fayed holds a BA in Commerce from Ain Shams University, in addition to various certifications in Credit and Risk Management. He also led and attended numerous study tours and seminars with supervisory bodies and international institutions, such as the Federal Reserve, European Central Bank, Bank of England, Deutsche Bundesbank, and Bank for International Settlements.

Mr. Bahaa El Shafei
Executive Vice Chairman

Bahaa El Shafie has 30 years of banking experience in Corporate and Investment Banking.

Throughout the last 10 years, El Shafie headed the Corporate and Investment Banking Division at QNB Al-Ahli (previously National Société Générale Bank).

Besides managing the bank's large corporate portfolio, he managed the bank's Private Equity Portfolio in addition to Custody services and Mutual Funds. He was a leading member of several committees at QNB Al Ahli including; Management Committee, Assets and Liability Committee, Risk Review Committee, Recovery Committee as well as the Investment Committee.

Mr. El Shafie multidisciplinary background resulted in becoming the representative for QNB Al Ahli in a number of companies in various sectors including tourism, petroleum, and asset management, where he was assigned as member of the Board of Directors representing QNB Al Ahli.

El Shafie had spent several years working as the Head of Project Finance and Structured Finance at QNB Al Ahli, during which he arranged and managed several Syndicated loans for mega projects in different economic sectors including Petroleum and Petrochemicals, telecommunications, Construction, as well as large National Projects that required coordination amongst multiple Egyptian and foreign banks and Multilateral Institutions.

El Shafie led his team in assuming several leading Agency and Security agency roles as well as leading the arrangement of almost all Syndicated transactions in the local market. He Structured and Managed the execution of complex transactions including Mergers, acquisitions and leveraged buy-outs.

As an Executive Director and a core member of the committees at QNB Al Ahli, El Shafie has actively participated in multiple financial mergers throughout his career including the initial merger between National Société Générale Bank and Misr International Bank which was then followed by Qatar National Bank's acquisition of National Société Générale Bank.

During El Shafie's career, he managed to consolidate a range of certifications. After receiving a post-graduate degree in Investment Appraisal and Risk Management from Harvard University in Massachusetts, USA, El Shafie continued advancing his knowledge by having training courses - internally and externally - in the fields of Advanced Capital Market and Portfolio Management and Advanced Credit Analysis at the American University in Cairo, Derivatives and Options at SOGEMARC – Paris.

As El Shafie continues to stay well versed in the industry's on-goings, he most recently took part in the Future Leaders Program at the Egyptian Banking Institute, the Leadership Program at London Business School as well as the Executive Leadership Program at Harvard University - Harvard Business School to be exact - in the USA.

Mrs. Hala El-Kasar
Chief Risk Officer

Mrs. Hala El-Kasar is the Chief Risk Officer since 2012 as she had joined Banque du Caire as Head of Credit Risk in 2010.

Mrs. El-Kasar has over 29 years of banking experience in various banking activities specializing in corporate finance, credit risk management, enterprise risk management and InfoSec. Previously, she spent two years at Abu Dhabi Islamic Bank - Egypt as the Head of Credit Risk & Portfolio Management and six years at the Arab Banking Corporation - Egypt as the Credit & Risk Management Division Head. Prior to that and for eight years she was a Corporate Relationship Manager in Mashreq Bank - Egypt.

Mrs. El-Kasar holds a BA in Economics with a minor in Business Administration from the American University in Cairo. She is a holder of Harvard Business School Executive Leadership Certification from Harvard University and Certified Effective Board Member from IFC – World Bank in corporation with EBI.

Mrs. El-Kasar acted as an independent non-executive board member at Misr Insurance Holding, held the position of non-executive board member at Nile Holding Company for Investment and currently is a non-executive board member at The Egyptian Credit Bureau "I-Score".

Mr. Mohamed Aly
Senior General Manager
Head of Treasury & Capital Markets Group

Mohamed Aly joined Banque du Caire in September 2018 as the Head of Treasury & Capital Markets Group and Executive Committee Member capitalizing on his 29 years of experience in covering international markets as well as the Egyptian market. He is also a member of the ALCO and Investment Committees at Banque Du Caire.

Prior to joining the bank, Mr. Aly was the Head of Capital Markets at QNB Alahli, and prior to that, he was the Head of Capital Markets at NSGB in Cairo.

Mr. Aly is certified from Harvard Business School – Boston USA for Executive Leadership Program fall 2019, Future Leaders Program, EBI in 2018, and Strategic Management in Banking Program fall 2022, London, UK. During his professional experience, Mr. Aly attended numerous seminars & workshops for well-known international investment houses in Europe, United states & Gulf Countries covering various banking and finance topics, and attended numerous workshops in Société Générale Bank France.

Mr. Aly holds a BA in Business Administration from Ain Shams University.

Mr. Mohamed Ibrahim
Chief Financial Officer

Mr. Mohamed Ibrahim is currently Chief Financial Officer at Banque du Caire, where he leads on finance, strategy, and investor relations. His previous roles with the bank include Financial Controller and Deputy CFO.

Mr. Ibrahim brings a diversified skill set to his position, with over 21 years of experience across financial control, financial planning and analysis, and bank operations at multiple international and local banks and a solid record of improving business performance. Prior to joining Banque du Caire, he served as Financial Controller and Vice President at Attijariwafa Bank from 2017 to 2018.

Prior to this, Mr. Ibrahim previously held an array of roles at Barclays Bank in Egypt spanning a period of ten years. He joined Barclays in 2008 as Assistant Vice President and Retail Business Planning & Analysis Manager, leading a team of financial analysts, developing financial strategies and ensuring proper execution and compliance with bank policies. His later roles include Vice President, Head of Accounting and Financial Regulatory Reporting, and Head of Business Planning.

Prior to that, Ibrahim spent seven years with Citibank Egypt, where he last served as Business Planning Assistant Manager under the Global Consumer Group. Mr. Ibrahim is a Certified Management Accountant and holds a Bachelor of Commerce in Accounting from Ain Shams University.

Risk Management

Banque du Caire was one the earliest adopters of risk management across the local bank landscape in Egypt by establishing a dedicated risk management function in 2009. Today, risk management is the lynchpin of Banque du Caire's strategy to operate a sustainable institution. It is responsible for providing comprehensive controls and management to protect the bank from a variety of risks and help the institution meet its strategic goals. Banque du Caire has worked tirelessly to ensure its risk management framework is in line with international best practices, supported by a set of policies and accepted methods.

The bank's aim to remain a sustainable institution hinges on its ability to identify and assess potential risks, develop, and execute action plans that prevent and mitigate these risks, and continuously report and review its risk management practices ensuring a streamlined process. It leverages a highly experienced team of risk officers to formulate the Risk Management Group's risk evaluation, reporting, and management practices throughout the institution.

Banque du Caire ensures that every employee, at all levels, participates in a comprehensive risk awareness training program to maintain an exceptional risk culture within the bank. The training program is an all-encompassing curriculum that prepares all employees for a multitude of risk prevention and mitigation scenarios and how to navigate the dynamic and evolving culture of risk management in the bank. Employees with extensive knowledge of risk management ensure that both the board and management maintain comprehensive and effective oversight of the bank's risk frameworks and processes.

Risk Governance

Risk management oversight at the bank takes place through:

- **Risk Committee:** Composed of Non-executive Board Members in charge of overseeing risk activities
- **Risk Management Group:** Composed of dedicated officers, each overseeing specific risks

The Risk Management Group is chiefly responsible for implementing the outlined risk management strategy and the abiding frameworks and policies that dictate it as set by the board and executive management.

Additionally, the group is responsible for maintaining the overarching risk culture and environment across all banking functions by regularly reporting key risk awareness indicators to the risk management committee. These include the overall risk profile, limits, concentrations, and thresholds that guide Banque du Caire's risk environment.

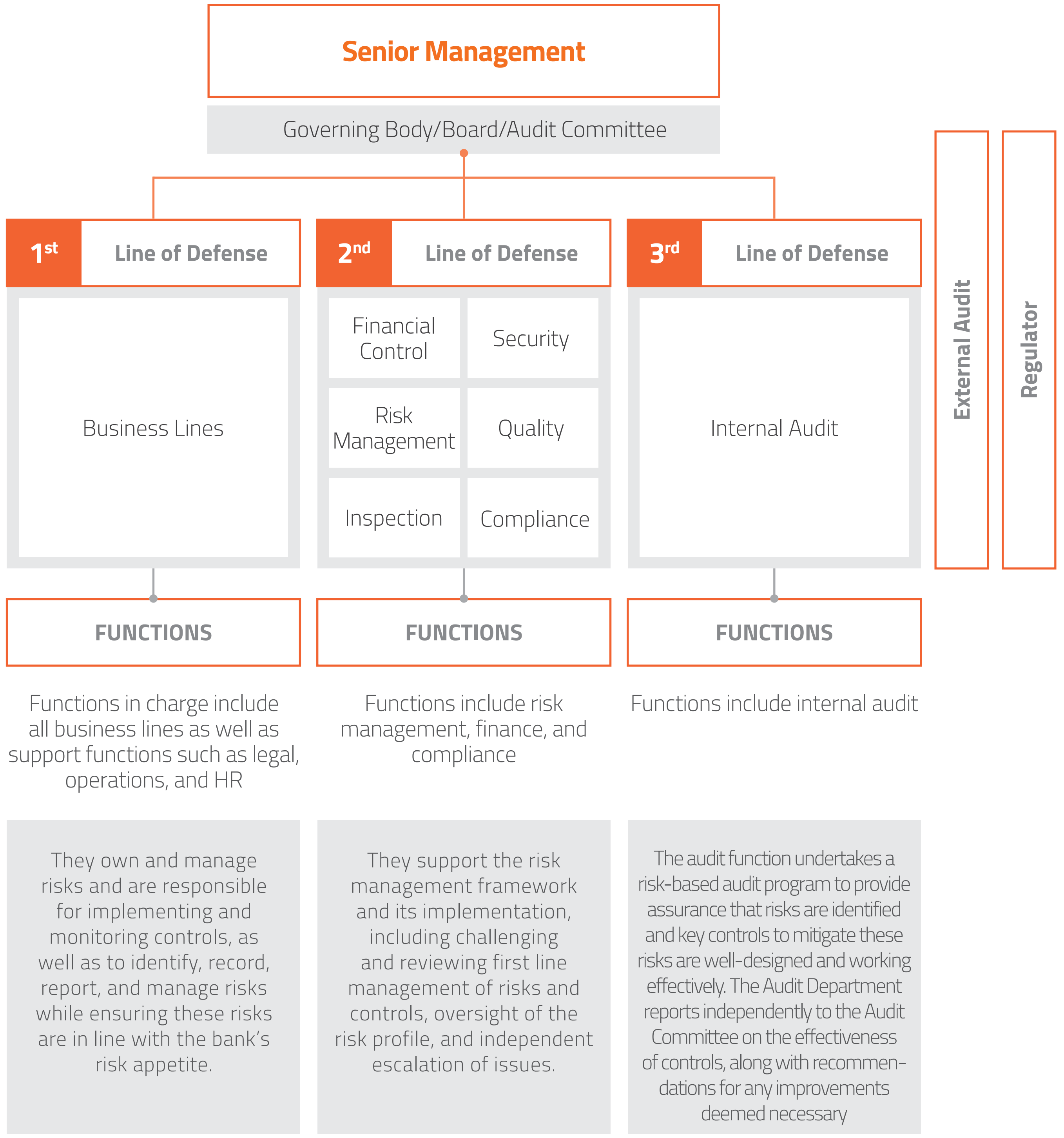
Risk Management Group Composition

- Credit Risk
- Market Risk and Treasury Middle Office
- Operational Risk
- Information Security
- Retail Risk
- Enterprise Risk Management
- Credit Administration and Investigation

Each is managed by a highly qualified team of risk officers that perform a broad spectrum of risk analysis. The group is collectively responsible for implementing the bank's risk management strategy as well as its accompanying frameworks and policies, as set by the board and executive management.

Three Lines of Defense Model

To create a robust control environment to manage risks, the bank uses an activity-based, three lines of defense model that delineates management accountabilities and responsibilities for risk management and control environment. The model is in line with the bank's approach to risk management by dictating responsibility, encouraging collaboration, and enabling efficient coordination of risk and control activities.



Risk Drivers

EXTERNAL DRIVERS	INTERNAL DRIVERS
Economic environment	Strategy execution challenges
Regulatory or government policy	Competency of personnel
Competitor or market evolution	Business decisions
Emerging technology	Process or execution error
Natural disasters	Internal and external fraud
	IT security breaches

Risk Appetite

The bank's Risk Appetite Framework (RAF) details the risk parameters within the bank, expressed on a ranging scale from high to no appetite and designates behaviors accordingly. The RAF approach includes policies, processes, controls, and systems through which risk appetite is established, communicated, and monitored. It equally outlines the roles, responsibilities and accountability of the officers and groups overseeing the implementation and monitoring of the RAF.

Risk Identification, Evaluation, and Mitigation

Banque du Caire believes that effective risk management requires:

- **Accountability:** including identification and escalation of risks by all individuals in the organization
- **Ownership:** risk characterization, assessment, management, mitigation, and monitoring within each business line

The Risk Management Group is primarily responsible for identifying, measuring, controlling, and reporting risk exposures that could negatively impact the bank. Following Bank du Caire's digital transformation, risk governance now leverages data analytics and reporting, allowing the bank to assess and respond to risk by leveraging internal and external data.

Prior to taking control measures, identifying risk is the pivotal first step. The risk group encourages a holistic approach to the management of risk where risk accountability exists across various functions. Enterprise Risk Management is responsible for setting a foundation for an efficient risk management process to identify, authorize, measure, monitor, control, and mitigate all material risks arising from business activities in a timely manner and ensure risks are within the risk appetite limits.

The Internal Capital Adequacy Assessment Process (ICAAP), used at Banque du Caire, informs the board of annual risks, tackles and mitigates those risks, and ensures the availability of capital and liquidity levels in line with the Bank's risk appetite. By employing ICAAP, the bank ensures that it operates under a rigorous set of measures that align with its risk strategy.

The risk group also manages and analyses emerging, specialized, and information technology related risks, in line with international standards including ISO 31000 for Risk Management, ISO 27005 for Information Security Risk Assessment Management, and the COBIT framework.

Stress Testing

Risks are put through regular and rigorous stress testing scenarios to assess the bank's ability to withstand losses. When assessing the bank's capital needs, the impact of economic cycles and sensitivity to external risks and factors are taken into consideration. Capital requirements are calculated in line with CBE and Basel requirements. Results of stress testing are incorporated in capital adequacy planning, long term strategies, and other business activities.

The bank establishes specific thresholds for the monitoring of stress scenarios and establishes limits to allow proper comparison of the risk measurement results and tolerance level.

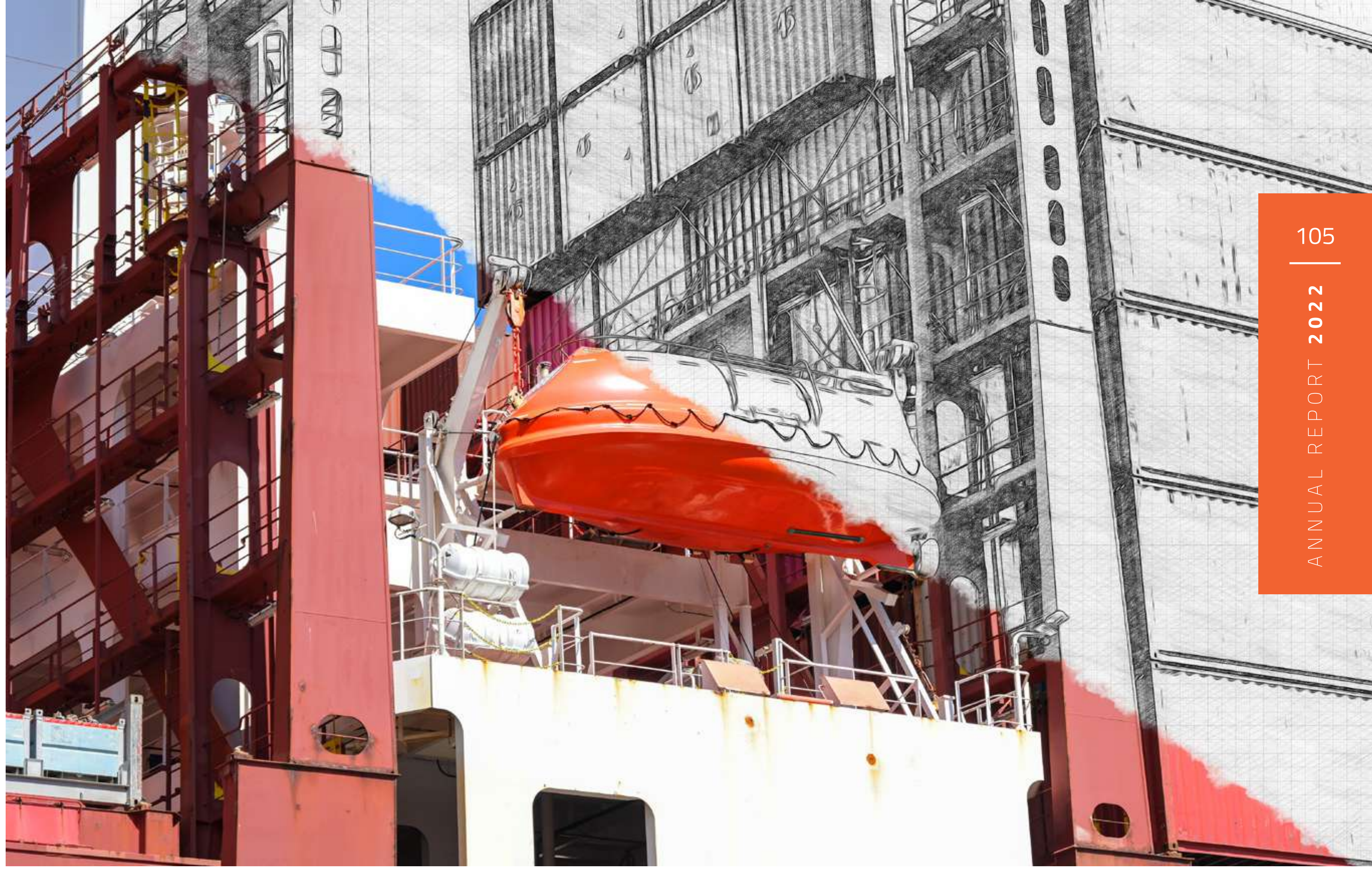
Stress test analysis is conducted under different reports and with varying frequency, mainly on a semi-annual basis, and based on emerging market changes.

Risk Categories and Mitigation Actions

Risk	Mitigation Measures
Credit Risk Credit risk is that of financial loss arising from the inability or unwillingness of a counterparty to meet an obligation. It remains one of the most significant risk factors a financial institution can face. It includes direct credit risk (default of on-balance-sheet credit exposure) and contingent credit risk (default off-balance-sheet credit exposure). Due to the materiality of credit risk, the bank established an appropriate credit risk mitigation action environment that implements a solid measurement and monitoring process, ensuring adequate control over credit risk. The credit risk management function of the bank is primarily responsible for measuring, monitoring, managing, and limiting risks associated with credit across various lines of business, across various lines of business, such as corporates, SMEs, FIs, NBFIs, retail, and microfinance. The parameters and methodologies that the bank utilizes to assess the materiality level of credit risk are highly dependent on the type of asset and its associated risk management and collection processes.	▪ Implementing a well-structured credit rating framework, utilizing the Obligor Risk Rating (ORR) system to assign credit ratings to borrowers based on a comprehensive evaluation process. ▪ Maintaining a tight and consistent evaluation process to proactively manage credit risk and accurately assign a risk rating reflecting creditworthiness and probability of default based on financial indicators, qualitative assessments, and macroeconomic analysis. ▪ The risk rating system complies with the standards set by the Basel Committee, which warrants regular reviews of creditworthiness for clients with credit facilities. ▪ Applying an Early Warning Signals (EWS) system, allowing the bank to take corrective action before the client's position becomes irretrievable and to improve the bank's ability to recover in the case of default. EWS is based on several financial and non-financial performance indicators, which cover a wide spectrum of industries, to determine the appropriate course of action for every case. ▪ Continuously developing and tailoring credit policies and practices that are designed to preserve the autonomy of approval and decision-making processes. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters, and guidelines for the management of distressed exposures.
Market Risk Market risk is that resulting from abnormal movements in market prices because of affected cash flows and the required rate of return on investment, whether the influencing causes are in the country itself or in other countries that have close relations with the country concerned. Market Risk Management is primarily responsible for managing, measuring, and monitoring all positions exposed to market risks to ensure that the necessary limits are set to reduce and limit those risks.	▪ Utilizing various mitigation and prevention measures to tackle market-associated risks faced across operations, such as interest rates risk, currency and exchange rates risk, volatility risk, and investment risk. ▪ The Treasury Middle Office (TMO) monitors and controls the entirety of the treasury group's positions daily and monitor prices and CBE reserve ratios to ensure they are in line with the CBE's updated policy changes and regulatory requirements.

Risk	Mitigation Measures
Interest Rate Risk in the Banking Book (IRRBB) The primary responsibilities of the IRRBB function are to monitor, assess, and control potential interest rate risks that arise from adverse market movements. It is imperative to accurately monitor the associated interest rate risk due to its material impact on the bank's financial position.	▪ Monitoring and assessing new transactions monthly to measure the impact and ensure that CBE's limits are being adhered to.
Liquidity Risk The liquidity risk function's primary objective is to assess, measure, monitor, and control liquidity risk across the bank. At an aggregate level, the bank's goal is to maintain sufficient funding in amount and tenor to ensure the bank can meet all payment obligations and provide an appropriate amount of cash and high-quality liquid assets, even in times of stress.	▪ Monitoring capital adequacy in meeting short- and long-term obligations while examining the effects of various scenarios on the bank's liquidity positions.
Cybersecurity Risk Cybersecurity threats are a dynamic and ever-evolving area of risk, so the bank invests heavily in a variety of technological resources that protect and maintain the digital infrastructure and confidential assets. Banque du Caire's cybersecurity defense is designed to protect the bank from malicious cybersecurity attacks by unauthorized parties attempting to gain access to confidential information, destroy data, disrupt, or degrade service, sabotage systems, or cause other damage. Continuing to understand and invest in the digital risk environment is a key priority for the bank to further enhance its technological defense against all potential cyber threats and malicious attacks.	▪ Identifying key areas of focus and tailoring a Cyber Security framework to the unique requirements in supporting the bank's digitalization strategy. ▪ Adopting the Capability Maturity Model Integration (CMMI), through the Information Security Sector, to assess control improvements and develop security controls that decrease risks and strengthen the overall security posture. ▪ Developing a medium-term strategy, including the information security vision, mission, critical success criteria factors, and reinforcement controls implementation roadmap. The strategy is based on the CBE's framework as well as the National Institute of Standards and Technology's cybersecurity framework. ▪ Updating information security policies and standards in line with the CBE cyber security framework. Banque du Caire has adopted the Information Security Management System (ISMS), aligned with ISO/IEC 27001:2021, for establishing, implementing, operating, monitoring, reviewing, maintaining, and improving information security within the context of the organization's overall business activities and potential risks. ▪ Strengthening information security by reinforcing the visibility of its Security Operations Center (SoC) on its infrastructure; it runs on a 24/7, 365-day monitoring mode to detect and immediately respond to any internal or external threat.

Risk	Mitigation Measures
Outsource Risk Outsource or third-party risk is the risk associated with transactions that occur through third-party vendors. The bank monitors the relationships with all third-party vendors to ensure the continued sustainability of the business and to avoid any negative impact on business performance.	▪ Developing a comprehensive third-party management program to ensure clear reporting and accountability chains, appropriate classification and optimization of vendor portfolios, managing transitions among third-party vendors, and monitoring the relationship with vendors. ▪ Developing a new operational risk strategy to shift managing operational risks to real-time risk detection and identification with lower action time through governance, risk, and compliance transformation, risk assessment, and reporting and data analytics.. This ensures operational excellence, business process resilience, and management of emerging risks. ▪ Taking a comprehensive approach to ORM due to the inherent nature of operational risk within the bank's functions. The aim is to automate and integrate all operational risk frameworks (Loss Database – Key Risk Indicators (KRI) – Risk and Control Self-Assessment (RCSA) – Fraud – Operational Risk Approval Process (ORAP) – IT Risk – Business Continuity Plan (BCP) – Risk Culture), enhancing the process of identifying, mitigating, and preventing fraudulent acts, business interruptions, cybersecurity attacks, non-conformant employee behavior, non-compliance with applicable laws and regulations, or failure of vendors to perform their agreements. These events have a direct impact on operations' ability to deliver products and services to our stakeholders. ▪ Developing a structured Key Risk Indicators (KRI) process that integrates effectively with ORM tools. KRIs are predefined metrics used to monitor identified risk exposures over time and measure the amount of exposure to a given set of risks, as well as the effectiveness of any controls that have been implemented to reduce or mitigate risk exposure. ▪ Banque du Caire's ORM framework is fully integrated across all functions of the bank to oversee the monitoring, self-assessment, and independent processes of material operational risks. Additionally, the bank works to boost risk culture among all employees to further enhance the process of identifying risks and effectively manage them.



Business Continuity

Business Continuity Management (BCM) is an integral part of the bank's risk management policy. The objective is to ensure the uninterrupted availability of all key business resources required to support essential or critical business activities.

The Operational Risk Management department supports in:

- Minimizing interruption to critical business operations
- Limiting financial loss
- Simplifying the decision-making process in the event of a disaster
- Continuing to serve customers and counterparties in the financial markets
- Mitigating the negative effects of disruption on the bank's reputation
- Managing operations, liquidity, credit quality, and market position
- Ensuring controlled continuity and normal operations

The department developed a comprehensive ongoing plan to ensure business and operational continuity, while ensuring staff safety and wellbeing. The plan includes:

- Providing extra locations by mapping departments' staff in various premises.
- Ensuring all precautionary measures are considered in all bank's premises.
- Implementing, communicating, and updating a staff reduction plan throughout the bank's departments and branches every two weeks by splitting all teams into onsite, work from home, chronic diseases and pregnancy cases, vacations, and VPN teams while overcoming any obstacles to ensure business continuity.
- Establishing the necessary procedures to be followed in case of any positive or suspected cases in any of the bank's premises.
- Providing daily updates to the Crisis Management Committee about the impact of the pandemic, figures, as well as weekly KRI monitoring and recommendations.

Compliance Group

Banque du Caire's Compliance Group is driven by a structured and comprehensive set of frameworks that align with the bank's wider, overarching strategy of streamlining functions and efficiently navigating its risk environment. The framework, policies, and procedures within the group dictate the bank's ability to identify, evaluate, recommend, and report a spectrum of compliance-related risks that may include operational and financial losses, internal system failures, or damages to the bank's reputation that stem from failing to comply with applicable laws and regulations. Banque du Caire is constantly working on updating and adding new policies to the framework under the group to ensure alignment with international best practice.

The Compliance Group is an independent function, primarily responsible for reporting regularly to the Audit Committee and directly to the CEO and Chairman regarding disciplinary issues across the bank's diverse scope of activities. The Compliance Group works closely with the Internal Audit and Risk departments to ensure that all business lines are functioning in accordance with CBE regulations and Banque du Caire's Compliance Charter. The group produces quarterly reports, ensuring the bank is protected against a wide spectrum of risks.

A pivotal tool in the bank's compliance arsenal is Banque du Caire's Compliance Policy, which outlines the bank's compliance framework as well as associated policies and procedures. The policy dictates the structure of Banque du Caire's compliance space, ensuring that the set policies and procedures are implemented and monitored regularly across the bank's functions.

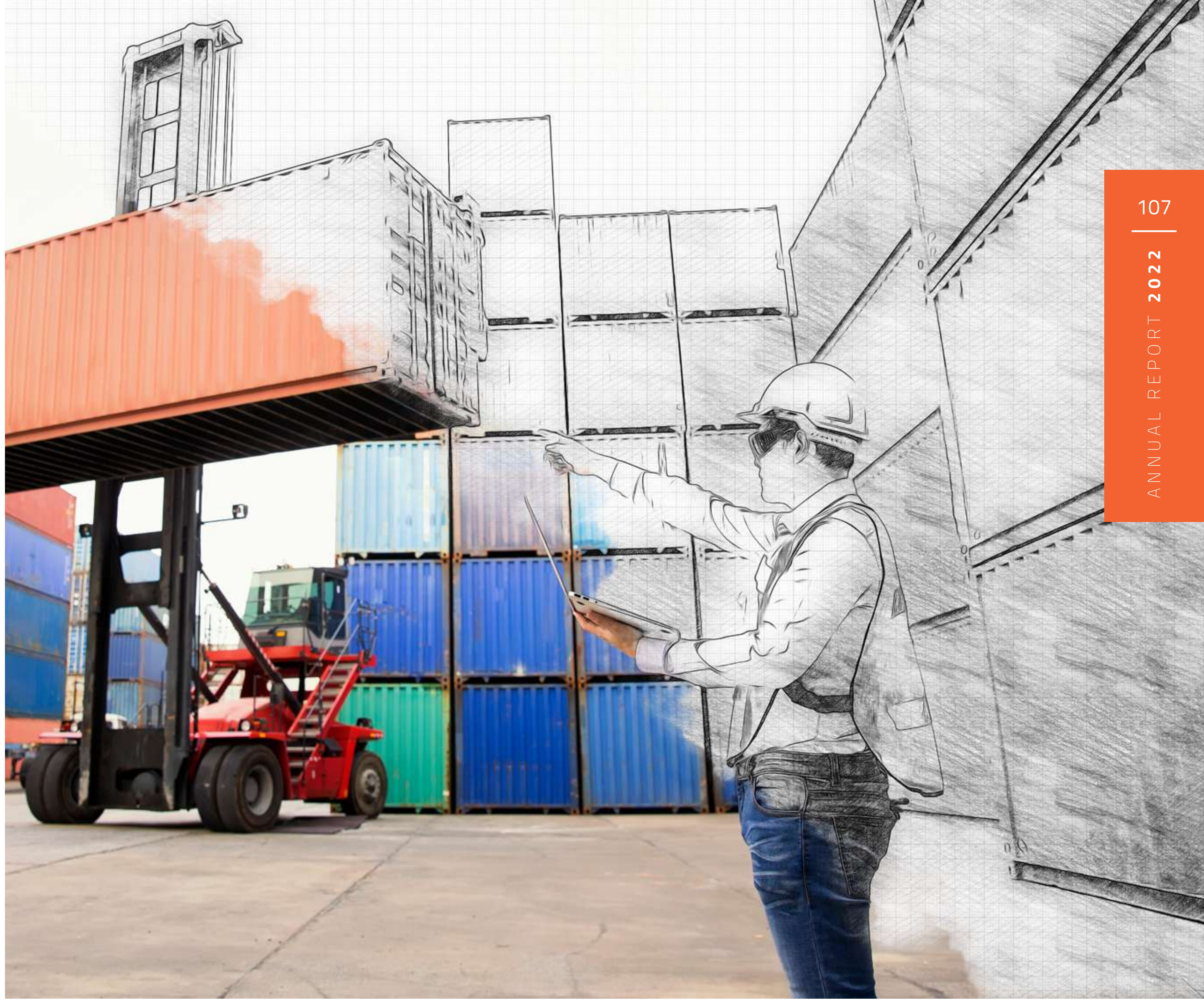
Given the sheer size of the bank's transactions across regional and international markets, Anti-Money Laundering and Terrorism Financing (AML) is one of the key mandates for the Compliance Group. The Compliance Group has established a rigorous monitoring process and pays close attention to the relevant watch lists and sanctioned countries list for all cross-border transactions. The Compliance Group also ensures that the bank is compliant with the Foreign Account Tax and Compliance Act (FATCA) to ensure that all accounts are compliant with regulations set forth by the US Internal Revenue Service (IRS).

2022 Highlights

In 2022, Banque du Caire's Compliance Group continued to pursue its role in managing compliance risk as a second line of defense throughout all of its functions. No significant incidents occurred this year.

Forward-Looking Strategy

The group started negotiations with different vendors to provide the bank with an automated compliance system to streamline and digitalize all regulatory activities including CBE circulars, verbal instructions, and regulations. The system is expected to launch towards the end of 2023. It will also provide a platform to obtain all the relevant regulatory guidelines, analysis, rules, and updates and connect every regulatory action to their departmental users ensuring compliance across the board.



In line with the CBE's instructions, a Customer Protection Policy was established to protect the rights of the bank's customers. The policy stipulates the following:

- Providing banking services to all bank customers fairly and transparently.
- Determining the rights and obligations of customers.
- Providing a mechanism to deal with customer complaints.
- Identifying the root cause of received complaints in order to take immediate action.

Internal Audit Group

Banque du Caire's Internal Audit Group (IAG) is an integral part of the bank's control structure, providing independent and objective assurance and consulting services designed to improve the bank's overall control environment. The group helps the bank to accomplish its strategic objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of governance, risk management, and control processes.

To do this, the IAG ensures that all bank operations are conducted in line with the highest ethical and legal standards. Under direct supervision from the Audit Committee and CEO and Chairman, the group's responsibilities include ensuring compliance with regulatory and internal regulations, policies, and guidelines to allow for sustainability and transparency in the implementation of the bank's strategy. IAG is in charge of conducting fraud investigations and providing guidance and recommendations on how to reduce fraud risk.

In terms of procedural optimization, the audit group updates, and reports all departments and divisions within the bank in line with global best practices by providing risk-based assurance, advice, and insight to all departments. To this end, the group is able to improve the effectiveness of the bank's internal control systems, operational framework, risk and governance by providing key information and recommendations. This system allows management to react to emerging risks, make strategic decisions, and formulate the bank's long-term strategy efficiently, with reliable and valuable input from the audit group.

The Internal Audit group is able to perform its responsibilities successfully through its team of highly qualified professionals whose diverse skill sets range from generalist to specialized auditors across the financial sector. These skills afford them the tools necessary to conduct analytical reviews and assessments throughout all operations and ensure that the bank can meet its strategic objectives. IAG also maintains a Quality Assurance and Improvement Program that covers all aspects of its activities to ensure compliance with the IAG manual, standards, and Code of Ethics. The program also aims to foster best practices and enhance staff awareness of the latest trends and developments in the audit industry.

2022 Highlights

In 2022, the IAG continued to strengthen its audit competencies while also pursuing the bank's objective of aligning its internal structures with international governance and compliance requirements, following the newly adapted Internal Audit Risk-Based approach and updated version of Internal Audit Manuals.

The IAG also implemented an effective and dynamic risk-based annual plan in keeping with the bank's internal transformation objective. The plan was reviewed regularly throughout the year to respond to changing benchmarks and developing risks, both within the bank and in the outside world. The IAG employed qualified people throughout the year to help with the implementation of the new audit approach, and many of them have successfully completed or are enrolled in professional certificates such as CIA, CISA, and CFE.

The IAG also reviewed its risk management system, assuring the effectiveness of the Bank's risk assessment objectives as well as recognizing and assessing risks that are developed throughout the year. The IAG was also entrusted with reviewing a number of key functions within the bank, including monitoring the efficiency of control systems, compliance with relevant rules, resource use, computer system utilization, and credit portfolio quality.

To promote an influential control culture throughout the bank, the team conducted regular field reviews, investigations, and other audit responsibilities as required by the Board of Directors, Audit Committee, and Executive Management. The IAG collaborated with oversight bodies, such as external auditors, to determine the most efficient and effective frameworks to help the Bank meet its internal restructuring agenda.

Forward-Looking Strategy

Banque du Caire intends to take active steps to improve its internal audit functions over the coming years as it works to modernize the bank. Along with the bank's digitalization strategy, this will include the continuous enhancement of the risk-based methodology framework that governs the entire function, as well as the implementation of a digital audit tool.

The IAG is always on the lookout for young and talented individuals, who can help with the implementation of the new audit approach and ensure proper succession planning. As part of its efforts to build capacity across various fraud detection techniques and improve the bank's overall control and risk culture, the bank will continue to encourage its audit staff to pursue additional qualifications, including CIA, CISA, CFE, CQA, and credit course programs.

In addition, the group will continue the integrated assurance program by strengthening relationships and coordination among various control functions, improving its internal administrative function, and building on its track record of industry success.

07

FINANCIAL **STATEMENTS**

AUDITORS' REPORT

BDO Khaled & Co.
Public Accountants & Advisers

KPMG Hazem Hassan
Public Accountants & Consultants

Accountability State Authority
Central Department of Banking Supervision

Translation of Auditor's Report originally issued in Arabic

AUDITORS' REPORT

To the shareholders of Banque Du Caire (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Banque Du Caire (S.A.E) which comprise the separate financial position as at 31 December 2022 and the related separate statements of income, comprehensive income, cash flows and changes in Shareholders' equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Banque Du Caire (S.A.E) as of 31 December 2022 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on 16 December 2008 as amended by the regulations issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

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

The financial information included in the Board of Directors' report which is prepared according to law no. 159 of 1981 and its executive regulations and their amendments, are in agreement with the Bank's accounting records within the limit that such information is recorded therein.

Auditors

BDO Khaled & Co. Public Accountants & Advisors

Kareem T. Khaled

Member of the Egyptian Society of Accountants and Auditors
Accountability State Authority register No. 1847
Accounting and Auditors register No. 28800
Central Bank register No. 580
BDO Khaled &Co.
Public accountants & Advisers

Ehab Mohamed Fouad Abouelmagd

Financial Regulator Authority No. 378
KPMG Hazem Hassan
Public accountants & Consultants

KPMG Hazem Hassan
Public Accountants and Consultants
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Lobna Abdel Aziz Abdel Ghaffar

Lobna Abdel Aziz Abdel Ghaffar

Accountability State Authority

Cairo, 14 March 2023

Separate statement of financial position

As at 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2022	31 December 2021
Assets			
Cash and balances at Central Bank	(15)	19,491,140	19,061,965
Due from banks	(16)	56,232,964	33,321,650
Loans and advances to banks	(17)	6,257,157	3,113,905
Loans and advances to customers	(18)	123,915,066	99,112,404
Financial derivatives	(19)	59,464	1,479
Financial investments			
At fair value through other comprehensive income	(20)	47,431,343	47,696,882
At amortized cost	(20)	55,031,456	42,615,351
At fair value through profit and loss	(20)	--	58,103
Investments in subsidiaries and associates	(21)	1,790,244	876,102
Intangible assets	(22)	198,671	177,869
Other assets	(23)	8,794,234	7,106,632
Deferred tax assets	(30)	698,117	383,234
Property and equipment	(24)	1,687,144	1,610,910
Total assets		**321,587,000**	**255,136,486**
Liabilities and Equity			
Liabilities			
Due to banks	(25)	19,983,605	17,623,787
Customers' deposits	(26)	250,184,341	198,278,073
Financial derivatives	(19)	--	6,078
Other loans	(27)	17,981,086	11,697,507
Other liabilities	(28)	7,731,369	5,984,553
Other provisions	(29)	1,020,590	668,433
Current income tax payable		569,053	82,677
Deferred tax liabilities	(30)	128,380	173,183
Retirement benefit liabilities	(31)	1,509,212	1,389,618
Total liabilities		**299,107,636**	**235,903,909**
Equity			
Issued and paid up capital	(32)	10,000,000	5,250,000
Capital increased amount	(32)	4,000,000	4,750,000
Reserves	(33)	2,747,025	2,938,879
Difference between present value and face value for subordinated deposit		2,053,600	2,409,893
Net profit for the year and retained earnings	(33)	3,678,739	3,883,805
Total equity		**22,479,364**	**19,232,577**
Total liabilities and equity		**321,587,000**	**255,136,486**

The accompanying notes from (1) to (42) are an integral part of these separate financial statements and are to be read therewith.
Auditor's report (attached).

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate income statement

For the Year Ended 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2022	31 December 2021
Interest and similar income	(6)	29,696,671	22,889,305
Interest and similar expense	(6)	(16,903,218)	(12,526,901)
Net interest income		**12,793,453**	**10,362,404**
Fee and commission income	(7)	2,663,547	2,139,524
Fee and commission expense	(7)	(190,764)	(154,954)
Net fee and commission income		**2,472,783**	**1,984,570**
Net interest, fee and commission income		**15,266,236**	**12,346,974**
Dividend income	(8)	169,602	104,196
Net Trading Income	(9)	118,474	23,834
Gains from financial investments	(20)	201,732	233,575
(charged) reversed of expected credit losses	(12)	(2,055,916)	(1,499,858)
Administrative expenses	(10)	(6,696,493)	(5,608,287)
Other operating (expenses) revenues	(11)	(1,408,866)	97,741
Profit before income tax for the year		**5,594,769**	**5,698,175**
Income tax expense	(13)	(2,454,856)	(2,157,092)
Net profit for the year		**3,139,913**	**3,541,083**
The weighted / basic earnings per share	(14)	**0.67**	**1.02**

The accompanying notes from (1) to (42) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate statement of comprehensive income

For the Year Ended 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2022	31 December 2021
Net profit for the year after income tax	(1)	3,139,913	3,541,083
Amount transferred (from) to retained earnings (net of tax)	(2)	(103,545)	26,378
Items not reclassified to profit and loss			
Net change-movement in fair value reserve for equity instruments at fair value through other comprehensive income		(138,597)	166,181
Items reclassified to profit and loss			
Net change in fair value reserve for debts instruments at fair value through other comprehensive income		(909,845)	(480,680)
Total other comprehensive income items for the year, net of tax	(3)	**(1,048,442)**	**(314,499)**
Total comprehensive income for the year, net of tax	(1+2+3)	**1,987,926**	**3,252,962**

The accompanying notes from (1) to (42) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer	Chairman & CEO
Mohamed Ibrahim	**Tarek Fayed**

Separate statement of cash flows

For the Year Ended 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2022	31 December 2021
Cash flows from operating activities			
profit for the year before income tax		5,594,769	5,698,175
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation		359,625	285,763
Amortization	(22)	113,521	78,235
Expected credit losses charged	(12)	2,055,916	1,499,858
Other provisions charged	(29)	262,963	237,568
Impairment for other assets formed	(23)	53,956	1,230
Other provisions no longer required	(11)	(26,353)	(100,064)
Gains from the sale of property and equipment	(11)	(30,386)	(3,432)
Foreign currency translation of other provisions	(29)	125,879	(2,217)
Utilized provisions other than loans provision	(29)	(10,332)	(73,453)
Proceeds from other provisions other than loans provisions	(29)	--	21,649
(Reverse) impairment for associates companies	(20)	(10,179)	(9,565)
Dividends income	(8)	(169,602)	(104,196)
Foreign currency translation of sovereign debt instruments	(33)	104,749	(1,247)
(Reverse) of valuation differences of investment at fair value through profit and loss		(1,334)	(5,194)
(Reverse) of gain from selling of debt instruments at fair value through OCI	(20)	(140,964)	(168,955)
(Reverse) foreign currency translation of financial investments of a monetary nature and other loans		(721,375)	75,912
Amortization of premium/discount of issuing financial investments	(20)	905,141	365,489
Operating profit before changes in assets and liabilities provided from operating activities		**8,465,994**	**7,795,556**
Net (Increase) Decrease in assets			
Due from banks		(1,308,999)	(10,323,654)
Financial investment at fair value through profit and loss		59,437	--
Loans and advances to banks		(3,135,582)	(2,157,446)
Loans and advances to customers		(26,850,546)	(15,662,761)
Financial derivatives	(19)	(57,985)	1,092
Other assets		(1,741,558)	(1,540,028)
Net Increase (Decrease) in liabilities			
Due to banks	(25)	2,359,818	4,206,961
Customers' deposits	(26)	51,906,268	35,500,722
Financial derivatives	(19)	(6,078)	2,648
Other liabilities		1,474,473	2,925,689
Retirement benefit liabilities	(31)	119,594	143,053
Income tax paid		(2,046,367)	(1,800,741)
Net cash flows provided from operating activities		**29,238,469**	**19,091,091**
Cash flows from investing activities			
Payments to purchase property and equipment and preparation of branches	(24)	(445,580)	(587,116)
Proceeds from the sale of property and equipment		37,376	3,522
Proceeds from the sale of financial investments at fair value through OCI		177,938,856	155,537,571
Payments for purchases of financial investments at fair value through OCI		(187,089,681)	(153,638,525)
Proceeds from the redemption of financial investments at amortized cost	(20)	10,970,245	3,704,258
Payments for purchases of financial investments at amortized cost	(20)	(9,893,064)	(25,597,907)
Payments for investments in subsidiaries and associates		(903,963)	(272,254)
Payments to purchase intangible assets	(22)	(134,323)	(117,218)
Dividends received		169,293	103,952
Net cash flows (used in) investing activities		**(9,350,841)**	**(20,863,717)**

Separate statement of cash flows con't.

For the Year Ended 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	31 December 2022	31 December 2021
Cash flows from financing activities			
Proceeds from other loans		3,227,332	4,635,384
Payments for other loans		(1,547,108)	(17,742)
Dividends Paid		(2,467,891)	(5,834,942)
Amounts paid for capital increase		4,000,000	4,750,000
Net cash flows provided from financing activities		**3,212,333**	**3,532,700**
Net increase in cash and cash equivalent during the year		23,099,961	1,760,074
Beginning balance of cash and cash equivalent		33,348,532	31,588,458
Cash and cash equivalent at the end of the year		**56,448,493**	**33,348,532**
Cash and cash equivalent are represented in the following:			
Cash and balances at the Central Bank		19,491,140	19,061,965
Due from banks		56,246,429	33,325,402
Treasury bills and other governmental notes		32,653,433	23,787,601
Balances at the central bank within the mandatory reserve ratio		(13,516,311)	(12,726,021)
Due from banks with maturity more than 3 months		(7,485,335)	(6,960,350)
Treasury bills and other governmental notes (with maturity more than 3 months)		(30,940,863)	(23,140,065)
Total cash and cash equivalent	(35)	**56,448,493**	**33,348,532**

The accompanying notes from (1) to (42) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate statement of changes in equity

For the Year Ended 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

	Note No.	Issued and paid up capital	Capital Increased Amount	Reserves	Difference between the present value and Face value for subordinated deposit	Net profit for the year and retained earnings	Total
Balance as at 31 December 2020		**5,250,000**	**--**	**3,255,348**	**2,721,627**	**6,355,409**	**17,582,384**
Adjustments previous years		**--**	**--**	**--**	**--**	**(91,523)**	**(91,523)**
Balance as at 31 December 2020 restated		**5,250,000**	**--**	**3,255,348**	**2,721,627**	**6,263,886**	**17,490,861**
Dividends distributions		--	--	--	--	(5,871,378)	(5,871,378)
Capital increased amount		--	4,750,000	--	--	--	4,750,000
Transferred to legal reserve		--	--	157,758	--	(157,758)	--
Transferred from general banking risk reserve		--	--	(81,751)	--	81,751	--
Transferred to capital reserve		--	--	157	--	(157)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	(78,134)	--	--	(78,134)
Difference between the present value and face value for subordinated time deposit		--	--	--	(311,734)	--	(311,734)
Net Change in other comprehensive income		--	--	(314,499)	--	26,378	(288,121)
Net profit for the year ended 31 December 2021 – restated		--	--	--	--	3,541,083	3,541,083
Balance as at 31 December 2021 restated		**5,250,000**	**4,750,000**	**2,938,879**	**2,409,893**	**3,883,805**	**19,232,577**
Dividends distributions		--	--	--	--	(2,498,961)	(2,498,961)
Transferred to Capital		4,750,000	(4,750,000)	--	--	--	--
Capital increased amount		--	4,000,000	--	--	--	4,000,000
Transferred to legal reserve		--	--	181,370	--	(181,370)	--
Transferred to general banking risk reserve		--	--	557,671	--	(557,671)	--
Transferred to capital reserve		--	--	3,432	--	(3,432)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	114,115	--	--	114,115
Difference between the present value and face value for subordinated time deposit		--	--	--	(356,293)	--	(356,293)
Net Change in other comprehensive income		--	--	(1,048,442)	--	(103,545)	(1,151,987)
Net profit for the year ended 31 December 2022		--	--	--	--	3,139,913	3,139,913
Balance as at 31 December 2022	**(32,33)**	**10,000,000**	**4,000,000**	**2,747,025**	**2,053,600**	**3,678,739**	**22,479,364**

Notes to the Separate financial statements

For the Year Ended 31 December 2022

(All amounts are shown in thousands Egyptian Pounds)

1. General Information:

Banque Du Caire S.A.E. was established as a commercial bank on 17 May 1952 under the provisions of the National Commercial Law for 1883 that was later replaced by the Commercial Law No. 17 for 1999 on 17 May 1999.

The address of its registered head office is as follows: 6 Dr. Moustafa Abo Zahra Street, Nasr City, behind Accountability State Authority, Cairo, Egypt.

Banque Du Caire offers its banking services that related to its activity in Egypt through 248 branches, offices, units and agencies. The Bank employs 8,998 employees at the financial statements preparation date for the year ended 31 December 2022.

On May 2007, Banque Misr acquired all shares of Banque Due Caire, and its ownership has transferred to Banque Misr on Egyptian Stock Exchange.

On May 2009 the Minister of Finance approved on selling 5 shares stock to Misr for Investment and Misr Abu Dhabi for Real Estates. As a result, the bank became subject to Egyptian Companies Law No. 159 of 1981 and its Executive Regulations.

On March 28, 2010, the amendment of the Bank's Articles of Association was approved for Law 159 of 1981 in the Office of Investment Documentation under the Registration Document No. 176 of 2010 and its impact by the commercial registration on 30 March 2010.

On May 2010, Banque Misr established Misr Financial Investment Company with 99.999% of its contribution share capital to act as its investment arm.

On June 2010, Banque Misr transferred some of long term investments (including Banque Du Caire) to Misr Financial Investment Company.

On 19 December 2010, Banque Du Caire's Extraordinary General Assembly approved transferring Banque Du Caire's ownership to Misr for financial investments Company, the amendment of bank articles of association by that.

On 27 June 2010 Extraordinary General Assembly approved on amend article of association (article 42) amending the financial year to start on 1st of January and end on 31 December instead of 1st of July and end at the end of June of the following year.

On 15 December 2016 Extraordinary General Assembly approved amendment on article of association (article 6) which increase bank's capital by the value of retained earnings amounting by EGP 650 million, and determine the bank's authorized capital by EGP 10 billion, and determine the bank's issued capital by EGP 2,250 billion divided into 562,500 thousand shares with a par value of EGP 4 each and the bank's shareholders structure became as follows:

Misr Financial Investment company	562,499,985 shares
Banque Misr	8 shares
Misr Abu Dhabi for Real Estate company	7 shares

On 29 December 2016 article 6 capital increase has been amended in the commercial register and at investment prospectus latest publication number 43396 issued on 30 January 2017 amending article7.

On 15 July 2018, Extraordinary General Assembly approved to amend article 6 to add Banque Misr instead of Misr Investment Company.

On 19 December 2019, the Extraordinary General Assembly of "Misr Financial Investments SAE" approved by the Financial Regulation Authority on 11 Feb 2020 By noting in the Commercial Register on February 20, 2020 that the company name has been changed to "Misr Capital SAE." without any change in other data.

On 22 September 2019, Central Bank of Egypt approved amendment on article of association (article 6) which related to increase of Issued Capital and Shareholders Structure.

On 22 September 2019, Extraordinary General Assembly approved on Capital Increase by 3 Billion EGP to increase from EGP 2,250 billion to EGP 5,250 billion, all of the increase related to Banque Misr.

- Article of association (6) became as follows:

"The authorized Capital amounted to EGP 10 Billion, and The issued Capital amounted to EGP 5,250 Billion distributed to 1,312,500 Thousand share with Face Value EGP 4 per each and Bank's shareholders structure as follows:

Banque Misr	750,000,008 shares
Misr Capital company	562,499,985 shares
Misr Abu Dhabi for Real Estate company	7 shares

- Capital increase has been amended in the commercial register at 2 February 2020.

- On 4 October 2020 article 6 has been amended in investment prospectus as follows: -
- The bank's authorized capital determined by EGP 10 billion, and determine the bank's issued capital by EGP 5,250 billion divided into 2,625,000 thousand shares with a par value of EGP 2 each and the bank's shareholders structure became as follows: -

Banque Misr	1,500,000,016 shares
Misr Capital company	1,124,999,970 shares
Misr Abu Dhabi for Real Estate company	14 shares

- On 28 April 2022 Banque Misr purchased the shares of Banque du Caire owned by Misr Capital Company, which amounted to 1 124 999 956 shares, so that Banque Misr's contribution to Banque du Caire became 99.99% instead of 57.14%, and the commercial register are being amended so shareholders structure became (after recognize the capital increase in the commercial register) as follows: -

Name	No. of shares	Face value by EGP
Banque Misr	4,999,999,972	9,999,999,944
Misr Capital company	14	28
Misr Abu Dhabi for Real Estate company	14	28
Total	**5,000,000,000**	**10,000,000,000**

- On 06 November 2022 article 6 in the commercial register has been amended in investment prospectus as follows: -

The bank's authorized capital determined by EGP 20 billion, and determine the bank's issued capital by EGP 10 billion divided into 5 billion shares with a par value of EGP 2 each.

- Capital increase has been recognized in the commercial register at 07 November 2022.

The Board of Directors approved the separate financial statements for the year ended 31 December 2022 on 12 March 2023

2. Summary of significant accounting policies:

Following are the significant accounting policies applied in the preparation of Separate financial statements. These policies have been consistently applied for all years presented unless otherwise stated.

2.1. Basis of preparing separate financial statements:

The separate financial statements have been prepared accordance with the instructions of the central bank of Egypt (CBE), approved by the board of directors on 16 December 2008 with the addition of the requirements of IFRS 9 Financial Instruments in accordance with the instructions issued by the Central Bank of Egypt on 28 January 2018 and issued the final instructions for the preparation of the financial statements of banks in accordance with the requirements of International Financial Reporting Standard No. 9 on 26 February 2019,the separate financial statements have been prepared in accordance with provision of relevant local law.

The Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments" starting from January 01, 2019, the following summarize the main accounting policies changes resulted from applying the required instructions also, the disclosure of significant judgments and estimates related with impairment in value at financial risk management disclosures

The consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity,

The investments in subsidiaries and associates are presented in the Bank's separate financial statements and accounted for at cost less impairment losses. The Bank's separate financial statements are read in therewith consolidated financial statements as at and to obtain complete information on the Bank's financial position and the results of its operations, its cash flows and changes in its ownership rights.

The financial statements at December 31, 2018 have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008 and starting from January 01, 2019, the financial statements have been prepared according to Central Bank of Egypt (CBE) instructions dated on February 26, 2019 to prepare financial statements according to IFRS 9 "Financial Instruments".

The accounting policies set out below have been changed by the management to comply with the adoption of these instructions.

2.2. Accountancy for Investments in subsidiaries and associates:

Investments in subsidiaries and associates are accounted for using the cost method; which represent the bank direct ownership shares and not based on financial results and not on net assets of the invested in companies And the consolidated financial statements provide a wider understanding for the consolidated financial position, business results and the consolidated cash flows for the bank and its subsidiaries (The Group), in addition to the bank's share in the net assets of its associate companies.

2.2.1. Subsidiary Companies:

Subsidiaries are entities (including Special Purpose Entities / SPEs) over which the bank exercises a direct or indirect control over its financial and operating policies to obtain benefits from its activities. The Bank usually has a shareholding of more than half of its voting rights, and with existence and effect of future voting rights that can be exercised or transferred at the present time are taken into consideration when evaluating whether the Bank has the ability to control the Company.

2.2.2. Associate Companies:

Associates are entities over which the bank exercises a direct or indirect significant influence without reaching the extent of control. Normally the bank holds ownership equities ranging between 20% and 50% of the voting rights.

Purchase method of accounting has been applied for the bank's acquisition of subsidiaries and associates when initial recognized (on the date of acquisition); the acquisition date is the date on which the acquirer obtains control or significant influence of acquire "subsidiary or associate". According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.

In business combination achieved in stages, and business combination achieved through more than one transaction, is then dealing with every transaction of such transactions that separately on the basis of the acquisition consideration and fair value information at the date of each transition until the date where the control is achieved.

Investments in subsidiaries and associates are accounted for using the cost method; According to this method, the investments are recognized at an acquisition cost, including any goodwill, and any subsequent impairment losses in the value are deducted from it. The income of the bank from the distribution of profits of the subsidiary and Associate companies is recorded in the income statement when the companies have approved the distribution of these profits and the bank's right to collect them is proven.

2.3. Segment reports

A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and return that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risk and returns different from those related to geographical segments operate in other economic environments.

2.4. Foreign currencies translation

2.4.1. Functional and presentation currency

Bank's financial statements are presented in Egyptian pounds, which is the bank's functional and presentation currency.

2.4.2. Transactions and balances denominated in foreign currencies

- The bank holds its accounts in Egyptian pounds. Transactions in foreign currencies during the financial period are recorded using the prevailing exchange rates at the date transactions. Monetary assets and liabilities in foreign currencies are re-translated at the end of the period using the prevailing exchange rates at that date.
- Foreign exchange gains and losses resulting from settlement of such transactions and as well as the differences resulting from the re-evaluation are recognized in the income statements under the following items:
  - Net trading income for assets / liabilities classified for trading purpose.
  - Other operating revenue (expenses) for the remaining items.

- Changes in the fair value of the financial instruments with monetary nature in foreign currencies, classified as financial investments at fair value through other comprehensive income (debt instruments), are analyzed into evaluation differences resulting from changes in the amortized cost of the instrument, differences resulting from the changes in the prevailing exchange rates and differences resulting from the changes in the instrument's fair value. The evaluation differences resulting from the changes in the amortized cost are recognized in the income statement within "Interest and similar income". The differences relating to changes in exchange rates are recognized in "other operating income (expenses). "Differences resulting from changes in fair value are recognized under "fair value reserve – financial investments at fair value through other comprehensive income" in the shareholders' equity.
- The translation differences resulting from non-monetary items include profits and losses resulting from changes in fair value such as equity instruments held in fair value through profits and losses, while translation differences resulting from equity instruments classified as financial investments at fair value through other comprehensive income are recognized with "fair value reserve-financial investments at fair value through other comprehensive income " under the shareholders' equity

2.5. Financial Assets and liabilities

2.5.1. Recognition and initial measurement

The Bank recognizes financial assets and liabilities on the date that the Bank becomes a party to the contractual terms of the financial instrument.

The financial asset or liability is initially measured at fair value. Those that are not subsequently measured at fair value through profit or loss are measured at fair value plus transaction cost that is directly attributable to the acquisition or issue.

2.5.2. Classification

A. Financial assets

- On initial recognition, the Bank classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income or at fair value through profit or loss.
- The financial asset is measured at amortized cost if both of the following conditions are met and have not been allocated by the management of the Bank upon initial recognition at fair value through profit or loss:
  - The financial asset is retained in a business model whose objective is only to maintain the financial asset for the collection of the contractual cash flows.
  - The contractual terms of the financial asset, on specific dates, result in contractual cash flows of the asset that are only the principal of the financial instrument and the proceeds.
- The debt instrument is measured at fair value through other comprehensive income and was not allocated at initial recognition at fair value through profit or loss if both of the following conditions are met:
  - The financial asset is held in a business model whose objective is to collect contractual cash flows and sell the financial asset.
  - The contractual terms of the financial asset, on specific dates, result in contractual cash flows of the asset that are not only the principal of the debt and the return.
- Other financial assets are classified as investments at fair value through profit or loss.
- In addition, at initial recognition, the Bank may allocate irreversibly a financial asset as measured at fair value through profit or loss, although it meets the criteria for classification as a financial asset at amortized cost or at fair value through other comprehensive income, if doing so would substantially prevent or reduce the inconsistency that may arise in accounting measurement.

Business model assessment

Debt instruments and equity instruments are classified and measured as follows:

Financial instrument	Methods of measurement according to business model		
	Amortized cost	Fair value	
		Through other comprehensive income	Through profit and loss
Equity instruments	N/A	One-time option upon first recognition it is irreversible	Regular treatment of equity instruments
Debt instruments	Business model Assets held for collection Contractual cash flows	Business model Assets held for collecting Contractual cash flows and sale	Business model Assets held for trading

The Bank prepares, documents and approves Business Models in accordance with the requirements of IFRS 9 and reflects the Bank's strategy for managing financial assets and cash flows as follows:

Financial assets	Business model	Basic characteristics
Financial assets at amortized cost	Business model financial assets held for collection contractual cash flows	▪ The objective of the business model is to retain financial assets to collect the contractual cash flows represented in the principal amount of the investment and the proceeds ▪ A sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument ▪ Less sales in terms of rotating and value. ▪ The Bank performs clear and reliable documentation of the rationale for each sale and its compliance with the requirements of the Standard.
Financial assets at fair value through other comprehensive income	Business model of financial assets held for the collection of contractual cash flows and sales	▪ Both the collection of contractual cash flows and sales are complementary to the objective of the model. ▪ Sales are relatively high (in terms of turnover and value) compared to the business model held for the collection of contractual cash flows
Financial assets at fair value through profit and loss	Other business models include (trading - management of financial assets at fair value - maximizing cash flows by selling)	▪ The objective of the business model is not to retain the financial asset for the collection of contractual cash flows or retained for the collection of contractual cash flows and sales. ▪ Collecting contractual cash flows is an incidental event for the objective of the model ▪ Management of financial assets at fair value through profit or loss to avoid inconsistencies in accounting measurement.

- **The Bank assesses the objective of the business model at the portfolio level where the financial asset is retained as reflecting the way the business is managed and the manner in which the management is provided. The information to be taken into account when evaluating the objective of the business model is as follows:**
  - The documented policies and objectives of the portfolio and the implementation of these policies in practice. In particular, whether the management strategy focuses only on the collection of the contractual cash flows of the asset and maintaining a specific interest rate to meet the maturities of the financial assets with the maturity dates of the liabilities that finance these assets or generate cash flows through the sale of these assets.
  - How to evaluate and report on portfolio performance to senior management.
  - Risks affecting the performance of the business model, including the nature of the financial assets held within that model and the manner in which these risks are managed.
  - How to determine the performance assessment of business managers (fair value, return on portfolio, or both).
  - The periodically, value and timing of sales in prior periods, the reasons for such transactions, and expectations regarding future selling activities. However, information on sales activities is not taken into account separately, but as part of a comprehensive assessment of how the Bank's objective of managing financial assets and how to generate cash flows is achieved.
  - Financial assets held for trading or managed and its performance are measured at fair value through profit or loss as they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.

- Assess whether the contractual cash flows of the asset represent payments that are limited to the principal amount of the instrument and the proceeds.

For the purpose of this valuation, the Bank defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The return is defined as the time value of money and the credit risk associated with the original amount over a specified period of time and other basic lending risk and costs (such as liquidity risk and administrative costs) as well as profit margin.

To assess whether the contractual cash flows of an asset are payments that are limited only to the asset of the financial instrument and the yield, the Bank takes into consideration the contractual terms of the instrument. This includes assessing whether the financial asset includes contractual terms that may change the timing or amount of contractual cash flows, thereby not meeting that requirement. In order to conduct such an assessment, the Bank shall consider:

- Potential events that may change the amount and timing of cash flows.
- Leverage characteristics (interest rate, maturity, currency type).
- Terms of accelerated payment and term extension.
- Conditions that may limit the ability of the Bank to claim cash flows from certain assets.
- Features that may be adjusted against the time value of money (re-setting the interest rate Periodicity).

Financial liabilities

- When the initial recognition of the Bank classifies its financial liabilities to financial liabilities at amortized cost, financial liabilities at fair value through profit and loss, based on the objective of the business model of the Bank
- All financial liabilities are recognized initially at fair value at the date on which the Bank becomes a party to the contractual terms of the financial instrument.
- Financial liabilities classified at amortized cost are subsequently measured at amortized cost using the effective interest rate.
- The financial liabilities are measured at fair value through profit and loss are subsequently carried at fair value and recognized the change in the fair value of the change in the degree of the Bank's credit rating in the statement of other comprehensive income while the remaining amount of the change is displayed in the fair value in the statement of profits and losses.

2.5.3. Disposal

A. Financial Assets

- The financial asset is derecognized when the contractual right to receive cash flows from the financial asset expires or when the Bank has transferred the right to receive the contractual cash flows in a transaction in which the risks and rewards of ownership are transferred substantially to another party.
- When a financial asset is derecognized, the difference between the carrying amount of the asset (or the carrying amount of the portion of the asset disposed of) and the aggregate of the consideration received (including any new asset acquired less any new obligation incurred) is recognized in P/L and Consolidated gains or losses previously recognized in the fair value reserve for financial investments at fair value through other comprehensive income.
- any cumulative gain or loss recognized in other comprehensive income related to investment in equity instruments designated as investments at fair value through Other comprehensive income statement is not recognized in profit or loss when the asset is derecognized so that the differences relating to it are transferred directly to retained earnings. Any share created or retained from the asset eligible for disposal (meeting the disposal terms) is recognized as a separate asset or liability.
- When the Bank enters into transactions by which it transfers assets previously recognized in the statement of financial position but retains substantially all or all of the risks and rewards associated with the transferred asset or part thereof. In such circumstances, the transferred asset is not excluded.
- For transactions where the Bank neither substantially retains substantially all the risks and rewards associated with ownership of the asset and retains control over the asset, the Bank continues to recognize the asset within its continuing association with the financial asset. The Bank's continuing correlation with the financial asset is determined by the extent to which the Bank is exposed to changes in the value of the transferred asset.
- In some transactions, the Bank retains the obligation to service the transferred asset against a commission, at which point the transferred asset is derecognized if it meets the exclusion criteria. An asset or liability for a service contract is recognized if the commission is greater than the appropriate amount (asset) or less than the appropriate amount (obligation) to perform the service.

B. Financial liabilities

- The Bank will derecognize the financial obligations when the contract is disposed of, canceled or terminated.

2.5.4. Amendements to Financial Assets and Financial liabilities

A. Financial Assets

- If the terms of a financial asset are adjusted, the Bank assesses whether the cash flows of the asset being modified are materially different. If the cash flows are materially different, the contractual rights to the cash flows from the original financial asset are considered to have expired and the original financial asset is derecognized. A new financial asset is recognized at fair value and the resulting value is recognized as a result of adjustment of the total carrying amount as profit or loss in profit or loss. If the amendment is due to financial difficulties for the borrower, the profits are deferred and presented with the compound of impairment losses while the losses are recognized in the statement of profit and loss.
- If the cash flows of the asset recognized at amortized cost are not materially different, the adjustment does not result in the disposal of the financial asset.

B. Financial liabilities

The Bank adjusts its financial liability when its terms of reference are modified and the cash flows of the modified obligation are substantially different. In this case, a new financial liability is recognized based on the modified terms at fair value. The difference between the carrying amount of the old financial liabilities and the new financial liability is recognized on the adjusted terms in the statement of profit and loss.

Off setting Financial Assets and Financial liabilities
Financial assets and liabilities are offset in case the bank has a legal right in force to undertake the offsetting of the recognized amounts and it intends to settle the amounts on a net basis or to receive the asset and settle the liability simultaneously.

Agreements for purchasing treasury bills with commitment to resell and the agreements for selling treasury bills with commitment to repurchase are presented based on the net basis in the balance sheet within the item of accrued expenses.

2.5.5. Fair value measurement

- The Bank determines the fair value on the basis that it is the price to be acquired for the sale of an asset or to be paid for the transfer of an obligation in an orderly transaction between the market participants on the measurement date, taking into account when measuring fair value, the characteristics of the asset or liability, the characteristics are taken into consideration when pricing the asset and / or liability at the measurement date. These characteristics include the condition and location of the asset and the restrictions on the sale or use of the asset to market participants.
- The Bank uses the market approach to determine the fair value of financial assets and liabilities as this approach uses prices and other relevant information arising from market transactions involving assets, liabilities or a group of assets and liabilities that are identical or comparable. The Bank may therefore use valuation techniques consistent with the market approach, such as market multipliers derived from comparable groups. The choice of the appropriate multiplier within the range would therefore require the use of personal judgment, taking into account the quantitative and qualitative factors of the measurement.
- When the market cannot be relied upon in determining the fair value of a financial asset or a financial liability, the Bank uses the income method to determine the fair value by which future amounts such as cash flows or income and expenses are transferred to a current amount (discounted) Current market about future amounts.
- Where the fair value of a financial asset or a financial liability cannot be relied upon income and market approach, the Bank uses the cost approach to determine the fair value to reflect the amount currently being requested to replace the asset in its current condition (the current replacement cost) to reflect the fair value The cost borne by the market participant as a buyer of an alternative asset has a similar benefit since the market participant as a buyer will not pay in the original more than the amount for which the benefit is exchanged for the asset.

The valuation techniques used in determining the fair value of a financial instrument include:

- Declared prices of similar assets or liabilities in active markets.
- Interest rate swaps by calculating the present value of expected future cash flows based on the observed yield curves.
- The fair value of future currency exchange contracts using the present value of the expected cash flow value using the future exchange rate of the currency in question.
- Analysis of cash flows discounted in determining the fair value of other financial instruments.

2.6. Financial derivative instruments and hedge accounting

- Derivatives are recognized at fair value at the date of entering into the derivative contract and are subsequently re-measured at their fair value. Fair value is obtained from quoted market prices in active markets, recent market transactions or valuation techniques such as discounted cash flow models and option pricing models, as appropriate. All derivatives are stated as assets if their fair value is positive or included in liabilities if their fair value is negative.

Derivative contracts are not separated when the derivative is linked to a financial asset and the derivatives contract is therefore fully classified with the associated financial asset.

The method of recognition of gains and losses arising from changes in fair value depends on whether the derivative is designated as a hedging instrument and the nature of the hedged item. The Bank allocates certain derivatives as any of the following:

1. Fair value hedges of recognized assets and liabilities or commitments (fair value hedges).
2. Hedges of the expected future cash flows attributable to a recognized asset or liability, or attributable to a forecasted transaction (cash flow hedges).
3. Net investment in foreign operations (net investment coverage).

- Hedge accounting is used for derivatives designated for this purpose if they qualify for accounting as hedging instruments.
- At the inception of the transaction, the Bank documents reliably the relationship between hedged items and hedging instruments, as well as the objectives of risk management and strategy from entering into various hedge transactions. The Bank also establishes, at the inception of the hedge, on an ongoing basis, the underlying documentation to assess whether the derivatives used in hedge transactions are effective in meeting changes in the fair value or cash flows of the hedged item.

2.6.1. Fair value hedges

- Changes in the fair value of designated derivatives eligible for fair value hedges are recognized in the statement of profit and loss with any changes in the fair value attributable to the risk of the underlying asset or liability.
- The effect of effective changes in fair value of interest rate swaps and related hedged items is recognized under "net interest income ". While the effect of effective changes in the fair value of future currency contracts is recognized under "Net income of financial instruments at fair value through profit or loss".
- The effect of ineffectiveness in all contracts and related hedged items in the previous paragraph is recognized under "Net income of financial instruments at fair value through profit or loss"
- If coverage no longer meets the hedge accounting requirements, the adjustment to the carrying amount of the hedged item that is accounted for in the amortized cost method is amortized by taking it to profit and loss over the period to maturity. Recognition of equity is continued through adjustments to the carrying amount of the hedged equity instrument until it is derecognized.

2.6.2. Cash flow hedge

- The other comprehensive income statement recognizes the effective portion of changes in the fair value of designated derivatives eligible for cash flow hedges. Gains and losses relating to the ineffective portion of the statement of profit and loss are recognized immediately in "Net income of financial instruments at fair value through profit or loss".
- Amounts accumulated in the other comprehensive income statement are carried to the income statement in the same period in which the hedged item has an impact on profit or loss. Gains or losses relating to the effective portion of currency swaps and options are taken to "net income of financial instruments at fair value through profit or loss".
- When a hedging instrument is due or sold, or if coverage no longer meets the conditions for hedge accounting, gains or losses accumulated in other comprehensive income at that time are recognized in other comprehensive income and recognized in the income statement when the transaction is ultimately recognized Predicted. If the forecast transaction is no longer expected to occur, then the gain or loss accumulated in other comprehensive income is immediately carried to the statement of profit and loss.

2.6.3. Net investment hedge
Is recognized in the other comprehensive income statement as the gain or loss from the hedging instrument relating to the effective portion of the hedge, while the gain or loss is recognized immediately in profit or loss in respect of the ineffective portion. Gains or losses accumulated in the other comprehensive income statement are carried to the income statement on disposal of foreign operations.

2.6.4. Derivatives not eligible for hedge accounting

Gains and losses on "net income of financial instruments at fair value through profit or loss" are recognized in changes in the fair value of derivatives that are not eligible for hedge accounting, and are recognized in profit or loss as "net income from financial instruments at fair value through profit or loss" And losses arising from changes in fair value of derivatives managed in connection with financial assets and liabilities at fair value through profit or loss.

2.7. Net income of financial instruments at fair value through profit or loss

Net income of financial instruments at fair value through profit or loss represents gains and losses on assets and liabilities at fair value through profit or loss and includes changes in fair value whether realized or unrealized, interest, dividends and differences in exchange rate.

2.8. Loans and Debts

Loans and advances represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of:

- Assets which the bank intends to sell immediately or in the short term, in which case. They are classified as assets held for trading or assets classified at inception at fair value through profit or loss.
- Assets classified at fair value through other comprehensive income for sale at initial recognition.
- Assets for which the bank will not be able to substantially recover all of value of its initial investment, for reasons other than creditworthiness deterioration.

2.9. Interest Income and Expenses

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss are recognized within ‘interest and similar income’ and ‘interest and similar expense’ in the income statement using the effective interest rate

The effective interest rate is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, early payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Once a financial asset has been classified as nonperforming or impairment then related, interest income is not recognized and it is allocated in marginal records off-balance sheet and it is recognized as income on monetary bases according to the following:

- When they are collected and after receiving all past due installments for consumption loans mortgage loans, and small loans business loans, the interest will be recognized as revenues when it’s collected and that is after the full recovery of the overdue.
- Regarding to corporate loans, the cash basis is also followed, as the return calculated later in accordance with the terms of the loan scheduling contract is higher against the recognition of unearned interest on credit balances until 25% of the scheduling installments are paid, with a minimum regularity of one year. In the case of the client continues in regularity, the interest is recognized in the revenue which is calculated on the balance of the existing loan (return on the balance of the regular scheduling) without the marginal return. Before scheduling, which is not included in revenue until after paying the full balance that appears in the loan in the budget before scheduling

2.10. Fees and Commission Income

Fees due from servicing the loan or facility which is measured by amortized cost shall be recognized in the income when performing the service, while the fee and commission income related to non-performing or impaired loans shall not be recognized, as it shall be on off-balance sheet of the financial statements. Then it shall be recognized within the income pursuant to the cash basis when the interest income is recognized according to item (2-9). As for fees, which represent an integral part of the actual return of the financial assets in general, they shall be treated as an amendment to the effective interest rate Commitment fees on loans shall be postponed, if there is a probability that these loans will be withdrawn, taking into account that these fees which the bank receives are a compensation for the constant intervention to acquire the financial instrument. Then they shall be recognized by amending the effective interest rate on the loan. When the period of commitment expires without the loan being issued by the bank, these fees shall be recognized within the income at the expiry of the commitment's validity.

Fees on debt instruments measured at fair value shall be recognized within revenue at the initial recognition. Fees on the promotion of the syndicated loans shall be recognized within revenue when the promotion process is completed and the bank does not retain any portion of the loan or if the bank retains a portion for itself earning of the actual rate return which is available to other participants as well.

Fees and commission resulting from negotiations or the participation in negotiations on a transaction in favor of a third party shall be recognized within the income statement- such as the arrangement of the acquisition of shares or other financial instruments, or the acquisition or selling of premises- when the specific transaction is completed. The administrative consultations fees and other services are normally recognized based on the distribution over time relative to the service performance period. However, the financial planning management fees and conservation services fees, which are provided for long period of time, are recognized over the period during which the service is performed.

2.11. Dividend Income

Dividends are recognized in the income statement when decision is taken by the competent authority of declaring the right of collection.

2.12. Purchase agreements aligned with resale and sale agreements aligned with repurchase

Sold securities subject to repurchase agreements are presented within assets in addition to purchased treasury bills with a commitment to resale on the balance sheet, and the commitment (purchase and resale agreements) is presented with the commitment to repurchase on the balance sheet. the difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.13. Impairment of financial assets

Impairment losses are recognized for the expected credit losses of the following financial instruments that are not measured at fair value through profit or loss:

- Financial assets that represent debt instruments.
- Due debts.
- Financial guarantee contracts.
- Loan commitments and similar debt instruments commitment

Impairment losses on investments in equity instruments are not recognized.

Debt instruments related to retail banking and small and micro finance

The Bank consolidates debt instruments related to retail banking products and micro and small enterprises on the basis of groups with similar credit risk based on the type of banking product.

The Bank classifies debt instruments within the Retail Banking Group or micro and small enterprises into three stages based on the following quantitative and qualitative criteria:

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)
Financial Instruments Low Credit Risk	There is no Past dues	Scope of risk accepted				
Financial instruments have significant increase in credit risk			Delay within 30 days from the due date of contractual installments	If the Borrower encounters one or more of the following events: If the Borrower encounters one or more of the following events: ▪ The Borrower has applied for the conversion of short-term to long-term repayments due to adverse effects related to the borrower's cash flows. ▪ The bank canceled one of the direct facilities by the bank due to the high credit risk of the borrower. ▪ Extension of the time limit granted for payment at the request of the borrower. ▪ Recurring previous arrears during the previous 12 months. ▪ Negative future economic changes that affect the borrower's future cash flows		
Impaired financial instruments					When the borrower delays more than 90 days from the payment of his contractual installments	N/A

Debt instruments related to medium enterprises and projects

The Bank aggregates debt instruments relating to medium-sized enterprises and enterprises based on similar credit risk groups on the basis of the Borrower Client Unit.

The Bank classifies customers within each group into three stages based on the following quantitative and qualitative criteria:

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)	Basic Indicator (Quantitative Criteria)	Additional Indicator (Qualitative Criteria)
Financial Instruments Low Credit Risk	There is no Past dues	Scope of risks accepted				
Financial instruments have significant increase in credit risk			Delay within 30 days from the due date of contractual installments	If the borrower is on the checklist and / or the financial instrument you experience one or more of the following events: ▪ Significant increase in the interest rate on the financial asset as a result of increased credit risk. ▪ Significant negative changes in the activity or financial or economic conditions in which the borrower operates. ▪ Request rescheduling. ▪ Significant negative changes in actual or expected operating results or cash flows. ▪ Negative future economic changes that affect the borrower's future cash flows. ▪ Early signs of cash flow / liquidity problems such as delays in service of creditors / business loans.		
Impaired financial instruments					When the borrower delays more than 90 days from the payment of his contractual installments*	When the borrower is unable to meet one or more of the following criteria, indicating that the borrower is experiencing significant financial difficulty. ▪ The death or incapacity of the borrower. ▪ The borrower's financial default. ▪ Initiate scheduling as a result of the deterioration of the borrower's credit capacity. ▪ Non-compliance with financial commitments. ▪ Disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties. ▪ Granting lenders privileges related to the financial difficulty of the borrower, which was not granted under normal circumstances. ▪ The probability that the borrower will enter bankruptcy or restructuring due to financial difficulties. ▪ If the borrower's financial assets are purchased at a significant discount that reflects the credit losses incurred.

* According to the circular issued by Central Bank of Egypt on December 14, 2021 regarding the temporary amendment of the treatment of non-performing loans to small and medium companies, according to the instructions of IFRS9:

Customers are included in the stage 3 in the event of non-compliance with the contractual terms, in the event that there are dues equal or more than 180 continuous days (instead of 90 days according to the current instructions).

- The financial assets created or acquired by the Bank are classified as having a higher credit risk rating than the Bank's low risk financial assets on initial recognition at stage 2 directly.

2.13.1. Measurement of expected credit losses

The Bank evaluates debt portfolios on a quarterly basis at the portfolio level for all financial assets of Retails, corporate, and SMEs on periodic basis with respect to the financial assets of institutions classified as a follow-up to control its credit risk. On a periodic basis, the criteria used to determine the significant increase in credit risk are reviewed and monitored periodically by the credit risk management.

The Bank assesses at each reporting date the impairment loss for financial instruments at an amount equal to the expected credit losses over the life of the financial instrument except for the following cases where the provision for impairment losses is estimated at an amount equal to the expected credit losses over the twelve months:

1) A debt instrument that has been identified as having a low credit risk at the date of the financial statements (debt instruments at stage1).
2) Other financial instruments Credit risk at the reporting date has not increased significantly since the initial recognition (debt instruments at stage1).

The Bank considers the expected credit losses to be a weighted probability estimate of the expected credit losses, which are measured as follows:

- The expected credit losses on financial assets are measured at the stage one based on the present value of the gross deficit calculated based on the historical probability of default scenarios adjusted by the average forecasts of macroeconomic indicators for the future twelve months multiplied by the value at default, taking in consideration the expected recovery rates when calculating the average Loss for each group of debt instruments with similar credit risk. Given the expected credit losses taking into account the amount and timing of payments, the credit losses arise even if the enterprise expects to pay in full but later after debt becomes payable under contractual terms. The expected credit losses over the twelve months are considered to be part of the expected credit losses over a lifetime arising from the defaulting events of a financial instrument and the potential within twelve months after the date of the financial statements.
- The expected credit loss of financial assets in the stage two is measured based on the present value of the total deficit calculated based on the historical probability of default scenarios adjusted by the average forecasts of the macroeconomic indicators for the life of the financial asset multiplied by the value at default, taking in consideration the weighting of the expected recovery rates in calculating the loss rate for each group of debt instruments with similar credit risk.
- Impaired financial assets at the reporting date are measured as the difference between the carrying amount of the asset and the present value of expected future cash flows.
- In calculating the specific loss rates, the Bank calculates the expected recovery rates from the present value of expected cash flows either from cash and in kind guarantees or historical or anticipated future repayment rates as follows:
  - The Stage One: only the value of cash collaterals and their equivalents represented in cash and other financial instruments that can be converted into cash easily in a short period of time (3 months or less) and without any change (loss) in their value as a result of credit risks are considered.
  - Stages two and three: only the types of guarantees are considered in accordance with the rules issued by the Central Bank of Egypt in September 2005 regarding the bases for assessing the creditworthiness of customers and the formation of provisions, while the value of these guarantees is calculated according to what is stated in the rules for preparing financial statements for banks and the basis for recognition and measurement issued by the bank. The Central Bank of Egypt on December 16, 2008.
  - For debt instruments held by banks operating outside Egypt, the probability of default is determined on the basis of the credit rating of the head office of the bank operating outside Egypt and no more than the credit rating of the head office country taking into consideration the central bank instructions for countries risks. The loss rate is 45% at least.
  - For the instruments held by the banks operating in Egypt, the probability of default is calculated on the basis of the classification of the bank by the external international rating institutions. The branches of the Egyptian banks abroad are treated as the main center. The branches of the foreign banks operating in Egypt, The loss rate is calculated at 45% at least.
  - For debt instruments issued by non-banks, the probability of default is calculated on the basis of the rating of the issuer of the financial instrument by the external international rating institutions and no more than the credit rating of the issuing country in the case of external entities. The loss rate is calculated at 45% at least.
  - Impairment provision on financial assets recognized in the financial position is deducted from the value of the financial asset at the time the statement of financial position is prepared, while the provision for impairment relating to loan commitments, financial guarantee contracts and contingent liabilities is recognized under other provisions of the financial position liabilities.
  - For financial guarantee contracts, the Bank estimates the expected credit loss on the basis of the difference between the expected payments to the guarantee holder less any other amounts that the Bank expects to recover.

Upgrading from the stage 2 to the stage 1

The bank shall not transfer the financial asset from the stage2 to the stage1 until all the quantitative and qualitative elements of the stage 1 have been met and the total cash receipts from the financial asset are equal to or greater than the total amount of the installments due to the financial asset, if any the accrued interest as there has been continues 3 months from continuing to meet the conditions.

Upgrading from the stage 3 to the stage 2

- The bank does not transfer the financial asset from the stage three to the stage two unless all of the following conditions are met:

1) Completion of all quantitative and qualitative elements of the stage two.
2) Repayment of 25% of the balances of the outstanding financial assets, including unearned suspended interest according to circumstances.
3) Regularity in paying for at least 12 months.

The period of recognition of the financial asset within the last category of the stage2

The period of recognition (classification) of the financial asset within the last category of the stage2 shall not exceed nine months from the date of its conversion to that stage.

2.13.2. Restructured financial assets:

If the terms of a financial asset are renegotiated or modified or a new financial asset replaced by a current financial asset due to the financial difficulties of the borrower, an assessment is made as to whether the financial asset should be derecognized and the expected credit losses are measured as follows:

- If the restructuring will not lead to the disposal of the current asset, the expected cash flows from the adjusted financial asset are used when calculating the cash deficit in the current asset. The expected credit losses are calculated on the life of the instrument.
- If the restructuring will result in the disposal of the present asset, the expected fair value of the new asset is treated as final cash flows from the current financial asset when derecognized. This value is used to calculate the cash deficit from the current financial asset, which is deducted from the expected date of derecognition of the asset at the reporting date using the original effective interest rate of the current financial asset.

Presentation of the expected credit loss provisions in the statement of financial position

The provision for credit losses is presented in the statement of financial position as follows:

- Financial assets measured at amortized cost as a deduction from the total book value of the assets.
- Commitments for loans and financial guarantee contracts: Generally, as a provision.
- When the financial instrument includes both the used and non-used of the permitted amount of the instrument, and the Bank cannot determine the expected credit losses of the unused portion separately, the Bank presents a provision for collective loss to the used and non-used. The aggregated amount is presented as a deduction from the total book value of the user and any increase in the loss provision is shown on the total amount of the used as a provision for the unused portion.
- Debt instruments at fair value through other comprehensive income A provision for impairment is not recognized in the statement of financial position because the book value of such assets is their fair value. However, the provision for impairment is disclosed and recognized in the fair value reserve.

2.13.3. Debt Write Off:

Debt is written off (partly or fully) when there is no realistic possibility of repayment of that debt. In general, when the Bank determines that the borrower does not have the assets, resources or sources of income that can generate sufficient cash flows to repay the debts that will be written off, however, the impaired financial assets may remain subject to follow-up in light of the Bank's actions to recover the amounts due. Impairment allowance is charged the expected credit losses provision that are amortized whether or not they are provisioned. Any recoverable from previously written of loans are added to the expected credit losses.

2.13.4. Financial assets at amortized cost

At the end of each financial period, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset (or a group of financial assets) is impaired and impairment losses are incurred when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (the loss event) and the loss event affects the future cash flows of the financial asset (Or group of financial assets) that can be reliably estimated.

Indicators used by the Bank to determine the existence of objective evidence of impairment losses include:

- Significant financial difficulties facing the borrower or the debtor.
- Violation of the terms of the loan agreement such as non-payment.
- Predict the bankruptcy of the borrower or enter into a liquidation or re-structuring of the financing granted to him.
- The borrower's competitive situation deteriorated.
- The Bank, for economic or legal reasons related to the borrower's financial difficulties, grants him privileges or concessions that the Bank may not agree to grant under normal circumstances.
- Decline in the value of the guarantee.
- Deterioration of the borrower's credit situation.

An objective evidence of impairment of a group of financial assets is the existence of clear data indicating a measurable decrease in the expected future cash flows from this group since its initial recognition, although it is not possible to determine the decline for each asset individually, for example an increase in the number of defaults for a banking product.

The Bank assesses the period of confirmation of loss, the period between the occurrence of loss and the identification of each specific portfolio.

The Bank first assesses whether there is objective evidence of impairment of each financial asset alone if it is of individual importance, as is the estimation at the aggregate or individual level of financial assets that are not individually significant. In this regard, the following shall be considered:

- If the Bank finds that there is no objective evidence that a financial asset has been impaired, whether individually significant or not, then the asset is included in the financial asset having similar credit risk characteristics and is evaluated together to estimate impairment in value at rates Historical failure.
- If the Bank finds that there is objective evidence that a single financial asset is impaired, it is considered to estimate its impairment. If the result of the study is a loss of impairment, the asset is not included in the group for which impairment losses are calculated on a consolidated basis. If the previous study shows that there is no impairment loss in the value of the asset individually, the asset is then included in the group.
- The amount of impairment loss provision is measured as the difference between the carrying amount of the asset and the present value of expected future cash flows discounted using the original effective yield rate of the financial asset. The carrying amount of an asset is reduced using the allowance for impairment losses and the impairment loss on credit losses and the reversal of impairment losses are recognized as a separate item in the income statement.
- In addition to the impairment charge recognized in the income statement as mentioned in the previous paragraph, the bank is also committed to applied to calculate the provisions required for impairment of these loans and advances as Assets at credit risk measured at amortized cost - including credit related commitments (Contingent Liabilities) - on the basis of credit rating ratios determined by the Central Bank of Egypt. If the provision for impairment losses calculated in accordance with these ratios is increased for the purpose of preparing the financial statements of the Bank, the excess shall be deducted as a general reserve for bank risk within equity in respect of retained earnings. This reserve is Periodically adjusted to increase or decrease as appropriate. This reserve is not available for distribution except with the approval of the Central Bank of Egypt. Note (33-a) shows movement at the expense of general bank risk reserve during the financial year.
- If the loan or investment is held to maturity and carries a variable interest rate, then the discount rate used to measure any impairment loss is the effective yield rate in accordance with the contract at the date that objective evidence of impairment of the asset is determined. For practical purposes, the Bank may measure impairment losses on the fair value of the instrument using quoted market prices.
- For financial assets that are secured, when calculating the present value of expected future cash flows from a financial asset, the expected cash flows that may result from the sale and sale of the collateral and after deducting related expenses are taken into account.
- For the purpose of estimating impairment at an aggregate level, financial assets are grouped into similar groups in terms of credit risk characteristics, on the basis of the Bank's internal rating process, taking into consideration the type of asset, industry, geographical location, type of collateral, arrears position and other relevant factors. These characteristics are related to the estimated future cash flows of groups of these assets as an indication of the ability of debtors to pay the amounts due under the contractual terms of the assets under consideration.
- When estimating the impairment of group of financial assets based on historical default rates The estimated future cash flows of the Group are estimated on the basis of the contractual cash flows of the Bank's assets and the historical loss of assets with credit risk characteristics similar to the assets held by the Bank. The amount of historical losses is adjusted based on current data to reflect the impact of the current conditions that were not available during the period during which the historical losses were determined, as well as to eliminate the effects of the conditions that existed in historical period and are no longer present.
- The Bank ensures that changes in the cash flows of a group of financial assets reflect changes in relevant reliable data from period to period (such as changes in unemployment rates, real estate prices, repayment position and any other factors indicating changes in the probability of loss in the group) The Bank conducts a periodically review of the method and assumptions used to estimate future cash flows.
- The carrying amount of financial assets at amortized cost is reduced by the amount of impairment losses for all financial assets measured at amortized cost which recognized at preparing financial position. While the impairment Losses related to Loans Commitments, Financial guarantees Contracts and Contingent Liabilities have been recognized in Other Provisions Item in Financial Position Liabilities.

2.14. Investment Properties

The investment properties represent lands and buildings owned by the Bank in order to obtain rental returns or capital appreciation and therefore does not include real estate assets which the bank operates through or those that have been ceded to the bank as settlement of debts which the bank used in its operation the bank applies cost value method which the same way applied with other similar property and equipment.

2.15. Intangible Assets (Computer Software)

- Software developing and maintenance fees are recognized as expense in the income statement when it has been paid and it is recognized as intangible asset as expenses related to specific programs under the bank's control and it is expected to generate economic benefits for more than 1 year without exceeding its cost, the direct cost consist of the employee's costs who are part from the development team and the appropriate share from the related expenses, the costs that lead increase of the performance of the IT program over the specifications are recognized.
- Developing which leads to improvement and increase in the original IT program are recognized as expenses and added to the IT program cost IT programs costs- recognized as an asset- are amortized through the period of expected benefit in no more than 3 years by 33.3%.

2.16. Property and equipment

- the historical cost includes the charges directly related to acquisition of property and equipment items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably.
- All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred and property and equipment includes Lands and premises represents mainly of land and buildings related to head office, branches and offices.
- Land shall not be subject to depreciation, while depreciation of other property and equipment shall be calculated using the straight-line method to allocate the cost over the useful life Property and equipment depreciation percentage represented as follow:

			Additions fixed assets from 24 Nov 2019 are depreciation rate as follow:	
Buildings & Constructions	5%	20 year	2%	50 year
Furniture	20%	5 year		
Machinery & Equipment	20%	5 year		
Vehicles	25%	4 year	20%	5 year
Integrated Automated systems	20%	5 year		
Fixtures & fittings	33.3%	3 year	16.7%	6 year
Fixtures &fittings rental	33.3%	3 year	16.7%	6 year

- Starting from 28 February 2022, fittings depreciation periods have been amended to be 8-10 years by percentages (10% - 12.5%) instead of 6 years' percentages (16.7%).
- The assets' residual values and useful lives are reviewed, and adjusted if necessary, at the end of each financial period. Assets that are subject to depreciation are reviewed for determining the extent of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- The recoverable amount is the greater of its value in use or the net salable value of the asset. Gains and losses on disposals are determined by comparing proceeds from sale with its carrying amount. These are included in other operating revenues (expenses) in the income statement.

2.17. Other assets:

This item includes the other assets have not been classified within the specific assets of the financial position, such as the accrued revenues, prepaid expenses including the overpayment taxes (excluding tax liabilities Payments under purchase of property and equipment, and the deferred balance for losses of the first day and not yet amortized, and current and non-current assets that have been transferred to the Bank to meet debt Deduction for impairment losses), Insurance and covenants, gold bullion, commemorative coins, accounts under settlement, and balances not classified in any of the specified assets.

- The majority of other assets are measured at cost and where objective evidence of impairment exists in the value of the asset, the value of the loss for each asset is measured separately between the carrying amount of the asset and its net realizable value or the present value of estimated future cash flows discounted at the current market rate of assets Similar whichever is higher. The carrying amount of the asset is immediately recognized and the amount of the loss is recognized in the income statement under other operating income (expenses) If the impairment loss decreases in any subsequent period and the impairment can be objectively related to an event occurring after the impairment loss is recognized, the recognized impairment loss To the income statement provided that such de-recognition does not result in a carrying amount of the asset at the date of the reversal of the impairment loss that exceeds the amount to which the asset could have been had such impairment losses not been recognized.

With respect to the assets to which its ownership transferred to the bank to fulfill debts, the following shall be considered:

- In accordance with the Law of the Central Bank, it is prohibited for banks to deal in movable or real estate by buying, selling or barter other than the property designated for the management of the bank's business or recreation for workers and movable or property owned by the bank for a third-party debt recognized from the date of the write-down (i.e. the date of amortization) within assets owned by the Bank to meet debts and the Bank shall act accordingly as follows:
- Within one year from the date of the devolution of ownership to the movable.
- Within five years from the date of the devolution of property in relation to the property.
- The Board of Directors of the Central Bank of Egypt may extend the period if circumstances so require and may exempt some banks from this prohibition according to the nature of their activity.
- The assets acquired by the Bank are recognized as debts in accordance with the value of the Bank, which is the value of the debts that the Bank has decided to waive for these assets. If there is objective evidence that an impairment loss has occurred in the asset at a subsequent date of impairment, the loss per asset is measured separately by the difference between the carrying amount of the asset and its net realizable value or the present value of estimated future cash flows from the asset's use discounted at the current market rate of similar assets Top. The carrying amount of the asset is reduced through the use of an impairment account and the loss is recognized in the income statement under "other operating income (expense)". If the impairment loss is reduced in any subsequent period and it is possible to associate that decrease objectively with an event occurring after the impairment loss is recognized, then the impairment loss previously recognized is recognized in the income statement provided that such a recovery does not result in the impairment loss The asset could have been made to it if such impairment losses had not been recognized.
- In light of the nature of the movable or immovable property of the Bank and subject to the provisions of the said Article, the movable or real estate shall be classified according to the Bank's plan or the nature of the expected benefit thereof within the property and equipment, real estate investments, shares and bonds or other assets available for sale as the case may be. Accordingly, the bases for the measurement of property and equipment, investment properties, shares and bonds are applied to assets acquired by the Bank in fulfillment of debts and classified under any of these terms.
- For other assets not included in any of these classifications and other assets available for sale are measured at cost or fair value determined by the Bank's authorized experts - less the selling costs - whichever is lower. The differences arising from the valuation of these assets are recognized in the income statement under " Other operating expenses), taking into account the disposal of such assets within the year specified in accordance with the provisions of the law. If these assets are not disposed of within the year specified in the Law of the Central Bank, the general bank risk reserve is increased by 10% of the value of these assets annually. The net income and expenses of the assets owned by the Bank are recognized in the income statement under "other operating revenues (expenses)".

2.18. Impairment of non-financial assets

- Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life except goodwill are not subject to amortization and are tested annually for impairment.
- An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, the net realizable value represents the net selling value of the asset or its utilization value which is greater. For the purposes of estimation impairment, assets shall be linked to at the smallest available cash unit. Non-financial assets that have been impaired shall be reviewed to assess a reversal of the impairment to the income statement at each reporting date.

2.19. Lease

- All leasing contracts shall be considered operational leasing ones.

2.19.1. Lease

Operating lease payments less any discounts obtained from lessor is recognized as expenses in the income statement using the straight-line method over the contract term.

2.19.2. Leasing out

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

2.20. Cash and cash equivalent

For the purposes of presentation of the statement of cash flows, cash and cash equivalents include balances due within three months from date of acquisition, Cash and balances with Central Bank of Egypt other than the mandatory reserve, and due from banks and treasury bills and other governmental notes.

2.21. Other provision

- Provisions for restricting costs and legal claims are recognized when: the bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.
- When there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determine taking into consideration the group of obligations as a whole, a provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.
- Provisions no longer required are reversed in other operating revenues (expense).
- -Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from financial statement date using the appropriate rate in accordance with the terms of settlement ignoring the tax effect which reflects the time value of money. If the settlement term is less than one year, the provision is recognized using the present value unless time consideration has a significant effect.

2.22. Financial collateral contracts

These are contracts issued by the bank to guarantee loans or debit current accounts presented to banks' clients by other parties and in this case the bank is required to pay certain compensations to beneficiary against losses occurred due to delay in payments at maturity date according to the debt conditions. These guarantees are paid to banks, institutions and others on behalf of banks clients. They are initially recognized at fair value in the balance sheet at the date of granting the guarantee reflecting the guarantee issuance fees some time later bank's commitment is measured initially by the amount of guarantee (after deducting calculated amortized recognized for guarantee fees in the income statement by using straight line method through the life of the guarantee) or the best estimate for requested payments to settle any financial obligation resulted from this guarantee which ever higher Estimates are based on previous experience of similar transactions, historical losses and it is supported by the management opinion .Any increase in obligation related to that financial guarantee is recognized at the income statement under other operating revenues (expenses)

2.23. Employee benefits

2.23.1. Employee benefits - Short Term

Represented in salaries, wages social insurance, paid annual vacations and bonus if due within 12 months from the end of the fiscal period as well as non-financial benefits such as medical care, housing, transportation providing free goods and services for current employees

Employee benefits - Short Term's recognized in the income statement as expenses for the relevant period

2.23.2. Early Retirement Benefits

The benefits of early Retirement are the compensation payable to employees referred to early retirement. The Bank recognizes such compensation as a liability and expense only when the Bank is demonstrably committed to performing any of the following:

A- Termination of the employment of an employee or group of employees prior to the normal retirement date or

B- The compensation of early Retirement as a result of an offer to encourage voluntary employment.

The Bank is demonstrably committed to pay termination only when there is a detailed system for termination of service and there is no actual possibility to withdraw this system.

The detailed system includes the following as a minimum:

A- The position and work of the employees whose services will be ended and their approximate number.

B- The compensation of the Retirement for each category or job.

C- The date of the system will be applied, the implementation must occur as soon as possible, and the year of completion of the implementation should be such that material changes to the system are excluded

2.23.3. Post-employment benefits - Medical Care

The bank provides medical care benefit to retired employees, where of this benefit condition of being in service until retirement age or to complete the minimum requirement of being in service and it is calculated as determined benefit system

- The commitment to the health care system for retirees is the current value of health care obligation in the date of financial statements after the necessary adjustments are made to obligation
- Retired employees medical care obligation is annually calculated (expected future cash flows) through Actuarial in the project unit credit method Retired employees medical care obligation current value is determined by deducting expected cash flows in respect to interest rate of government bonds in the same currency of benefits and in almost the same maturity dates.
- Actuarial profit(loss) resulting from amendments, changes of actuarial expectations are recognized in the income statement for profits or loss exceeding 10% of the system assets or 10% of the estimated benefits determined at the year before which ever higher, where this increase in profit or loss is recognized in the income statement through the expected average remaining working period.

Previous service costs are recognized in the income statement as administrative expenses unless changes in the retirement policy indicates that employees should spent a certain vesting period in service, in this case the previous service cost are amortized in straight line method in their due period.

2.23.4. Retirement Benefit:
The benefits of the pension are represented in the Bank's share in the social benefits of its employees, which are paid by the Bank to the General Authority for Social Insurance in accordance with the Social Insurance Law No. 79 for the year 1975 and its amendments shares are paid for each period and they are recognized in the income statement as salaries and wages under administrative expenses for the period employees in service

The bank share is paid as a determined subscription. Accordingly, there is no additional liability to the bank other than its share in social insurance which is due to pay for the social insurance authority.

2.24. Income tax

- Income tax on the profit or loss for the period includes the tax of the current period, deferred tax, and is recognized in the income statement. Except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.
- The income tax shall be recognized based on the net profit subject to tax through the application of the applicable tax rates at the date of preparing the balance sheet, in addition to the tax adjustments related to previous years.
- Deferred tax arising from temporary timing differences between the book value of assets and liabilities calculated according to the accounting principles, as well as its values shall be recognized according to the tax principles.
- The deferred tax value is based on the expected method to achieve or resolve asset values or obligations and use applicable tax prices, tax obligations are recognized for all temporary tax differences, while deferred tax assets are recognized for temporary tax differences, when a profit is likely to be achieved.
- The deferred tax shall be decreased with the portion from which the expected taxable benefit will not be achieved over the coming years. In case of the increase of the expected taxable benefits, the deferred tax assets shall be increased within the limit of previous reduction in the value of deferred tax assets Deferred tax assets and liabilities are offset if the bank has a legal right that permits it to offset current tax assets and liabilities and when deferred income taxes are due to the same tax administration.

2.25. Borrowing
Loans obtained by the bank shall be recognized at inception at fair value minus the cost of the loan obtaining. Subsequently, the loans shall be measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing period using the effective interest rate shall be recognized to the income statement.

2.26. Capital
2.26.1. Capital shares and its cost
The issuance expenses, directly attributable to the issuance of new shares or shares against the acquisition of an entity, or the issuance of options shall be presented as a deduction from the shareholders' equity in net proceeds after taxes.

2.26.2. Dividends distribution to the shareholders of the bank
Dividends shall be recognized through deducting the same from shareholders' equity in the period where the General Assembly meeting shareholder approves these dividends. They include the employees' share in profits and the remuneration of the board of directors prescribed by the article of association of the bank and the law, not recognize any commitment to the bank towards employees and members of the board of directors in retained earnings only when they are decided to distribute.

2.27. Custody Activity
The bank has a custodian activity were it manage assets related to individuals or custody purpose or retirement fund and it is not recognized at the financial position as it is not a bank asset or profit

2.28. Subordinated Deposits (deposits advanced from Central Bank of Egypt and Banque Misr)
The deposit is recognized as liability at current value, calculated by using a discount rate equal to the interest rate on governmental bonds that approximates the deposit term at the date of entry into force of the deposit. The difference between the face value of the deposit and its present value within the owner's equity is defined as face value difference from the present value of the subordinated deposit. The deposit shall be paid at the end of each financial period to the face value at the maturity date and that charged to the differences as mentioned above to reach, face value on the date of its maturity.

2.29. Comparatives
Comparative figures for financial assets and liabilities are reclassified to comply with the current period financial statements presentation.

3. Financial risk management
The bank is exposed to a variety of financial risks, while it practices its business and activities, and the acceptance of risk is considered the basis of financial business. Some risk aspects or a combination of risk are analyzed, assessed, and managed. The bank targets to achieve adequate balance between the risk and return, and to minimize likely adverse impacts on its financial performance. The most important types of risk are credit risk, market risk, liquidity risk and other operating risks. Market risk includes the risk of foreign exchange rates, interest rates and the other pricing risks.

The bank has developed risk management policies to define, analyze and control risk, and set, control and comply with its limits through a variety of reliable methods and up to date information systems. The bank conducts regular reviews and amendments of the risk management policies in order to reflect changes in the markets, products, and services, as well as the best up to date applications.

Risk management is carried out by Risk Management Division in the light of the policies approved by the Board of Directors. Risk division identifies, assesses, and hedges against the financial risk in close collaboration with the different operating units of the bank. The board of directors provides known principles for risk management as a whole, in addition to written policies, which cover defined risk areas such as credit risk, foreign exchange risk, interest rate risk, and the use of derivatives and non-derivatives financial instruments. In addition, Risk division is responsible for the periodically review to manage risk and control environment independently.

A. Credit Risk
The Bank is exposed to credit risk, which is the risk that a party will fail to meet its obligations. The credit risk is the most important risk to the Bank, so management carefully manages exposure to that risk. Credit risk is mainly the lending activities that result in loans, facilities and investment activities that involve the Bank's assets on debt instruments. Credit risk is also found in financial instruments off-balance sheet such as loan commitments. Credit risk management and control processes are concentrated in the Credit Risk Management Team, which reports to the Board of Directors, senior management and heads of activity units on a regular basis.

The credit risk group establishes requirements at the bank level to identify, evaluate, monitor follow and report on credit risk, while business / support units are responsible for credit risk in their units while integrating business strategies with the Bank's risk to recover.

Credit risk policies and procedures have been developed to provide control over credit portfolios by Periodicity assessing borrowers' credit position and setting the maximum risk limit for a specific borrower. Risks to individual and / or group exposures are monitored Periodicity on a portfolio-by-portfolio basis. The Bank's credit policy provides detailed guidelines for effective credit risk management, where best market practices and instructions issued by emergency entities are reviewed and updated from time to time based on regulatory experience.

Credit policy is designed to ensure that risk management's strategies and objectives are fully identified, including:

- Strengthen and improve the Bank's ability to measure and reduce credit risk on a prudent basis to reduce credit losses.
- Strengthen and improve credit portfolio management procedures.
- Strengthen and improve the Bank's procedures for early identification of problem areas.
- Adherence to regulatory and industry best practices for credit risk management.

The policy addresses all activities and functions related to credit procedures covering coverage criteria. It contains the Bank's risk tolerance criteria and includes guidance on target markets (companies, businesses, SMEs and high solvency). The policy also defines the type of borrowers / industries to be desired. Some of the criteria relate to specific products and are monitored by the individual credit product policy. Other sections generally include credit quality criteria, purpose and terms of facilities, unsolicited loans, credit analysis, risk concentration, repayment ability, compliance with laws and regulations, expected losses and documentation.

B. Portfolio Control

The portfolio is managed through portfolio diversification on purpose, industry / business sectors, ratings and geographical areas to avoid over-risking to specific economic sectors / credit products, which may be affected by adverse developments in the economy. In general, the Bank uses criteria for borrowers and business sectors to minimize risk concentration. The Bank's operations are concentrated in the Egypt, which reduces the risks of currency exchange, although geographical concentration remains present but acceptable and within the Bank's risk tolerance.

Personal loan portfolio is diversified where relatively small risks are adopted for a large number of customers based on the bank's salary conversion or the existence of specific risk guarantees on the products / employees

A/. Credit risk measurement

- Loan Facilities to Banks and Customers

To measure credit risk related to loans and facilities to banks and customers, the Bank considers the following three components:

- Probability of default by the customer or third parties in meeting their contractual obligations.
- The current status of the direct facilities and the future development of the indirect facilities likely to result in the Bank's resulting exposure at default.
- Loss given default

The Bank assesses the probability of default at each customer level using internal rating methods for detailed classification of different categories of clients. These methods have been developed internally and statistical analyzes are taken into account with the professional judgment of the credit officer to reach an appropriate merit rating. The Bank's customers are divided into four categories of merit and reflect the merit structure The following table shows the probability of default for each category of merit. This means that credit centers are transferred between categories of merit according to the change in the assessment of the probability of default. If necessary, the Bank periodically assesses the performance of the rating methods and their ability to predict delays.

▪ Bank's internal rating categories:

Rating	Rating significance
1	Good debts
2	Normal watch-list
3	Special watch-list
4	Non-performing loan

The position subject to default depends on the amounts the bank expects to remain outstanding when the delay occurs. For example, for a loan, this position is the face value. For commitments, the bank lists all the amounts already withdrawn in addition to other amounts expected to be withdrawn up to the date of the delay, if it occurs.

Debt instruments

Concerning debt instruments, the bank uses external foreign rating or their equivalent rating to manage credit risk. If such ratings are not available, the bank applies similar methods to those applied to credit customers, and these investments in securities are seen as a way to obtain better credit quality and at the same time provide an available source to meet financing requirements.

A/2. Risk Limit control and Mitigation Policies

The bank manages, mitigates, and controls credit risk concentration at the level of debtor, groups, industries, and countries.

- The bank structures the levels of credit risk tolerance by placing limits for the risk tolerance in relation to each borrower or a class of borrowers, and at the level of economic activities and geographical sectors. Such risk shall be constantly monitored and controlled and shall be subject to reviews on an annual basis or more frequently if necessary. Limits of credit risk at the level of borrower/ the group / producer, the sector and the country shall be quarterly approved by the board of directors.
- Also credit risk exposure is managed by the yearly analysis of the present as well as the possible borrower's ability on fulfilling their obligations and also by amendment of the lending limits if appropriate.

The following are some means of mitigating risk:

-Collaterals

The bank employs a range of policies and controls to mitigate credit risk. Among the methods implemented is to obtain collateral against the extended funds.

The bank has set guiding rules for defined types of acceptable collaterals.

Among the main types of collaterals to loans and advances are the following:

- Mortgage
- Mortgage of business assets such as equipment and goods.
- Mortgage of financial instruments such as debt instruments and equity.

Usually corporate lending is for a longer term and secured whereas credit facilities extended to individuals are unsecured. To reduce credit loss to its minimum, the bank seeks to get additional collaterals from the concerned parties as soon as indicators of a loan or facility impairment appear ,The collaterals taken as collateral for assets other than loans and facilities are determined by the nature of the instrument, and debt instruments and treasury bills are usually unsecured, with the exception of sets of financial instruments covered by similar assets and instruments that are secured by a portfolio of financial instruments.

- Derivatives

The Bank maintains prudent control over the net open positions of the derivatives, the difference between the purchase and sale contracts at the level of value and duration. The amount of credit risk at any given time is determined by the fair value of the instrument that is beneficial to the Bank, a positive fair value asset that is a fraction of the contractual / default value used to express the size of the existing instruments. This credit risk is managed as part of the total lending limit granted to the client with the expected risk due to changes in the market. Collateral against credit risk on these instruments is normally not obtained except for amounts requested by the Bank as marginal deposits from third parties.

The risk of settlement arises in situations where payment is made by cash, equity instruments or other securities or in exchange for the expectation of cash, equity instruments or other securities and daily settlement limits are set for each of the other parties to cover the risk of consolidated settlement arising from bank transactions any day.

- **Credit related commitments**
- The main reason for credit related commitments is to ensure availability of funds upon client's request. Also the financial guarantees contract bears the same loans credit risk. Letters of credit that bank issued instead of its clients to grant a third party the right to withdraw a certain value according to terms and conditions usually guaranteed with goods traded so it bear a less risk degree that direct loan.
- Credit related commitments represent the unused portion from approved limit, financial guarantees contracts or letters of credit. The bank bear expected losses with amount of total unused commitments and that is for credit risk resulted from grant credit. Although the more viable loss actually is less than unused commitments and that is for credit related commitments is grant for clients with specific credit nature. Bank is observing the commitments until maturity and that is for the long-term commitments have more credit risk degrees than short-term commitments.

A/3. Provisioning policy (Measurement of expected credit losses)

The Bank's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial

guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows: The un-impaired financial asset is classified at initial recognition in the (stage1) and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the (stage2) and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment). In case of indications of impairment of the financial asset, it is transferred to the (stage3). The Bank relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the interest rate on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower

The following table illustrates the proportional distribution of loans and credit facilities reported in the financial position for each of the four internal ratings of the Bank and their relevant impairment losses:

Bank's Assessment	31 December 2022 Loans and advances (%)	31 December 2021 Loans and advances (%)
1- Stage 1	78.13%	78.87%
2- Stage 2	16.90%	16.84%
3- Stage 3	4.97%	4.29%
Total	**100%**	**100 %**

A/4. The General Model for Measurement of Banking Risk

In addition to the four-creditworthiness ratings shown in (note no. A-1), the management also prepares ratings in the form of more detailed subgroups, which are in line with the requirements of the Central Bank of Egypt. Assets exposed to credit risk shall be rated in these subgroups pursuant to detailed rules and terms, which depend largely on customer related information, business and activities, financial position and performance of payments thereof.

According to Central Bank of Egypt adjusted rules starting from first year which the bank commit to apply this rules, the bank calculates the provision required for the impairment of these assets exposed to credit risk which impairment value has been solely estimated including credit related commitments using cash flow discounted method and for the group of asset that the impairment has been estimated as a group, the impairment calculated by historical default rates method. In case the impairment loss provision required according to ORR issued from Central Bank of Egypt exceeds the provisions as required according to adjusted rules by Central Bank of Egypt, that excess shall be debited to retained earnings and carried to the general reserve for banking risk in the shareholders' equity section. Such reserves shall be regularly adjusted, by any increase or decrease so that the reserve shall always be equal to the amount of increase between the two provisions. Such reserve shall not be subject to distribution, note (A-33) shows the "general banking risk reserve" movement during the period. Following is an indication of corporate credit worthiness categories according to internal rating principles, compared to the rating principles of the Central Bank of Egypt, and of the required provision percentages for the impairment of assets exposed to credit risk:

CBE Rating	Rating's meaning	Provision Ratio required' According (CBE)(ORR)	Internal Rating According (CBE) (ORR)	Meaning of internal
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular follow up
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-Performing loans
9	Doubtful	50%	4	Non-Performing loans
10	Bad debts	100%	4	Non-Performing loans

A/5. The Maximum Limit for Credit Risk before Collaterals and Suspended interest and provisions

Credit risk exposures of financial position items:

	31 December 2022	31 December 2021
Cash and balances at Central Bank	13,516,311	12,726,021
Due from banks	56,246,429	33,325,402
Loans and advances to banks	6,276,500	3,132,840
Loans and advances to customers:		
Retail:-		
-Overdraft accounts	2,084,480	1,348,188
-Credit cards	1,010,859	683,774
-Personal loans	47,856,164	39,358,684
-Mortgage loans	3,286,743	2,694,978
Corporate:		
-Overdraft accounts	43,013,560	31,845,136
-Direct loans	17,150,420	15,867,683
-Syndicated loans	19,092,471	14,601,116
-Discount document	722,765	635,301
Financial derivatives	59,464	1,479
Financial investments at fair value through other comprehensive income		
-Debt instruments	45,215,635	45,737,549
Financial investments at amortized cost		
-Debt instruments	55,031,456	42,615,351
Other assets*	4,134,292	3,089,857
Total	**314,697,549**	**247,663,359**

The previous table represents the loans without taking into consideration Expected Credit Loss as disclosed in notes (15), (16), (17), (18), (19) and (20)

* The above – mentioned other assets represents in accrued revenues.

The following table provides information on the quality of financial assets during the year:

Due from banks	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	51,761,094	4,485,335	--	56,246,429
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**51,761,094**	**4,485,335**	**--**	**56,246,429**
ECL Provision	--	(13,465)	--	(13,465)
Net carrying amount	**51,761,094**	**4,471,870**	**--**	**56,232,964**

Due from banks	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	30,815,052	2,510,350	--	33,325,402
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**30,815,052**	**2,510,350**	**--**	**33,325,402**
ECL Provision	--	(3,752)	--	(3,752)
Net carrying amount	**30,815,052**	**2,506,598**	**--**	**33,321,650**

Treasury bills	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	22,982,275	9,671,158	--	32,653,433
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**22,982,275**	**9,671,158**	**--**	**32,653,433**
ECL Provision	--	(88,681)	--	(88,681)
Net carrying amount	**22,982,275**	**9,582,477**	**--**	**32,564,752**

Treasury bills	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	16,024,966	7,762,635	--	23,787,601
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**16,024,966**	**7,762,635**	**--**	**23,787,601**
ECL Provision	--	(51,604)	--	(51,604)
Net carrying amount	**16,024,966**	**7,711,031**	**--**	**23,735,997**

Governmental Treasury bonds	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	58,505,231	4,216,167	--	62,721,398
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**58,505,231**	**4,216,167**	**--**	**62,721,398**
ECL Provision	--	(154,921)	--	(154,921)
Net carrying amount	**58,505,231**	**4,061,246**	**--**	**62,566,477**

Governmental Treasury bonds	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	57,708,845	3,006,578	--	60,715,423
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**57,708,845**	**3,006,578**	**--**	**60,715,423**
ECL Provision	--	(81,410)	--	(81,410)
Net carrying amount	**57,708,845**	**2,925,168**	**--**	**60,634,013**

Corporate bonds	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	4,872,260	--	--	4,872,260
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**4,872,260**	**--**	**--**	**4,872,260**
ECL Provision	(7,875)	--	--	(7,875)
Net carrying amount	**4,864,385**	**--**	**--**	**4,864,385**

Corporate bonds	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	3,849,876	--	--	3,849,876
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**3,849,876**	**--**	**--**	**3,849,876**
ECL Provision	(4,348)	--	--	(4,348)
Net carrying amount	**3,845,528**	**--**	**--**	**3,845,528**

Loans and advances to Banks	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	494,868	5,781,632	--	6,276,500
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**494,868**	**5,781,632**	**--**	**6,276,500**
ECL Provision	(128)	(19,215)	--	(19,343)
Net carrying amount	**494,740**	**5,762,417**	**--**	**6,257,157**

Loans and advances to Banks	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	834,950	2,297,890	--	3,132,840
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**834,950**	**2,297,890**	**--**	**3,132,840**
ECL Provision	(2,611)	(16,324)	--	(18,935)
Net carrying amount	**832,339**	**2,281,566**	**--**	**3,113,905**

Loans and advances to Retail	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	50,123,675	2,149,826	--	52,273,501
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	1,964,745	1,964,745
Total	**50,123,675**	**2,149,826**	**1,964,745**	**54,238,246**
ECL Provision	(325,337)	(47,207)	(1,444,889)	(1,817,433)
Net carrying amount	**49,798,338**	**2,102,619**	**519,856**	**52,420,813**

Loans and advances to Retail	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	40,786,389	1,117,520	--	41,903,909
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	2,181,715	2,181,715
Total	**40,786,389**	**1,117,520**	**2,181,715**	**44,085,624**
ECL Provision	(255,859)	(30,539)	(1,608,866)	(1,895,264)
Net carrying amount	**40,530,530**	**1,086,981**	**572,849**	**42,190,360**

Loans and advances to large & medium Corporate	31 December 2022 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	51,498,398	11,543,441	--	63,041,839
Normal watch-list	--	--	--	--
Special watch-list	--	1,562,483	--	1,562,483
Non-performing loan	--	--	4,469,106	4,469,106
Total	**51,498,398**	**13,105,924**	**4,469,106**	**69,073,428**
ECL Provision	(516,361)	(2,802,402)	(3,910,469)	(7,229,232)
Net carrying amount	**50,982,037**	**10,303,522**	**558,637**	**61,844,196**

Loans and advances to large & medium Corporate	31 December 2021 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	41,070,840	10,554,545	--	51,625,385
Normal watch-list	--	--	--	--
Special watch-list	--	2,423,585	--	2,423,585
Non-performing loan	--	--	2,195,302	2,195,302
Total	**41,070,840**	**12,978,130**	**2,195,302**	**56,244,272**
ECL Provision	(272,152)	(3,387,500)	(2,040,355)	(5,700,007)
Net carrying amount	**40,798,688**	**9,590,630**	**154,947**	**50,544,265**

Loans and advances to Small Corporate	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	7,646,078	2,710,948	--	10,357,026
Normal watch-list	--	--	--	--
Special watch-list	--	--	40,708	40,708
Non-performing loan	--	--	508,054	508,054
Total	**7,646,078**	**2,710,948**	**548,762**	**10,905,788**
ECL Provision	(117,754)	(929,988)	(170,895)	(1,218,637)
Net carrying amount	**7,528,324**	**1,780,960**	**377,867**	**9,687,151**

Loans and advances to Small Corporate	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	4,196,987	2,162,962	--	6,359,949
Normal watch-list	--	--	--	--
Special watch-list	--	--	16,694	16,694
Non-performing loan	--	--	328,321	328,321
Total	**4,196,987**	**2,162,962**	**345,015**	**6,704,964**
ECL Provision	(11,165)	(169,814)	(120,362)	(301,341)
Net carrying amount	**4,185,822**	**1,993,148**	**224,653**	**6,403,623**

The following table shows the changes in ECL between the beginning and end of the year as a result of these factors:

Due from banks	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	--	3,752	--	3,752
New financial assets purchased or issued	--	6,276	--	6,276
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	3,437	--	3,437
Balance at the end of the year	**--**	**13,465**	**--**	**13,465**

Due from banks	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	6	9,328	--	9,334
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	(6)	(5,562)	--	(5,568)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	(14)	--	(14)
Balance at the end of the year	**--**	**3,752**	**--**	**3,752**

Treasury bills	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	--	51,604	--	51,604
New financial assets purchased or issued	--	51,338	--	51,338
Financial assets have been matured or derecognized	--	(51,604)	--	(51,604)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	37,343	--	37,343
Balance at the end of the year	**--**	**88,681**	**--**	**88,681**

Treasury bills	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	--	106,970	--	106,970
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	--	(54,256)	--	(54,256)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	(1,110)	--	(1,110)
Balance at the end of the year	**--**	**51,604**	**--**	**51,604**

Governmental Treasury Bonds	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	--	81,410	--	81,410
New financial assets purchased or issued	--	6,105	--	6,105
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	67,406	--	67,406
Balance at the end of the year	**--**	**154,921**	**--**	**154,921**

Governmental Treasury Bonds	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	--	105,707	--	105,707
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	--	(24,160)	--	(24,160)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	(137)	--	(137)
Balance at the end of the year	**--**	**81,410**		**81,410**

Corporate Bonds	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	4,348	--	--	4,348
New financial assets purchased or issued	3,527	--	--	3,527
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**7,875**	**--**	**--**	**7,875**

Corporate Bonds	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	2,819	--	--	2,819
New financial assets purchased or issued	1,529	--	--	1,529
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**4,348**	**--**	**--**	**4,348**

Loans and advances to banks	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	2,611	16,324	--	18,935
New financial assets purchased or issued	74	6,902	--	6,976
Financial assets have been matured or derecognized	(2,611)	(12,035)	--	(14,646)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	54	8,024	--	8,078
Balance at the end of the year	**128**	**19,215**	**--**	**19,343**

Loans and advances to banks	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	1,301	6,137	--	7,438
New financial assets purchased or issued	1,309	10,184	--	11,493
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differ-ences	1	3	--	4
Balance at the end of the year	**2,611**	**16,324**	**--**	**18,935**

Loans and advances to retail	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	255,859	30,539	1,608,866	1,895,264
New financial assets purchased or issued	113,420	14,174	96,029	223,623
Financial assets have been matured or derecognized	(47,089)	(5,894)	(853,790)	(906,773)
Transfer to stage 1	2,414	(1,688)	(726)	--
Transfer to stage 2	(27,275)	27,865	(590)	--
Transfer to stage 3	(452,553)	(198,143)	650,696	--
Changes	480,561	180,354	(55,596)	605,319
Balance at the end of the year	**325,337**	**47,207**	**1,444,889**	**1,817,433**

Loans and advances to retail	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	305,002	50,413	1,197,026	1,552,441
New financial assets purchased or issued	80,957	3,798	51,875	136,630
Financial assets have been matured or derecognized	(69,518)	(29,557)	(648,743)	(747,818)
Transfer to stage 1	1,462	(1,202)	(260)	--
Transfer to stage 2	(23,269)	23,550	(281)	--
Transfer to stage 3	(782,389)	(273,478)	1,055,867	--
Changes	743,614	257,015	(46,618)	954,011
Balance at the end of the year	**255,859**	**30,539**	**1,608,866**	**1,895,264**

Loans and advances to large &medium corporate	31 December 2022			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	272,152	3,387,500	2,040,355	5,700,007
New financial assets purchased or issued	195,265	577,911	854,084	1,627,260
Financial assets have been matured or derecognized	(109,926)	(903,457)	(127,653)	(1,141,036)
Transfer to stage 1	149,577	(149,577)	--	--
Transfer to stage 2	(33,358)	33,358	--	--
Transfer to stage 3	(52)	(631,471)	631,523	--
Loans written-off during the year	--	--	(284,410)	(284,410)
Proceeds from written –off during the year	--	--	6	6
Foreign exchange translation differences	42,703	488,138	796,564	1,327,405
Balance at the end of the year	**516,361**	**2,802,402**	**3,910,469**	**7,229,232**

Loans and advances to large &medium corporate	31 December 2021			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	266,185	2,865,666	1,819,252	4,951,103
New financial assets purchased or issued	139,139	1,480,793	263,699	1,883,631
Financial assets have been matured or derecognized	(545,789)	(445,629)	(137,985)	(1,129,403)
Transfer to stage 1	453,713	(453,713)	--	--
Transfer to stage 2	(37,703)	37,703	--	--
Transfer to stage 3	(226)	(95,542)	95,768	--
Loans written-off during the year	--	--	(32)	(32)
Proceeds from written –off during the year	--	--	654	654
Foreign exchange translation differences	(3,167)	(1,778)	(1,001)	(5,946)
Balance at the end of the year	**272,152**	**3,387,500**	**2,040,355**	**5,700,007**

Loans and advances to small corporate	31 December 2022			Total
	Stage 1	Stage 2	Stage 3	
	12-Months	Life time	Life time	
ECL Provision at January 01, 2022	11,165	169,814	120,362	301,341
New financial assets purchased or issued	74,547	915,307	126,889	1,116,743
Financial assets have been matured or derecognized	(12,609)	(47,346)	(59,958)	(119,913)
Transfer to stage 1	45,747	(45,747)	--	--
Transfer to stage 2	(1,117)	1,117	--	--
Transfer to stage 3	(8)	(63,157)	63,165	--
Loans written-off during the year	--	--	(81,110)	(81,110)
Proceeds from written –off during the year	--	--	1,547	1,547
Foreign exchange translation differences	29	--	--	29
Balance at the end of the year	**117,754**	**929,988**	**170,895**	**1,218,637**

Loans and advances to small corporate	31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
	12-Months	Life time	Life time	
ECL Provision at January 01, 2021	41,750	124,481	114,979	281,210
New financial assets purchased or issued	8,780	97,800	58,013	164,593
Financial assets have been matured or derecognized	(41,146)	(55,035)	(29,424)	(125,605)
Transfer to stage 1	12,344	(11,141)	(1,203)	--
Transfer to stage 2	(8,728)	35,157	(26,429)	--
Transfer to stage 3	(1,835)	(21,448)	23,283	--
Loans written-off during the year	--	--	(18,857)	(18,857)
Proceeds from written –off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**11,165**	**169,814**	**120,362**	**301,341**

The following table provides summary of expected credit losses (ECL) at the end of the year:

Items	31 December 2022			Total
	Stage 1	Stage 2	Stage 3	
	12-Months	Life time	Life time	
Due from banks	--	13,465	--	13,465
Treasury bills	--	88,681	--	88,681
Governmental treasury bonds	--	154,921	--	154,921
Corporate bonds	7,875	--	--	7,875
Loans and advances to banks	128	19,215	--	19,343
Loans and advances to retail	325,337	47,207	1,444,889	1,817,433
Loans and advances to large & medium corporate	516,361	2,802,402	3,910,469	7,229,232
Loans and advances to small corporate	117,754	929,988	170,895	1,218,637
Expected credit losses Provision for contingent liabilities-corporate	165,421	254,912	8,851	429,184
Expected credit losses Provision for contingent liabilities-SMEs	19,510	724	1,622	21,856
Expected credit losses Provision for contingent liabilities-Due from Banks	3,065	30,254	--	33,319
Balance at the end of the year	**1,155,451**	**4,341,769**	**5,536,726**	**11,033,946**

Items	31 December 2021			Total
	Stage 1	Stage 2	Stage 3	
	12-Months	Life time	Life time	
Due from banks	--	3,752	--	3,752
Treasury bills	--	51,604	--	51,604
Governmental treasury bonds	--	81,410	--	81,410
Corporate bonds	4,348	--	--	4,348
Loans and advances to banks	2,611	16,324	--	18,935
Loans and advances to retail	255,859	30,539	1,608,866	1,895,264
Loans and advances to large &medium corporate	272,152	3,387,500	2,040,355	5,700,007
Loans and advances to small corporate	11,165	169,814	120,362	301,341
Expected credit losses Provision for contingent liabilities-corporate	79,671	155,118	5,154	239,943
Expected credit losses Provision for contingent liabilities-SMEs	5,463	15,181	456	21,100
Expected credit losses Provision for contingent liabilities-Due from Banks	1,333	2,019	--	3,352
Balance at the end of the year	**632,602**	**3,913,261**	**3,775,193**	**8,321,056**

Off balance sheet items exposed to credit risk

	31 December 2022	31 December 2021
Non-revocable credit related commitments for loans and other liabilities	8,449,792	6,310,005
Letter of credit	10,548,264	5,479,002
Letters of guarantee	23,872,758	17,387,069
Accepted draft	3,000,822	3,817,900
Total	**45,871,636**	**32,993,976**

- The first table (A/5) represents the maximum limit of exposure as at 31 December 2022 and as at 31 December 2021, without taking into consideration any financial guarantees.
- As illustrated in the previous table 42.66% of the maximum limit exposed to credit risk arises from loans and advances to customers including the discounted documents (31 December 2021: 43.22%), where investments in debt instrument measured at fair value through OCI and amortized cost represent 31.86% (31 December 2021: 35.67%)
- The management has confidence in its abilities to continue of controlling and maintaining the minimum limit of credit risk resulted from loans, facilities, and debt instruments portfolios based on the following:
- 58.28% of the loans and advances to customers' portfolio are considered to be neither past due nor impaired (31 December 2021: 58.19%).
- 5.59% of loans and advances to customers' portfolio individually impaired (31 December 2021: 4.54%).
- Loans and advances that are not impaired represent 94.41 % from total loans portfolio (31 December 2021: 95.46%) including past due loans but not impaired represent 36.13% from total loans portfolio (31 December 2021: 37.27%).

A/6. Loans and advances

The following is the position of loans and advances' balances as regarding credit worthiness:

	31 December 2022		31 December 2021	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Neither past due nor impaired	78,226,319	6,276,500	62,280,370	3,132,376
With past due but not impaired	48,486,781	--	39,892,894	464
Individually impairment	7,504,362	--	4,861,596	--
Total	**134,217,462**	**6,276,500**	**107,034,860**	**3,132,840**
(Less):Expected Credit loss provision	(10,265,302)	(19,343)	(7,896,612)	(18,935)
(Less):Unearned discount of documents	(37,094)	--	(25,844)	--
Net	**123,915,066**	**6,257,157**	**99,112,404**	**3,113,905**

- Total Expected Credit Loss provision of loans and advances to customers amounted EGP 10,265,302 thousands as at 31 December 2022 of which EGP 5,526,253 thousands represents impairment of individual loans (Stage 3) and the balance of EGP 4,739,049 thousands represents the provision of ECL (Stage 1 and Stage 2); (31 December 2021: ECL provision of loans and advances amounted EGP 7,896,612 thousands of which EGP 3,769,583 thousands represents impairment of individual loans and the balance of EGP 4,127,029 thousands represents the provision of ECL (Stage 1 and Stage 2).

- Additional information on provision for ECL of loans and advances is provided in notes (18).
- During the current accounting year loans and facilities to customers and banks increased by 27.53%.

- **Loans and advances Neither past due nor impaired**

The creditworthiness of the loans and advances portfolio with no past dues or impairment is assessed with reference to the internal assessment adopted by the bank.

31 December 2022

	Retail				Corporate				
Grade	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Loans and advances to banks
1 Good debts	2,067,085	988,943	45,400,285	3,254,731	1,407,935	4,233,087	6,757,135	64,109,201	6,276,500
2 Normal watch-list	--	--	--	--	116,732	3,985,900	9,982,022	14,084,654	--
3 Special watch-list	--	--	--	--	--	32,464	--	32,464	--
Total	**2,067,085**	**988,943**	**45,400,285**	**3,254,731**	**1,524,667**	**8,251,451**	**16,739,157**	**78,226,319**	**6,276,500**

31 December 2021

	Retail				Corporate				
Grade	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Loans and advances to banks
1 Good debts	1,348,188	656,236	37,089,744	2,653,483	735,913	3,163,975	3,357,821	49,005,360	3,132,376
2 Normal watch-list	--	--	--	--	147,903	3,459,688	9,145,432	12,753,023	--
3 Special watch-list	--	--	--	--	521,987	--	--	521,987	--
Total	**1,348,188**	**656,236**	**37,089,744**	**2,653,483**	**1,405,803**	**6,623,663**	**12,503,253**	**62,280,370**	**3,132,376**

Loans and advances past due but not impaired

These are loans and advances with delays up to 90 days but are not considered impaired unless there is another information to the contrary, a loans and facilities to customers with past dues but not impaired and the fair value of their collaterals are represented in following:

	Corporate				
31 December 2022	Overdrafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Total Loans and advances to banks
Past dues up to 30 days	24,838,016	7,681,289	275,522	32,794,827	--
Past dues more than 30 to 60 days	7,390,271	129,337	1,562,260	9,081,868	--
Past dues more than 60 to 90 days	2,045,316	886,531	515,532	3,447,379	--
Past due more than 90 days	2,960,895	201,812	--	3,162,707	--
Total	**37,234,498**	**8,898,969**	**2,353,314**	**48,486,781**	**--**

	Corporate				
31 December 2021	Overdrafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Total Loans and advances to banks
Past dues up to 30 days	19,752,313	8,292,972	789,442	28,834,727	464
Past dues more than 30 to 60 days	3,390,019	215,390	--	3,605,409	--
Past dues more than 60 to 90 days	2,715,044	107,299	--	2,822,343	--
Past dues more than 90 days	2,693,635	628,359	1,308,421	4,630,415	--
Total	**28,551,011**	**9,244,020**	**2,097,863**	**39,892,894**	**464**

Individually impaired loans

The loans and advances which are subject to impairment on an individual basis, before taking into consideration expected cash flow from the collateral amounted to EGP 7,504,362 thousand as at 31 December 2022 (31 December 2021: EGP 4,861,596 thousand).

Herein below, is the analysis of the gross value of loans and advances subject to impairment on individual basis including the fair value of collaterals the bank has obtained against these loans:

31 December 2022

	Retail				Corporate			
	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total
Individually impaired loans	**17,395**	**21,916**	**2,455,879**	**32,012**	**4,977,160**	**--**	**--**	**7,504,362**

- The fair value of collaterals held by the Bank against above loans is totaled EGP 1,433,860 thousand

31 December 2021

	Retail				Corporate			
	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total
Individually impaired loans	**--**	**27,538**	**2,268,940**	**41,495**	**2,523,623**	**--**	**--**	**4,861,596**

- The fair value of collaterals held by the Bank against above loans is totaled EGP 652,432 thousand.

At the initial recognition of loans and advances, the fair value of collaterals is evaluated based on the same financial assets evaluation method used and in subsequent periods, the fair value is updated by the market prices or the similar assets' prices.

All collaterals held by the Bank against loans and advances that are subject to impairment represent Checks and order bills equal to their related booked debts.

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies is based on indications or criteria of credit performance of the borrower that is based on the personal judgment of the management, which indicate that payment will most likely continue, these policies are subject to continuous review. Restructuring is commonly applied to long-term loans, especially customers financing loans.

Loans, which have been subject to Renegotiation, have reached EGP 7,332,421 thousand as at 31 December 2022 (31 December 2021 EGP 3,952,173 thousand).

Loans and advances to customers

	31 December 2022	31 December 2021
Corporate		
- Overdraft loans	--	135,665
- Direct loans	169,118	251,034
- Syndicated loans	7,146,059	3,540,671
Retail		
- Personal loans	17,244	24,803
Total	**7,332,421**	**3,952,173**

A/7. Debt instruments, treasury bills and other governmental notes

The following table represents an analysis of debt instruments and treasury bills and other governmental notes at the end of financial year, based on the assessment Evaluation agencies:

Rating	Net Treasury bills at FVTOCI	Bonds at FVTOCI	Zero Coupon Bonds	Bonds at amortized cost	Other investment at amortized cost	Total	Year
B+	32,653,433	12,562,202	1,599,701	53,375,642	56,113	**100,247,091**	**31 December 2022**
B+	23,787,601	21,949,948	954,702	41,604,536	56,113	**88,352,900**	**31 December 2021**

A/8. Acquisition of collaterals

- Acquired assets are classified under the "Other Assets" item in the financial position; the accounting policy disclosed in Note 2 is followed in the first recognition and subsequent measurement. These assets are sold or used for the purposes of the Bank whenever practicable and in accordance with the legal periods set by the Central Bank of Egypt to dispose acquired assets.

A/9. The concentration of financial assets' risks exposed to credit risk

Geographical segments

The following is breakdown of the bank's credit exposure at their book values categorized by geographical region at the end of the year.

The bank has allocated the risks to the geographical segments based on regions of the bank's clients

	Arab Republic of Egypt				
	Cairo	Alex and Delta – Sinai	Upper Egypt	Out of Arab Republic of Egypt	Total
Loans and advances to banks	--	--	--	6,276,500	6,276,500
Loans and advances to customers					
Retail :					
-Overdraft	902,142	1,021,310	161,028	--	2,084,480
-Credit cards	713,947	219,979	76,933	--	1,010,859
-Personal loans	16,093,199	19,374,850	12,388,115	--	47,856,164
-Mortgages loans	2,054,030	687,887	544,826	--	3,286,743
Corporate:					
- Overdraft	30,708,377	10,308,776	1,996,407	--	43,013,560
-Direct loans	15,447,805	1,062,652	639,963	--	17,150,420
-Syndicated loans	16,405,130	1,743,136	944,205	--	19,092,471
Discounted documents	609,002	113,763	--	--	722,765
Financial derivatives	--	59,464	--	--	59,464
Financial investment at fair value through other comprehensive income					
-Debt instrument	12,562,202	--	--	--	12,562,202
-Treasury bills and other governmental notes	32,653,433	--	--	--	32,653,433
Financial investment at amortized cost					
-Debt instrument	55,031,456	--	--	--	55,031,456
Other assets*	3,974,569	101,301	58,422	--	4,134,292
Total at 31 December 2022	**187,155,292**	**34,693,118**	**16,809,899**	**6,276,500**	**244,934,809**
Total at 31 December 2021	**160,006,953**	**25,557,619**	**12,914,524**	**3,132,840**	**201,611,936**

*The above - mentioned other assets represents in accrued revenues.

Business segments

The following table represents analysis the Bank's main credit exposure at book value, distributed according to the Bank's customers' business and activities.

	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Loans and advances to banks	6,276,500	--	--	--	--	--	--	6,276,500
Loans and advances to customers								
Retail:								
- Overdrafts	--	--	--	--	--	--	2,084,480	2,084,480
- Credit cards	--	--	--	--	--	--	1,010,859	1,010,859
- Personal loans	--	--	--	--	--	--	47,856,164	47,856,164
- Mortgages loans	--	--	3,286,743	--	--	--	--	3,286,743
Corporate:								
- Overdrafts	--	1,376,977	281,996	7,124,316	5,926,987	28,303,284	--	43,013,560
- Direct loans	--	644,255	1,973,218	60,909	2,340,408	12,131,630	--	17,150,420
- Syndicated loans	--	3,940,519	1,499,736	208,200	6,473,532	6,970,484	--	19,092,471
Discount documents	--	120,985	--	339,865	--	261,915	--	722,765
Financial derivatives	--	--	--	--	--	59,464	--	59,464
Financial investment at fair value through other comprehensive income								
-Debt instruments	4,872,260	--	--	--	7,689,942	--	--	12,562,202
-Treasury bills and other governmental notes	--	--	--	--	32,653,433	--	--	32,653,433
Financial investments at amortized cost								
-Debt instruments	--	--	--	--	55,031,456	--	--	55,031,456
- Other assets*	--	--	--	--	--	4,134,292	--	4,134,292
Total as at 31 December 2022	**11,148,760**	**6,082,736**	**7,041,693**	**7,733,290**	**110,115,758**	**51,861,069**	**50,951,503**	**244,934,809**
Total as at 31 December 2021	**6,982,716**	**6,282,823**	**7,099,430**	**5,511,909**	**95,200,919**	**39,021,516**	**41,512,623**	**201,611,936**

* Other assets listed are represented in accrued revenues in which have categorized as other activities due to the unavailability of data required to be distributed properly.

B. Market risk

The Bank exposed to Market risk which is represented as fluctuations in fair value or future cash flow provided from changes in Market prices, the market risk produces from open positions for interest rates, currency and equity products, as each is subject to public and private movements in the market. And changes in the level of sensitivity to market rates or to prices, such as rates of return, exchange rates and prices of equity instruments. The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from dealing with clients directly or with the market. Non-trading portfolios include positions that primarily arise from the interest rate for assets and liabilities related to retail transactions, and these portfolios include foreign currencies Risks from financial investments at amortized cost, and also equity instruments Risks from financial investments designated as fair value through other comprehensive income

B\1. Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied.

The following are the most important measurement techniques used to control market risk

Value at Risk

The Bank applies a "Value at Risk" methodology (VAR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions the board of directors sets limits for value at risk which the bank can accept for trading and non-trading separately.

Value at risk is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain 'holding period' until positions can be closed (10 Days). Before it could be closing open positions and it's also assumed that the market movement during the holding period will follow the same pattern of movement that occurred during the previous ten days. The Bank assesses the historical movements in the market prices based on volatilities and correlations data for the past five years.

And the bank applies those historical changes in rates, prices and indicators, directly to the current centers - this method is known as historical simulation, and the actual outputs are monitored regularly to measure the integrity of the assumptions and factors used to calculate the value at risk.

The use of this method does not prevent the loss from exceeding these limits in the event of greater movements in the market. As the value at risk is considered an essential part of the bank's system in controlling market risk, the Board of Directors sets annual limits for the value at risk for both trading and non-trading operations and is divided into activity units, and the actual values at risk are compared to the objective limits by the bank and its review Daily by the bank's risk management. The quality of the value-at-risk model is continuously monitored through reinforcement tests of the value-at-risk results of the trading portfolio, and the results of those tests are reported to senior management and the board of directors.

Stress tests

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. The stress tests are designed to be suitable for the activity is tailored using standard analyzes for specific scenarios. The stress tests carried out by the bank's risk management department include stress testing Risk factors, as a set of sharp moves is applied to each risk category and the pressures of developing markets are tested, as developing markets are subject to for sharp movements and a special stress test, it includes possible events affecting certain centers or regions, such as what may be produced in a region due to liberation Restrictions on a currency. Senior management and the Board of Directors review the stress test results.

B\2. Summary of value at risk VAR as per the risk type

	12 months till the end of current year 2020			12 months till the end of compared year 2019		
	Average	High	Low	Average	High	Low
Foreign exchange risk	14,403	61,077	1,118	3,983	41,344	649
VAR	14,403	61,077	1,118	3,983	41,344	649

B/3. The risk of fluctuations in foreign exchange rates

The bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows and the board of directors have set limits of foreign currencies in total value for each position at the end of the day and during the day, which are monitored on the spot The following table includes the book value of financial instruments distributed into its component currencies' and translated to EGP

31 December 2022	EGP	USD	Euro	GBP	Other Currency	Total
Financial Assets						
Cash and balances at Central Bank	17,148,676	1,872,795	231,287	62,912	175,470	19,491,140
Due from banks	19,521,809	35,459,718	739,846	333,624	177,967	56,232,964
Loans and advances to banks	--	6,257,157	--	--	--	6,257,157
Loans and advances to customers	112,571,802	10,585,032	758,229	--	3	123,915,066
Financial Derivatives	59,464	--	--	--	--	59,464
Financial investments						
At fair value through profit and loss	--	--	--	--	--	--
At fair value through other comprehensive income	31,641,139	14,535,626	1,254,460	--	118	47,431,343
At amortized cost	55,031,456	--	--	--	--	55,031,456
Investments in subsidiaries and associates	1,258,979	531,265	--	--	--	1,790,244
Total financial Assets	**237,233,325**	**69,241,593**	**2,983,822**	**396,536**	**353,558**	**310,208,834**
Financial liabilities						
Due to banks	4,628,316	15,347,079	7,128	834	248	19,983,605
Customers' deposits	202,657,206	43,952,687	2,971,013	395,009	208,426	250,184,341
Other loans	4,750,495	13,230,591	--	--	--	17,981,086
Total financial Liabilities	**212,036,017**	**72,530,357**	**2,978,141**	**395,843**	**208,674**	**288,149,032**
Net Financial Assets in Financial position	**25,197,308**	**(3,288,764)**	**5,681**	**693**	**144,884**	**22,059,802**
31 December 2021						
Total financial assets	**201,418,254**	**41,874,281**	**1,946,801**	**269,365**	**349,142**	**245,857,843**
Total financial liabilities	**183,276,613**	**42,049,174**	**1,878,162**	**268,998**	**132,499**	**227,605,446**
Net Financial assets in Financial position	**18,141,641**	**(174,893)**	**68,639**	**367**	**216,643**	**18,252,397**

B/4. Interest rate risk

The bank is exposed to the impact of the fluctuations in the levels of interest rates prevailing in the market; include the cash flow risk of interest rate represented in the fluctuations of future cash flow of a financial instrument due to changes in the interest rate of the mentioned instrument. Whereas the interest rates fair value risk is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market. The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The board of directors set limits for the level of difference in the re-pricing of interest rate that the bank can maintain and bank's management monitors this daily.

The following table summarizes the extent of the bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments distributed based on the price of repricing dates or maturity dates whichever is sooner:

31 December 2022	Up to 1 month	More than One month to three Months	More than Three months to one year	More than one year to three years	More than three years	Due in next day	Non-bearing interest	Total
Financial Assets								
Cash and balances at Central Bank	--	--	--	--	--	--	19,491,140	**19,491,140**
Due from banks	47,665,375	7,485,335	--	--	--	1,094,802	917	**56,246,429**
Loans and advances to banks	294,783	2,894,978	3,086,739	--	--	--	--	**6,276,500**
Loans and advances to customers	1,597,860	27,089,153	14,052,345	15,582,962	33,326,244	42,568,898	--	**134,217,462**
Financial Derivatives	--	--	--	--	--	--	59,464	**59,464**
Financial Investments:-								
- At fair value through profit and loss	--	--	--	--	--	--	--	**--**
- At fair value through other comprehensive income	3,840,495	15,679,307	22,944,315	1,923,787	2,372,621	29,999	2,215,707	**49,006,231**
- At amortized cost	1,111,100	1,426,133	16,528,617	32,314,099	3,664,087	37,719	--	**55,081,755**
Total financial assets	**54,509,613**	**54,574,906**	**56,612,016**	**49,820,848**	**39,362,952**	**43,731,418**	**21,767,228**	**320,378,981**

31 December 2022	Up to 1 month	More than One month to three Months	More than Three months to one year	More than one year to three years	More than three years	Due in next day	Non-bearing interest	Total
Financial liabilities								
Due to banks	113,819	19,425,466	--	--	--	--	444,320	**19,983,605**
Customers' deposits	46,328,003	23,057,827	48,461,643	79,325,614	13,375,039	35,335,773	4,300,442	**250,184,341**
Other loans	783,301	6,936,781	3,415,136	2,353,339	1,546,129	--	2,946,400	**17,981,086**
Total financial liabilities	**47,225,123**	**49,420,074**	**51,876,779**	**81,678,953**	**14,921,168**	**35,335,773**	**7,691,162**	**288,149,032**
Total interest re-pricing gap	**7,284,490**	**5,154,832**	**4,735,237**	**(31,858,105)**	**24,441,784**	**8,395,645**	**14,076,066**	**32,229,949**
As at 31 December 2021								
Total financial assets	**26,665,096**	**41,515,722**	**41,948,535**	**56,222,543**	**34,609,016**	**31,888,178**	**21,539,200**	**254,388,290**
Total financial liabilities	**28,834,686**	**44,256,289**	**38,165,760**	**71,905,629**	**16,491,390**	**25,058,189**	**2,893,502**	**227,605,445**
Total interest re-pricing gap	**(2,169,590)**	**(2,740,567)**	**3,782,775**	**(15,683,086)**	**18,117,626**	**6,829,989**	**18,645,698**	**26,782,845**

C. liquidity Risk

Liquidity risk occurs when the Bank does not have sufficient financial resources to meet its obligations arising from its financial liabilities as they fall due or to replace funds when they are withdrawn. Consequently, the bank may fail to meet obligations to repay depositors and fulfill lending commitments.

C/1. Liquidity risk management

Monitoring liquidity risk includes the following:

- Day-to-day funding, managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in global money markets to confirm that this goal is achieved.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow;
- Monitoring the liquidity ratios against internal and regulatory requirements by the Central Bank of Egypt.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those assets projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Risk Management Department also monitors unmatched medium-term assets, the level and type of un-drawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees

C/2. Funding approach

Sources of liquidity are regularly reviewed jointly by the Bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification within currencies, geographical area, depositors, products and tenors.

C/3. Non-derivative cash flows

The following table presents the undiscounted cash flows payable by the Bank under non-derivative financial liabilities, measured by the remaining contractual maturities and the amounts in the table represent the undiscounted contractual cash flows, while the bank manages the liquidity risk on the basis of the expected undiscounted cash flows, not contractual.

31 December 2022	Up to 1 month	More than One to Three Months	More than Three months to one year	More than One year to Three years	Over Three Years	Total
Financial liabilities						
Due to banks	558,420	19,640,999	65,611	--	--	20,265,030
Customers' deposits	60,631,693	25,665,897	50,566,550	95,706,620	42,914,378	275,485,138
Other loans	104,739	1,064,929	2,826,723	7,119,841	11,825,256	22,941,488
Total liabilities according to (contractual maturity dates)	**61,294,852**	**46,371,825**	**53,458,884**	**102,826,461**	**54,739,634**	**318,691,656**
Total assets according to (contractual maturity dates)	86,974,467	28,586,350	81,197,967	95,193,970	94,914,754	386,867,508

31 December 2022	Up to 1 month	More than One to Three Months	More than Three months to one year	More than One year to Three years	Over Three Years	Total
Financial liabilities						
Due to banks	4,215,369	10,617,431	2,684,826	249,059	161,832	17,928,517
Customers' deposits	32,777,607	22,977,810	40,135,066	86,286,044	37,487,187	219,663,714
Other loans	115,783	268,895	1,625,828	4,383,151	6,607,741	13,001,398
Total liabilities according to (contractual maturity dates)	**37,108,759**	**33,864,136**	**44,445,720**	**90,918,254**	**44,256,760**	**250,593,629**
Total assets according to (contractual maturity dates)	**55,205,751**	**21,094,338**	**61,942,929**	**94,198,890**	**75,581,738**	**308,023,646**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from the Central Bank of Egypt and due from banks, treasury bills and other governmental notes, loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources.

D. Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the financial position at their fair value:

	Book Value		Fair Value	
	Current year 31 December 2022	Compared year 31 December 2021	Current year 31 December 2022	Compared year 31 December 2021
Financial assets				
Due from banks	56,246,429	33,325,402	56,269,034	33,423,866
Loans to banks	6,276,500	3,132,840	6,276,500	3,132,840
Loans to customers				
- Retail	54,238,246	44,085,624	54,187,438	44,085,450
- Corporate	79,979,216	62,949,236	79,979,216	62,949,236
Financial investments				
- At amortized cost	55,081,755	42,760,648	53,112,414	42,885,945
Financial liabilities				
Due to banks	19,983,605	17,623,787	19,966,827	17,651,781
Customers' deposits:				
- Retail	135,043,629	121,949,192	146,471,016	135,698,045
- Corporate	115,140,712	76,328,881	115,143,423	76,367,344
Other loans	17,981,086	11,697,507	17,981,086	11,697,507

D/1. Financial instruments measured at fair value

Classified financial assets are measured as financial assets for the purpose of trading at fair value, with differences in fair value being included in the income statement within the net income from trading. "Also, debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with fair value included The fair value of other comprehensive income statement is included in the fair value reserve.

For investments in equity instruments are restricted stock measuring Stock Exchange securities at fair value, according to the prices of the stated stock exchange in the history of separate financial statements As for the shares of unrestricted stock exchange "with the exception of investment strategy are assessed in one of the accepted technical methods discounted cash flow method, multiples value method and the inclusion of Valuation differences in other comprehensive income are included Fair value reserve; for strategic investments, the nominal cost or value is the fair value of those investments.

D/2. Financial instruments not measured at fair value

Financial investments at amortized cost

Financial investments at amortized cost include governmental securities and not quoted in active market. The fair value of these governmental securities at amortized cost and listed is disclosed based on its quoted price at the end of each financial period.

E. Capital management

The capital adequacy standard is prepared according to the requirements of Basel II based on the decision of the Board of Directors of the Central Bank of Egypt in its session held on December 18, 2012, which was issued on December 24, 2012 as well as in accordance with the instructions of the Central Bank of Egypt regarding the capital adequacy ratio (Basel II) issued during May-2019, as well as the decree of the Board of Directors of the Central Bank of Egypt which has been held on December 27, 2020 which was issued on January 4, 2021 Regarding the commitment of banks to apply the attached regularly instructions for managing operational risks using the standard approach instead of the basic indicator approach within the framework of implementing the final group of reforms for Basel III instructions, and for the purposes of capital management, the equity shown in financial position statement in addition to some other elements other than equity represents from the bank's viewpoint the components of the capital that it manages. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the bank's ability to continue as a going concern and enable it to continue to generate returns for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the bank's operations.

The bank management reviews the adequacy and uses of the capital according to the requirements of the regulatory authority represented in the Central Bank of Egypt, where the bank provides the required data and present it for the Central Bank of Egypt on a monthly basis through forms based on the guidelines of the Basel Committee for Banking Supervision, and the bank must adhere to the following rules according to The requirements of the Central Bank of Egypt:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital.
- optimizing the ratio between the total capital base / total assets and contingent liabilities weighted by credit, market and operating risk weights, after adding the requirements of the prudent pillar and the additional capital requirement for D-SIBs to become 12.75% (as Banque du Caire has become one of the banks of listed of importance locally).

The numerator of the capital adequacy standard consists of the following two tiers:

Tier One (Basic capital):

Tier one comprises of

1) Issued and paid-up capital (after deducting the book value of treasury shares).
2) Retained earnings (Retained losses).
3) The Outstanding reserves that the law, the bank's statute or the central bank's instructions provide for its formation after dividends, except for the general risk reserve and the special reserve, as well as deducting any goodwill previously recognized and any retained losses in addition to the other accumulated comprehensive income items, whether positive or negative
4) The additional core capital consists of (permanent, pre-accumulated preferred shares, quarterly interim profits / (losses), minority interest, the Difference between the present value and face value for subordinated time deposit
5) Items that are deducted from the tier one of the capital base (exclusions from financial and non-financial companies, investment funds, support loans granted from the bank to other firms, intangible assets, net future profits resulting from securitization operations, pension benefits, and deferred tax assets) As well as an item of elements that are not listed (fair value reserve balance for financial investments available for sale that have been reclassified to financial investments held to maturity) (if it is negative).

Tier Two (Supportive capital):
Consist of the following: -

6) The balance of the required provisions against debt instruments / loans, credit facilities and incidental liabilities included in the stage one to the maximum of 1.25% risk weighted assets and contingent liabilities with credit Risk weights.
7) Loans (subordinated deposits) within the prescribed percentage (50% of the first tranche after exclusions), the present value will be entered in full, provided that its consumption is taken into account at 20% of its value in each of the last five years for it.
8) 45% of the special reserve, 45% of the increase in the fair value over the book value of financial investments in subsidiary and associate companies.

The Denomination the capital adequacy ratio:

-Credit risk: The credit centers are listed after excluding the allocations required for the stage two and three and they are weighted according to the weight of the risks associated with each credit center, which reflects the credit risks associated with it, and taking into account the guarantees. The same treatment is used for amounts outside the statement of financial position after making adjustments to reflect the incidental nature and possible losses of these amounts

- Market risk:

- Banks must apply the standard method when calculating the capital requirement necessary to meet market risks through the cumulative construction of calculating the capital requirements for each type of market risk and then collect them to reach the total capital requirements needed to meet market risk as a whole in accordance with the central bank model.

Banks must determine their investment in the trading portfolio when calculating the capital requirement necessary to meet market risks.

- Financial instruments held for trading purposes must be free from any conditions that impede their circulation and be fully capable of covering them.

- Operational risk:

- Banks should use the standard method to calculate the capital requirements to meet the operational risks, as it is determined as a result of the weighted component of the business index multiplied in the internal losses multiplier.
- The risk-weighted assets of operational risks are calculated by multiplying the capital requirement for operational risks by 12.5 times to be included in the denominator of the capital adequacy ratio.

- The following table summarizes the components of the basic and supporting capital and the ratios of the capital adequacy criterion according to Basel II and III.

1. The capital adequacy ratio

	31 December 2022	31 December 2021
Tier 1 capital (continuous basic capital + additional basic capital)		
Issued and paid up capital	10,000,000	5,250,000
Capital increased amount	4,000,000	4,750,000
General reserve	187,291	187,291
Legal reserve	1,227,564	1,043,974
Other reserves	714,981	711,549
General risk reserve	68,481	68,481
Retained earnings	602,969	479,328
Profit for the year	3,052,170	3,632,868
Non-controlling interest	8,441	6,163
Difference between present value and face value for subordinated deposit	2,053,600	2,409,893
Total other comprehensive income items, accumulated	(578,588)	196,395
Total deductions from tier 1 capital common equity	(1,695,048)	(1,265,399)
Total tier 1 capital	**19,641,861**	**17,470,543**
Tier 2 capital (subordinated capital)		
Equal banking risk provisions	1,156,396	642,712
Subordinate deposits	6,505,344	3,533,109
45% of special reserve	--	20,291
45% of the Increase in fair value than book value for financial investments in associates companies	35,824	10,142
Total Tier 2	7,697,564	4,206,254
Total capital base after deductions	27,339,425	21,676,797
Risk weighted assets and contingent liabilities		
Total credit risk	160,981,679	123,861,409
Total market risk	6,342,380	1,303,525
Total operational risk	11,939,105	17,478,494
Total risk weighted assets and contingent liabilities	**179,263,164**	**142,643,428**
Capital adequacy ratio (%)	**15.25%**	**15.20%**

The capital adequacy ratio prepared based on consolidated Financial statements.

Leverage Ratio:

The Board of Directors of the Central Bank of Egypt issued, in its meeting on July 7, 2015, a decision approving the supervisory instructions for leverage, with the banks committing to the minimum prescribed percentage of (3%) as a binding supervisory ratio starting from 2018, in preparation for consideration of their consideration within the first pillar One of the decisions of Basel (the minimum capital adequacy standard) with the aim of preserving the strength and safety of the banking system and keeping abreast of international best practices in this regard.

The leverage reflects the relationship between the tier one of capital used in the capital adequacy standard (after exclusions), and the bank's assets (both on balance sheet and off balance sheet) are not weighted by risk weights.

Ratio components

(A) The numerator components:

The numerator of the ratio consists of the tier 1 of capital (after exclusions) used to extend the capital adequacy standard currently applied in accordance with the Central Bank of Egypt instructions.

(B) components of the denominator

The denominator of the ratio consists of all the assets of the bank inside and outside the budget according to the financial statements, which is called "bank exposures" and includes the following total:

1- Exposures within the financial statements after deducting some of the exclusions, the tier one of the capital base
2- Exposures resulting from derivative contracts
3- Exposures resulting from securities financing operations
4- Extra budgetary exposure (weighted by conversion factors)

The tables below summarize the leverage financial ratio:

2- Leverage Ratio

	31 December 2022	31 December 2021
Total tier 1 capital after deductions	19,641,861	17,470,543
Total on-balance sheet exposure	321,775,366	254,774,130
Total off balance sheet exposure	28,286,164	20,717,444
Total on and off balance sheet exposure	**350,061,530**	**275,491,574**
Leverage (%)	**5.61%**	**6.34%**

- According to letter of CBE on 11 Jan 2017, the board of directors of CBE's accepted on 28 December 2016 for the following decision: -

The bank applied the elimination of CBE subordinated deposits as well as the shareholders of the Bank in an exceptional manner with recognizing the difference in owner equity under the name "Different between the present value and Face value for subordinated deposit" and the deposit at the end of each financial period so that the value to the face value on the date of maturity and so on the above mentioned differences.

4. Significant accounting estimates and assumptions

The application of the accounting policies disclosed in Note No. (3) requires the bank to use the provisions of estimates and assumptions about the book values of some assets and liabilities that other sources are unable to provide. These estimates and their accompanying assumptions depend on historical experience and other related factors. Actual results may differ from these estimates. Assumptions and estimates are reviewed on an ongoing basis and accounting changes and accounting estimates are recognized either in the period during which the change occurs if their impact is limited to that period only, or in the period in which the change and future periods occur if the change in the accounting estimate affects both the current and subsequent periods. The following is a summary of the most important assumptions related to the future and unconfirmed sources of information at the end of the financial period, which are of great risk to lead to a fundamental adjustment to the book values of assets and liabilities during the next financial period.

a. Impairment losses for loans and advances (Expected credit loss)

- The Bank reviews the portfolio of loans and advances at least quarterly; The Bank uses discretionary judgment on determining whether it is necessary to record impairment loss in the income statement. The Bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis.
- This evidence include data indicating negative changes in a borrower's portfolio ability to repay to the Bank or local or economic circumstances related to default. On scheduling future cash flows the management uses the past experience to determine the credit impairment loss for assets when there is objective evidence of impairment similar to that of the portfolio.
- The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on experience

b. Fair value of derivatives

- The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (as models) are used to determine fair values, they are validated and Periodicity reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. The financial derivatives at the end of the current financial period or the end of the previous year are not considered of relative importance for the items of the financial position list on these dates.

c. Investments at amortized cost

- Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified at Amortized cost as its business model to held the asset to collect Contractual cash flows

d. Income taxes

- The bank's profits subject to income tax therefor the bank uses essential estimations to determine the total tax burden for income. as there's difficult to determine the final tax for some transactions so the bank records tax liability as per according to probability of arising additional tax while tax examination. When there is a discrepancy between the final result of the Tax Authority and the amounts previously recorded, then these discrepancies will affect the income tax and deferred tax provision for the period, in which the discrepancy has been identified.

5. Segment analysis

A) Segment activity

Segment activity involves operating activities; assets used in providing banking services, and risk and return management associated with this activity, which might differ from other activities. Segment analysis for the banking operations involves the following:

Large, medium, and small enterprises:

Includes current accounts, deposits, overdraft accounts, loans, credit facilities, and financial derivatives activities.

Investment:

Includes mergers, purchase of investments and financing the restructuring of companies and financial instruments

Retail:

Includes current account, saving accounts, deposits, credit card, personal loans, and mortgage loans activities,

Other activities:

Includes other banking operations, such money management

B) geographical segment

	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Assets & Liabilities according to geographical segments at 31 December 2022				
Geographical Segments Assets	270,069,675	35,408,793	16,108,532	**321,587,000**
Geographical Segments Liabilities	196,254,426	80,641,677	22,211,533	**299,107,636**
Geographical Segments Of Other Items				
Depreciation at 31 December 2022				473,786
Profit before tax				5,594,769
Tax				(2,454,856)
Net profit for the year				**3,139,913**

	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Assets & Liabilities according to geographical segments at 31 December 2021- Restated				
Geographical Segments Assets	215,582,983	27,099,131	12,454,372	**255,136,486**
Geographical Segments Liabilities	144,711,175	70,807,569	20,385,165	**235,903,909**
Geographical Segments Of Other Items				
Depreciation at 31 December 2021				363,998
Profit before tax				5,698,175
Tax				(2,157,092)
Net profit for the year				**3,541,083**

6. Net interest income

	31 December 2022	31 December 2021
Interest income from loans and similar income:		
Loans and advances :		
- banks	135,829	40,574
- customers	15,178,124	11,510,152
Total	**15,313,953**	**11,550,726**
Deposits and current accounts	2,407,364	1,330,154
Investments in debt instrument at fair value through other comprehensive income and amortized cost	11,975,354	10,008,425
Total	**29,696,671**	**22,889,305**
Interest expense of deposits and similar expense:		
Deposits and current accounts:		
- banks	(717,987)	(375,217)
- customers	(15,547,104)	(11,885,600)
Total	**(16,265,091)**	**(12,260,817)**
Other loans	(638,127)	(266,084)
Total	**(16,903,218)**	**(12,526,901)**
Net	**12,793,453**	**10,362,404**

7. Net fee and commission income

	31 December 2022	31 December 2021
Fee and commission income:		
Fee and commission related to credit	1,634,296	1,328,134
Trust and custody fees	23,181	22,915
Other fees	1,006,070	788,475
	2,663,547	**2,139,524**
Fees and commission expense:		
Other fees	(190,764)	(154,954)
Total	**(190,764)**	**(154,954)**
Net	**2,472,783**	**1,984,570**

8. Dividend income

	31 December 2022	31 December 2021
Securities at fair value through other comprehensive income	112,058	62,700
Subsidiary and Associate companies	57,544	41,496
Total	**169,602**	**104,196**

9. Net trading income

	31 December 2022	31 December 2021
Debt instruments for trading	43,968	22,379
Valuation Differences in investment at fair value through profit and loss	1,334	5,194
Valuation Differences in Currency forward Contracts	73,002	(3,739)
Gains from foreign currencies contracts	170	--
Total	**118,474**	**23,834**

10. Administrative expense

	31 December 2022	31 December 2021
Employees cost		
Wages and salaries*	(3,096,008)	(2,741,595)
Social insurance	(162,672)	(142,106)
Other retirement benefit (Note 31)	(297,186)	(306,575)
	(3,555,866)	**(3,190,276)**
Other administrative expenses	(3,140,627)	(2,418,011)
Total	**(6,696,493)**	**(5,608,287)**

*The current year and comparative figures includes EGP 15,000 thousand representing the Bank's share in the contributions of the Bank's Special Insurance fund (3,750 thousand every Three months).

11. Other operating revenues (expenses)

	31 December 2022	31 December 2021
Gains of translated monetary assets and liabilities in foreign currencies other than classified as held for trading items	(1,201,475)	214,439
Gains of sale property and equipment	30,386	3,432
Reverse impairment of assets and other provisions (note : 23&29)	26,353	100,064
Charge impairment of assets and other provisions (note : 23&29)	(316,919)	(238,798)
Other	52,789	18,604
Total	**(1,408,866)**	**97,741**

12. (charged) reversed of expected credit losses

	31 December 2022	31 December 2021
Loans and advances to customers	(2,047,944)	(1,570,820)
Due from Banks	(6,276)	5,568
Financial investments at fair value through OCI	(9,366)	76,887
Loans and advances to banks	7,670	(11,493)
Total	**(2,055,916)**	**(1,499,858)**

13. Income tax expense

	31 December 2022	31 December 2021 Restated
Current tax	(2,807,042)	(2,147,677)
Deferred tax	352,186	(9,415)
Total	**(2,454,856)**	**(2,157,092)**
Profit before income tax	5,594,769	5,698,175
Tax Rate	22.50%	22.50%
Income tax calculated on accounting profit	**1,258,823**	**1,282,089**
Expenses are not deductible	1,196,033	875,003
Net tax	**2,454,856**	**2,157,092**
Effective tax rate	**43.88%**	**37.86%**

14. The weighted / basic earnings per share from net profit for the year

The earnings per share is calculated by dividing the profit of shareholder equity by weighted average of common stock issued during the year.

	31 December 2022	31 December 2021 Restated
Net Profit available for distribution		
Net profit for the year (note : 34)	1,997,913	2,673,083
The weighted / common number of shares	2,976,370	2,625,000
The weighted / basic earnings per share	**0.67**	**1.02**

15. Cash and balances at Central Bank

	31 December 2022	31 December 2021
Cash*	5,974,829	6,335,944
Balances at Central Bank within the mandatory reserve ratio	13,516,311	12,726,021
Total	**19,491,140**	**19,061,965**
Non-interest bearing balances	**19,491,140**	**19,061,965**

*The Cash balance include foreign currencies banknote for exports amounted to EGP 122 million as of 31 December 2022 (31 December 2021: EGP 873 million).

16. Due from banks

	31 December 2022	31 December 2021
Current Accounts	1,095,719	517,901
Deposits	55,150,710	32,807,501
ECL provision for due from banks	(13,465)	(3,752)
Net	**56,232,964**	**33,321,650**
Central Bank	28,217,105	16,391,387
Local Banks	23,086,404	13,165,787
Foreign Banks	4,942,920	3,768,228
ECL provision for due from banks	(13,465)	(3,752)
Net	**56,232,964**	**33,321,650**
Non-interest bearing balances	1,095,719	517,901
Balances with fixed interest	55,150,710	32,807,501
ECL provision for due from banks	(13,465)	(3,752)
Net	**56,232,964**	**33,321,650**
Current balances	**56,232,964**	**33,321,650**

An analysis of the movement in the ECL provision for Due from banks during the year.

	31 December 2022	31 December 2021
Balance at the beginning of the year	3,752	9,334
Charged (reversed) ECL during year	6,276	(5,568)
Foreign currencies translation differences of provisions during year	3,437	(14)
Balance at the end of the year	**13,465**	**3,752**

17. Loans and advances to banks

	31 December 2022	31 December 2021 Restated
Term Loans	6,276,500	3,132,840
Total	**6,276,500**	**3,132,840**
Less: Expected credit loss provision	(19,343)	(18,935)
Net loans and advances to banks	**6,257,157**	**3,113,905**
Current balances	6,276,500	2,842,081
Non-Current balances	--	290,759
Total	**6,276,500**	**3,132,840**

An analysis of the movement in the ECL provision for loans and advances to banks during the year:

	31 December 2022	31 December 2021
Balance at the beginning of the year	18,935	7,438
(Reversed) Charged ECL during year	(7,670)	11,493
Foreign currencies translation differences of provisions during the year	8,078	4
Balance at the end of the year	**19,343**	**18,935**

18. Loans and advances to customers

	31 December 2022	31 December 2021
Retail		
Overdraft accounts	2,084,480	1,348,188
Credit cards	1,010,859	683,774
Personal loans	47,856,164	39,358,684
Mortgage loans	3,286,743	2,694,978
Total	**54,238,246**	**44,085,624**
Corporate including small loans for economic activities		
Overdraft accounts	43,013,560	31,845,136
Direct loans	17,150,420	15,867,683
Syndicated loans	19,092,471	14,601,116
Discount documents	722,765	635,301
Total	**79,979,216**	**62,949,236**
Total loans and advances to customers	**134,217,462**	**107,034,860**
Expected credit loss provision	(10,265,302)	(7,896,612)
Unearned discount of documents	(37,094)	(25,844)
Net loans and advances to customers	**123,915,066**	**99,112,404**
Total is distributed as follow:-		
Current balances	55,286,080	39,205,710
Non-current balances	78,931,382	67,829,150
Total	**134,217,462**	**107,034,860**

An analysis of the movement on the ECL provision for loans and advances to customers during the year:

	31 December 2022	31 December 2021
Balance at the beginning of the year	7,896,612	6,784,754
Expected credit loss charged during the year	2,047,944	1,570,820
provision utilized from written off during the year	(1,138,647)	(496,238)
Proceeds from written off debts during the year	131,892	43,222
Foreign currencies translation of provisions differences during year	1,327,501	(5,946)
Balance at the end of the year	**10,265,302**	**7,896,612**

	31 December 2022			31 December 2021		
	Corporate	Retail	Total	Corporate	Retail	Total
Balance at the beginning of the year	6,001,348	1,895,264	7,896,612	5,232,313	1,552,441	6,784,754
Expected credit loss charged during the year	1,483,054	564,890	2,047,944	793,216	777,604	1,570,820
Provision utilized from written off during the year	(365,520)	(773,127)	(1,138,647)	(18,889)	(477,349)	(496,238)
Proceeds from written off debts during the year	1,553	130,339	131,892	654	42,568	43,222
Foreign currencies translation differences of provisions during the year	1,327,434	67	1,327,501	(5,946)	--	(5,946)
Balance at the end of the year	**8,447,869**	**1,817,433**	**10,265,302**	**6,001,348**	**1,895,264**	**7,896,612**

19. Financial derivatives

	31 December 2022		
	Contractual amount / default	Asset	Liabilities
Derivatives held for trading			
Currency forwards	133,437	59,464	--
Total	**133,437**	**59,464**	**--**

	31 December 2021		
	Contractual amount / default	Asset	Liabilities
Derivatives held for trading			
Currency forwards	277,067	1,479	6,078
Total	**277,067**	**1,479**	**6,078**

20. Financial investment

Financial investments at fair value through other comprehensive income 31 December 2022 31 December 2021

	31 December 2022	31 December 2021
a) Debt Instruments		
- Listed (at fair value-Level 2)	12,562,202	21,949,948
b) Treasury bills unlisted		
- Treasury bills at fair value – local currency (Level 2)*	22,982,275	16,024,966
- Treasury bills– foreign currency	9,671,158	7,762,635
Total Treasury bills at fair value	**32,653,433**	**23,787,601**
c) Equity instruments		
- Listed (at fair value- Level 1)	66,918	1,327,745
- Unlisted (at cost)**	1,972,248	431,100
d) Investment Certificates		
- Unlisted Certificate – recoverable amount (at fair value- Level 1)	176,542	200,488
Total financial investments at fair value through other comprehensive income (1)	**47,431,343**	**47,696,882**
Financial investments at amortized cost		
a) Debt Instruments-at amortized cost		
- Listed	54,975,343	42,559,238
- Unlisted***	56,113	56,113
Total financial investments at amortized cost (2)	**55,031,456**	**42,615,351**
Financial investments at fair value through profit and loss		
Investment Certificates		
- Unlisted Certificate – recoverable amount (at fair value- Level 1)	--	58,103
Total financial investments at fair value through profit and loss (3)	**--**	**58,103**
Total financial investments (1)+(2)+(3)	**102,462,799**	**90,370,336**
Current balances	45,717,054	35,082,866
Non-current balances	56,745,745	55,287,470
Total	**102,462,799**	**90,370,336**
Fixed interest debt instruments	87,450,704	84,001,638
floating interest debt instruments	11,196,686	3,396,560
Without interest debt instruments	1,599,701	954,702
Total	**100,247,091**	**88,352,900**

* Treasury bills at fair value – local currency includes mortgaged treasury bills for Central Bank of Egypt due to Mortgage, Machines and equipment and its face value amounted to EGP 1,752,450 thousands as of 31 December 2022 (31 December 2021: EGP 1,948,075 thousands).

** The following are the financial investments - unlisted equity instruments at cost:

	31 December 2022	31 December 2021
African export – import bank	1,805,095	314,343
Misr – Europe Bank	84,218	84,218
Arab Financial services company	2,420	2,420
Credit guarantee company	1,364	1,364
Taba Tourism development Co.	2,250	2,250
I-Score company	1,848	1,848
Misr for central clearing	137	137
Arab trade financing program –ATFP	11,028	11,028
Other companies	63,888	13,492
Total	**1,972,248**	**431,100**

African export – import bank

- The bank is unlisted.
- The main purpose of establishing the bank is funding and facilitating the trading business between African countries and the rest of the world countries, which makes it difficult to find similar listed banks.
- The bank owns a small share in African export – import bank (4.68%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The bank achieves positive net profit and net equity according to its financial statements, which are reflecting the absence of any indicators of impairment in the investment value.

Misr – Europe Bank

- The bank is unlisted
- The main purpose of establishing the bank is to organize the trade with middle Europe countries and Egypt, the bank has only one branch that makes it difficult to find similar listed banks.
- The bank owns a small share in Egypt Europe bank (10%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The Net equity for the bank is Positive according to its financial statement, which is reflecting the absence of any indicators of impairment in the investment value.

Arab trade financing program – ATFP

- Arab trade financing program is unlisted.
- Arab trade financing program aims to enhance and develops Arab trading, in addition to improve the competitive abilities of Arab exporters. This goal has been achieved by provide funding in the form of credit lines for exporters and importers to the member's countries through local organizations that has been designated by the central bank or any other concerned organization in Arab countries.
- The bank owns a small share in Arab trade financing program (0.33%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The bank achieves positive net profit and net equity according to its financial statements, which are reflecting the absence of any indicators of impairment in the investment value.

*** Amount paid to the ministry of finance prepaid for the purchase of treasury bonds, in accordance with the presidential decision No, 1112 for year 1974 which stated that 5% from distribution net profit to the public sector should be invested in governmental bonds or deposit it in an account in the ministry of finance, it was deposited in an account in the ministry of finance with 3.5% interest annual, executing of this decision.

The following movements on financial investments through the year:

	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance of 01 January 2022	47,696,882	42,615,351	90,312,233
Additions	187,089,681	9,893,064	196,982,745
Disposals (sales / redemption)	(176,608,638)	(10,970,245)	(187,578,883)
Reclassification of bonds from financial investments at FVTOCI to financial investments at amortized cost	(13,557,801)	13,557,801	--
Translation differences resulting from monetary assets	4,968,437	--	4,968,437
Net changes	(1,311,570)	--	(1,311,570)
Transferred to retained earnings	(5,022)	--	(5,022)
Amortization of (premium) / discount of issuance	(840,626)	(64,515)	(905,141)
Balance as at 31 December 2022	**47,431,343**	**55,031,456**	**102,462,799**

	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance of 01 January 2021	52,715,894	20,720,233	73,436,127
Additions	150,843,627	25,597,907	176,441,534
Disposals (sales / redemption)	(155,537,571)	(3,704,258)	(159,241,829)
Translation differences resulting from monetary assets	(75,912)	--	(75,912)
Net changes	117,802	--	117,802
Amortization of (premium) / discount of issuance	(366,958)	1,469	(365,489)
Balance as at 31 December 2021	**47,696,882**	**42,615,351**	**90,312,233**

Gains from financial investments

	31 December 2022	31 December 2021
Gain from selling Treasury bills	50,589	53,970
Gain from selling debt instruments at fair value through OCI	140,964	168,955
Reverse impairment of associates	10,179	9,565
Gain from selling associate companies	--	1,085
Total	**201,732**	**233,575**

21. Investment in Subsidiary and Associate Companies

31 December 2022 Company	Currency	Country of residence	Year	Assets	Liabilities	Revenues	Profit/ (Loss)	Share %	Value of the investment in EGP
Cairo Bank Uganda	USHS	Uganda	12/2022	1,815,746	1,280,010	157,774	(39,670)	99.99	391,803
Cairo leasing Company	EGP	Egypt	12/2022	3,399,817	2,977,937	462,071	62,115	97.99	342,997
Tally for digital and electronic payments company	EGP	Egypt	12/2022	457,318	34,366	23,883	(67,970)	99.99	500,000
Cairo Exchange Company*	EGP	Egypt	--	--	--	--	--	99.99	100,000
Guards company for Security and guarding	EGP	Egypt	12/2022	21,987	10,189	55,502	3,296	40	2,880
Nile Holding Company for Development and Investment	EGP	Egypt	12/2022	345,023	951	10,722	1,018	33.33	50,000
Financial Sector Mutual Fund	EGP	Egypt	12/2022	171,948	2,800	53,513	39,788	46.28	78,273
Egy Serv for Postal Services	EGP	Egypt	12/2022	173,702	94,990	442,564	37,165	40	72,320
Misr for investment and export development*	EGP	Egypt	--	--	--	--	--	20	12,500
NClude Fintech Innovation Fund	USD	UAE	12/2022	761,742	55,982	--	(52,670)	23.81	139,461
Misr real-estate fund 1*	EGP	Egypt	--	--	--	--	--	27.8	100,010
Total				**7,147,283**	**4,457,225**	**1,206,029**	**(16.928)**	**--**	**1,790,244**

*Established during the year 2022.

31 December 2021 Company	Currency	Country of residence	Year	Assets	Liabilities	Revenues	Profit/ (Loss)	Share %	Value of the investment in EGP
Cairo Bank Uganda	USHS	Uganda	12/2021	1,022,747	767,692	131,958	(10,710)	99.99	237,811
Cairo leasing Company	EGP	Egypt	12/2021	2,515,439	2,207,253	888,056	45,312	97.99	244,998
Tally for digital and electronic payments company	EGP	Egypt	12/2021	198,343	7,207	--	(8,864)	99.99	200,000
Guards company for Security and guarding	EGP	Egypt	12/2021	20,658	9,788	41,861	3,124	40	2,880
Nile Holding Company for Development and Investment	EGP	Egypt	12/2021	257,053	976	9,391	750	33.33	50,000
Financial Sector Mutual Fund	EGP	Egypt	12/2021	151,929	4,777	30,581	20,682	46.28	68,093
Egy Serv for Postal Services	EGP	Egypt	12/2021	161,570	79,452	373,028	36,450	40	72,320
Total				**4,327,739**	**3,077,145**	**1,474,875**	**86,744**	**--**	**876,102**

-The following table shows the structure of subsidiaries & associates shareholders at 31 December 2022:

Company	Cairo Bank Uganda	Cairo Leasing Company	Guards company for security and guarding	Nile Holding Company	Financial Sector Mutual Fund	Egy Service for Postal Services	Misr for investment and export development	Tally for digital and electronic payments company	Cairo exchange Company	NClude Fintech Innovation Fund	Misr real-estate fund 1
	%	%	%	%	%	%	%	%	%	%	%
Banque Du Caire	99.99	97.99	40	33.33	46.28	40	20	99.99	99.99	23.81	27.8
National Bank of Egypt	--	--	--	33.33	--	40	20	--	--	28,57	--
Banque Misr	--	--	--	33.34	--	--	20	--	--	28,57	27.8
Egyptian Export Development Bank	--	--	--	--	--	--	20	--	--	--	--
Arab African Bank	--	--	--	--	--	--	20	--	--	--	--
Misr Insurance Co.	--	--	--	--	24.26	--	--	--	--	--	--
Misr Life Insurance Company	--	--	--	--	29.46	--	--	--	--	--	27.8
National Security Sector	--	--	30	--	--	--	--	--	--	--	--
Insurance Fund for employee at Banque du Caire	--	2	20	--	--	--	--	--	0.005	--	--
Al Baraka bank	--	--	10	--	--	--	--	--	--	--	--
Cairo leasing	--	--	--	--	--	--	--	--	0.005	--	--
Other (Individuals and Corporate)	0.01	0.01	--	--	--	20	--	0.01	--	19.05	16.6
Total	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100 %**	**100%**	**100 %**	**100%**	**100%**	**100%**

22. Intangible Assets

Intangible assets represent the Bank's computer software programs as following:

	31 December 2022	31 December 2021
Beginning balance of the year		
Cost	400,013	282,795
Accumulated amortization	(222,144)	(143,909)
Net book value at the beginning of the year	**177,869**	**138,886**
Additions during the year	134,323	117,218
Amortization for the year	(113,521)	(78,235)
Net book value at the end of the year	**198,671**	**177,869**

23. Other Assets

	31 December 2022	31 December 2021 Restated
Accrued revenues	4,134,292	3,089,857
Prepaid expenses	360,651	356,004
Advanced payments under purchase of property and equipment	2,055,254	1,697,568
Assets reverted to the bank in settlement of debts	214,850	6,835
Insurance and custodies	104,386	34,125
Clearing transactions	845,998	443,190
Tax authority	181,242	184,994
Other debit balances	1,105,800	1,512,059
Impairment Provision for other assets	(208,239)	(218,000)
Total	**8,794,234**	**7,106,632**

An analysis of the movement on impairment provision for other assets during the year as following:

	31 December 2022	31 December 2021
Balance at the beginning of the year	**218,000**	**212,868**
Impairment charged at income statement of the year	53,956	1,230
Reversed during the year	--	(404)
Provision utilized during the year	(63,725)	(1,286)
Proceeds during the year	5	5,592
Foreign currencies exchange differences of provisions during the year	3	--
Balance at the end of year	**208,239**	**218,000**

24. Property and equipment

	Land	Buildings & Con-structions	Integrated automated systems	Vehicles	Machinery & Equip-ment	Furniture	Fixtures & fittings	Fixtures & fittings rental	Total
Balances at 01/01/2021									
Cost	292,241	535,120	936,840	55,201	72,598	192,357	404,841	164,721	2,653,919
Accumulated depreci-ation	--	(361,959)	(564,501)	(41,812)	(45,497)	(110,169)	(177,997)	(39,543)	(1,341,478)
Net book value	**292,241**	**173,161**	**372,339**	**13,389**	**27,101**	**82,188**	**226,844**	**125,178**	**1,312,441**
Additions	13,413	67,509	198,016	2,393	1,970	56,323	195,729	53,351	588,704
Adjustments	--	--	--	--	--	--	(1,588)	--	(1,588)
Transfers*	8,056	(8,056)	--	--	--	1,372	(1,372)	--	--
Disposals	--	(181)	(14,528)	(1,157)	(982)	(2,347)	(155)	--	(19,350)
Disposals' accumulated depreciation	--	181	14,476	1,132	982	2,334	155	--	19,260
Transfers' accumulated depreciation	--	--	--	--	--	(23)	23	--	--
Adjustments	--	--	--	--	--	--	543	--	543
Depreciation	--	(14,958)	(127,042)	(7,351)	(7,444)	(29,979)	(66,380)	(35,946)	(289,100)
Net book value at 31 December 2021	**313,710**	**217,656**	**443,261**	**8,406**	**21,627**	**109,868**	**353,799**	**142,583**	**1,610,910**
Balances at 01/01/2022									
Cost	313,710	594,392	1,120,328	56,437	73,586	247,705	597,455	218,072	3,221,685
Accumulated depreci-ation	--	(376,736)	(677,067)	(48,031)	(51,959)	(137,837)	(243,656)	(75,489)	(1,610,775)
Net book value	**313,710**	**217,656**	**443,261**	**8,406**	**21,627**	**109,868**	**353,799**	**142,583**	**1,610,910**
Net book value at 01/01/2022	313,710	217,656	443,261	8,406	21,627	109,868	353,799	142,583	1,610,910
Additions	533	82,452	121,600	--	74,963	28,052	68,223	69,757	445,580
Transfers*	--	--	698	--	7,831	4,910	(8,329)	(5,110)	--
Disposals	(6,827)	(799)	(9,367)	(3,512)	(1,573)	(5,709)	(3,459)	(105)	(31,351)
Disposals' accumulated depreciation	--	799	9,333	3,512	1,568	5,690	3,354	105	24,361
Transfers' accumulated depreciation	--	--	(113)	--	(1,165)	(655)	1,865	68	--
Depreciation	--	(16,631)	(158,697)	(5,771)	(23,907)	(37,826)	(81,384)	(38,140)	(362,356)
Net book value at 31 December 2022	**307,416**	**283,477**	**406,715**	**2,635**	**79,344**	**104,330**	**334,069**	**169,158**	**1,687,144**
Balances at 31 December 2022									
Cost	307,416	676,045	1,233,259	52,925	154,807	274,958	653,890	282,614	3,635,914
Accumulated depreci-ation	--	(392,568)	(826,544)	(50,290)	(75,463)	(170,628)	(319,821)	(113,456)	(1,948,770)
Net book value	**307,416**	**283,477**	**406,715**	**2,635**	**79,344**	**104,330**	**334,069**	**169,158**	**1,687,144**

* Represents transfers among categories.

- Property and equipment include specifically (land & buildings) unregistered assets by an amount EGP 336,138 thousand, legal procedures are being undertaken to register them.
- The cost of depreciation includes amount by EGP 2,731 thousand this value was charged to the deferred revenue account, and represents the cost of depreciation of the gifted asset to the bank.

25. Due to Banks

	31 December 2022	31 December 2021
Current accounts	444,319	645,087
Deposits	19,539,286	16,978,700
Total	**19,983,605**	**17,623,787**
Central Bank	1,587,969	1,681,015
Local Banks	3,012,290	4,714,441
Foreign Banks	15,383,346	11,228,331
Total	**19,983,605**	**17,623,787**
Non-interest bearing balances	444,319	645,087
Balances with Fixed interest	19,539,286	16,978,700
Total	**19,983,605**	**17,623,787**
Current balances	**19,983,605**	**17,623,787**

26. Customers' deposits

	31 December 2022	31 December 2021
Demand deposits	50,286,509	27,127,246
Term and notice deposits	77,676,788	59,605,205
Certificates of Savings and deposits	85,635,999	73,912,837
Saving deposits	32,284,591	35,384,369
Other deposits	4,300,454	2,248,416
Total	**250,184,341**	**198,278,073**
Corporate deposits	115,140,712	76,328,881
Retail deposits	135,043,629	121,949,192
Total	**250,184,341**	**198,278,073**
Non-interest bearing balances	41,455,821	23,992,482
Balances with fixed interest	208,728,520	174,285,591
Total	**250,184,341**	**198,278,073**

27. Other loans

	Currency	31 December 2022	31 December 2021
The Medium, Small and Micro Enterprise Development Agency Loan	EGP	1,729,095	1,712,693
Arabic Trade financing program	US Dollar	627,864	7,858
Arab economic development fund loan-Kuwait	US Dollar	1,138,196	785,835
Green for growth fund	US Dollar	224,940	157,167
European bank for investments	US Dollar	2,199,413	1,571,670
European bank for reconstruction and development	US Dollar	1,060,431	785,835
African Export Import Bank	US Dollar	4,020,803	3,143,340
Saudi development Fund	EGP	75,000	--
P.V of CBE subordinated deposit*	EGP	1,111,233	944,926
P.V of Banque Misr subordinated deposit**	EGP	1,835,167	1,645,181
Green for growth fund (subordinated loan)	US Dollar	742,302	471,501
Sanad fund for MSME (subordinated loan)	US Dollar	742,302	471,501
European bank for reconstruction & development (subordinated loan)	US Dollar	1,237,170	--
British international investment (subordinated loan)	US Dollar	1,237,170	--
Total		**17,981,086**	**11,697,507**
Current balances		554,410	539,206
Non- current balances		17,426,676	11,158,301
Total		**17,981,086**	**11,697,507**

* Banque Du Caire has been granted a subordinated deposit from CBE by amount EGP 2 Billion for 10 years without any interest or commission to meet the requirements of capital adequacy standard from 23/8/2016 due to 22/8/2026.

** Banque Du Caire has been granted a subordinated deposit from Banque Misr by amount EGP 3 Billion for 7 years from 30/06/2020 due to 29/06/2027 to support the bank's capital base.

28. Other Liabilities

	31 December 2022	31 December 2021
Accrued interest	1,428,015	988,098
Prepaid revenues	159,446	128,375
Accrued expenses	312,372	268,395
Clearing transactions	3,088,527	1,983,551
Tax authority	839,553	654,740
Creditors banknote- export foreign currencies	79,024	468,725
Creditors	55,226	100,170
Other credit balances	1,769,206	1,392,499
Total	**7,731,369**	**5,984,553**

29. Other Provisions

	31 December 2022	31 December 2021
Balance at the beginning of year	668,433	584,546
Foreign currency exchange	125,879	(2,217)
Provision charged to income statement during the year	262,963	237,568
Reversed during the year	(26,353)	(99,660)
Utilized during the year	(10,332)	(73,453)
Proceed during the year	--	21,649
Balance at the end of the year	**1,020,590**	**668,433**

Other provisions details:	31 December 2022	31 December 2021
Provision for operation risks	6,565	6,716
Provision for legal claims	281,833	209,455
Provision for other claims	147,012	81,317
Provision for tax	100,821	106,550
Expected credit losses Provision for contingent liabilities-corporate	429,184	239,943
Expected credit losses Provision for contingent liabilities-SMEs	21,856	21,100
Expected credit losses Provision for contingent liabilities-Due from Banks	33,319	3,352
Total	**1,020,590**	**668,433**

30. Deferred income tax

Deferred income tax was fully recognized on the temporary difference according to the obligation method using tax rate 22.5%.

Clearing is made between deferred assets and liabilities if the bank has legal rights to make clearing between deferred tax assets and liabilities if they both have to be settled with the same tax administration.

Deferred tax assets (liabilities)

Deferred tax assets and liabilities resulting from temporary differences attributable to the following:

	Deferred tax assets	Deferred tax liabilities
	31 December 2022	31 December 2022
Property and equipment and other items	--	(128,380)
provisions (other than ECL provision for loan) and other items	698,117	--
Total deferred tax assets (liabilities)	**698,117**	**(128,380)**
Net deferred tax assets (liabilities)	**569,737**	**--**

Movement during the year	31 December 2022	31 December 2022
Balance at the beginning of year	383,234	(173,183)
Additions / disposal	314,883	44,803
Balance at the end of year	**698,117**	**(128,380)**

Unrecognized deferred taxes assets (before tax)

	31 December 2022	31 December 2021
Unrecognized deferred taxes assets for these items:		
Expected Credit Loss for loan other than 80%	2,056,929	1,583,109
Other provisions and other items	778,185	434,401
Total	**2,835,114**	**2,017,510**

31. Retirement benefit liabilities

	31 December 2022	31 December 2021
Liabilities included in the financial position		
Medical benefits after retirement	1,509,212	1,389,618
Recognized in income statement		
Medical benefits after retirement	**297,186**	**306,575**
Amount recognized in financial position represented in		
Present value of unfinanced liabilities	2,027,151	1,903,109
Unrecognized auctorial losses	(517,939)	(513,491)
Balance included in financial position	**1,509,212**	**1,389,618**
Liabilities movement during the year		
Beginning balance of year	1,389,618	1,246,565
Current service cost	21,137	37,450
Interest cost	257,218	251,580
Recognized auctorial losses	18,831	17,545
Paid benefits	(177,592)	(163,522)
Ending balance of year in financial position statement	**1,509,212**	**1,389,618**
Amount recognized in income statement represented in		
Current service cost	21,137	37,450
Interest cost	257,218	251,580
Recognized auctorial losses	18,831	17,545
Ending balance (included in the cost of employees note 10)	**297,186**	**306,575**

32. Issued and paid up capital

A. Issued and paid capital

The Bank's authorized capital amounted to EGP 20 billion. The issued and paid up capital amounted to EGP 10 billion divided into 5 billion shares with a par value of EGP 2 each share.

B. Capital increased amount

- On 22 March 2022, Banque du Caire extraordinary general assembly convened and approved to:
  - Amending the text of Article (6) of the bank's basic articles, which relates to the bank's authorized, issued capital and the structure of bank's shareholders.
  - Increasing the bank's issued and paid-up capital by EGP 4 billion, to become after the increase EGP 14 billion instead of EGP 10 billion, and the legal procedures are being completed and registration in the commercial register is underway.

33. Reserves and retained earnings

Reserves	31 December 2022	31 December 2021
General reserve	184,253	184,253
General Banking Risk Reserve*	1,158,124	600,453
Legal reserve	1,222,385	1,041,015
Capital reserve	276,051	272,619
Regular reserve	438,930	438,930
Fair value reserve – financial investments at fair value through other comprehensive income	(852,676)	195,766
Expected credit loss for Debt instrument at fair value through other comprehensive income	251,477	137,362
General risk reserve**	68,481	68,481
Total reserves	**2,747,025**	**2,938,879**

* General Banking Risk Reserve at 31 December 2022 consists of EGP 4,795 thousand, represented of reserve formed for Assets reverted to the bank in settlement of debts and hadn't been sale for 5 years, as well as the amount of EGP 1,153,329 thousand, which represents the credit gap on 31 December 2021, and the credit gap is in 31 December 2022 amounted to EGP 1,280,269 thousand, which represent the difference between provisions of expected credit loss for loans and contingent liabilities and to obligors risk rating provisions as per Central Bank of Egypt instructions, therefore an amount of EGP 126,940 thousand must be transferred from retained earnings account through approving the dividend distribution for the year 2022.

** Formed according to the Central Bank's instructions issued in 26 February 2019.

Movement at reserves as follow:

a) General banking risk reserves

	31 December 2022	31 December 2021
Beginning balance for the year	600,453	682,204
Transferred from retained earnings	557,671	--
Transferred to retained earnings	--	(81,751)
Ending balance at the end of the year	**1,158,124**	**600,453**

b) Legal reserves

	31 December 2022	31 December 2021
Beginning balance for the year	1,041,015	883,257
Transferred from profit during the previous year	181,370	157,758
Ending balance at the end of the year	**1,222,385**	**1,041,015**

In accordance with the Bank's Articles of Association and Law No. 159 of 1981, 5% of the net profit for the year is reserved for the legal reserve until the balance reaches 50% of the capital, which is a non-distributable reserve.

c) Fair value reserve – financial investment at fair value through other comprehensive income:

	31 December 2022	31 December 2021
Beginning balance for the year	195,766	510,265
Net change in fair value for financial investments (after tax)	(1,048,442)	(314,499)
Ending balance at the end of the year	**(852,676)**	**195,766**

d) Expected credit loss – Debt instrument at fair value through other comprehensive income:

	31 December 2022	31 December 2021
Beginning balance for the year	137,362	215,496
Charged (Reversed) of expected credit losses for the year	9,366	(76,887)
Foreign currency exchange	104,749	(1,247)
Ending balance at the end of the year	**251,477**	**137,362**

The movement in retained earnings is as follows:

	31 December 2022	31 December 2021 Restated
Beginning balance for the year	3,883,805	6,355,409
Adjustments previous years	--	(91,523)
Beginning balance for the year – Restated	3,883,805	6,263,886
Net profits for the year	3,139,913	3,541,083
Transferred (to) from fair value reserve for equity instrument	(103,545)	26,378
Paid dividends	(2,468,000)	(5,839,000)
Transferred (to) from general banking risk reserves	(557,671)	81,751
Transferred (to) legal reserve	(181,370)	(157,758)
Transferred (to) capital reserve	(3,432)	(157)
Banking Sector Development Fund	(30,961)	(32,378)
Ending balance at the end of the year	**3,678,739**	**3,883,805**

34. Dividends

Dividends are not recorded nor deducted from retained earnings as a financial liability until it is approved by the shareholder's general assembly at the end of the financial year proposed dividend to the shareholder's and also employees share and board of director's bonus will be presented to the general assembly, which will be held to approve end of financial year after which it will be deducted from shareholder's equity under retained earnings for the year through dividends.

35. Cash and cash equivalent

For the presentation of the cash flow statement, cash and cash equivalents include the following balance with maturities of no more than three months from the acquisition date.

	31 December 2022	31 December 2021
Cash and balances at the Central Bank	5,974,829	6,335,944
Due from banks	48,761,094	26,365,052
Treasury bills and other governmental notes	1,712,570	647,536
Total	**56,448,493**	**33,348,532**

36. Contingent Liabilities and Commitments

A. Legal Claims:

There are a number of existing legal cases filed against defaulters to recover all bank rights, there are a number of existing legal cases filed against the bank as of 31 December 2022 where no provision was allocated for this purpose, as there are no expected losses.

B. Capital commitments

The bank capital commitments amounted to EGP 1,628,150 thousand which are represented in purchases of property and equipment and intangible assets and the management have enough confidence of making enough profits and availability of finance to cover those commitments.

Also, the commitments related to financial investments were not yet required to pay until year end including an amount of EGP 4,289,000 thousand related to financial investments at fair value through other comprehensive income and financial investments in subsidiaries and associates.

C. Commitments related to loans, guarantees, and facilities

	31 December 2022	31 December 2021
Loans commitments	8,449,792	6,310,005
Accepted Documentation	1,129,286	1,821,278
Letters of credit (import)	2,579,243	3,823,628
Letters of credit (export)	3,633,989	170,024
Letters of guarantee	21,607,993	14,808,533
Total	**37,400,303**	**26,933,468**

37. Related party transactions

A. The Main Shareholder, subsidiaries and associates companies

- Our transaction with Banque Misr (Main Shareholder related party):

	31 December 2022	31 December 2021
Due from banks		
Current accounts	1,423	542
Deposits	7,000,000	3,231,634
Other assets		
Other	22,373	22,372
Accrued revenues	22,118	8,938
Due to banks		
Deposits	--	785,835
Other liabilities		
Accrued Interest	--	249
Other loans		
P.V of Banque Misr subordinated deposit	1,835,167	1,645,181
Owner equity		
Difference between the present value and face value for subordinated deposit	1,164,833	1,354,819

- Our transaction with Cairo Bank Uganda (subsidiary company):

	31 December 2022	31 December 2021
Due to banks		
Current accounts	20,916	40,817
Deposits	113,820	--

- Our transaction with Cairo Leasing company (subsidiary company):

	31 December 2022	31 December 2021
Loans and advances to customers		
Corporate loans (Over drafts)	41,237	59,025
Corporate loans (Direct)	1,351,703	1,013,494
Other assets		
Accrued revenues	11,770	4,465
Customers' deposits		
Demand deposits	17,380	46,914
Term and notice deposits	75,418	25,000

- Our transaction with Tally for digital and electronic payments company (subsidiary company):

	31 December 2022	31 December 2021
Customers' deposits		
Demand deposits	259,906	152,227
Term and notice deposits	5,475	--
Other assets		
Others	--	3,026
Other liabilities		
Others	1,227	--

- Our transaction with Guards company for Security and guarding (Associate company):

	31 December 2022	31 December 2021
Customers' deposits		
Demand accounts	3,941	3,370
Loans and advanced to customers		
Corporate loans (Over drafts)	--	1,005

-Our transaction with International Postal Services company – Egy serv. (Associate company):

	31 December 2022	31 December 2021
Customers' deposits		
Demand accounts	228	228
Other liabilities		
Accrued expenses	2,356	399

-Our transaction with Nile Holding Company for Development and Investment (Associate company):

	31 December 2022	31 December 2021
Customer's deposits		
Demand accounts	70	71

B. Directors and other key management personnel (and close family members)

	31 December 2022	31 December 2021
Loans and advanced to customers	1,802	--

38. Banque Du Caire Mutual Funds

A. Banque Du Caire first fund (with accumulated return)

The fund is one of investment activities licensed for the Bank under Capital Market Law No. 95 for the year 1992 and its executive regulations; the fund is managed by Hermes Funds Management Company.

This fund consists of 20 million Certificates amounted to EGP 200 million with face value of EGP 100 each according to the approval from the Capital Market Authority (CMA) on 30 October 1997.

According to Banque du caire first fund's holder meeting dated 13 March 2007 and the approval of the Capital Market Authority the face value was amended to EGP 10 instead of EGP 100 each, the amendments have been effective from June 2007.

The number of outstanding certificates as of 31 December 2022 was 1,757,598 certificate with a redeemable value of EGP 149.48 each. 500,000 Certificates were allocated to the Bank in the initial offering until 31 December 2022 with total amount of EGP 74,750,000 which should be held by the Bank till the end of the Fund's year as required by laws, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total fees and commissions are amounted to EGP 633,395 for year ended 31 December 2022 (31 December 2021: EGP 383,750) which is presented under the item of "other fees and commissions income" in the income statement.

B. Banque Du Caire second fund (Money Market Fund) – daily

Banque Du Caire S.A.E. established the second accumulated daily return fund in Egyptian pound as one of its licensed banking activities under license No. 526 issued by the Egyptian Financial Supervisory Authority on 18 June 2009 according to the capital market regulations law No. 95 for 1992 and its executive regulations. The Fund is managed by Belton for funds Management Company.

The number of certificates in the initial offering amounted to 10 million certificates with a face value of EGP 10 per certificate, the documents in the portfolio of other comprehensive income according to what was allocated during the year from the initial launch of the fund until 31 December 2022 numbered 500,000 documents with a book value of EGP 19,311,200.
The number of outstanding certificates as of 31 December 2022 was 82,479,793 certificate with a redeemable value of EGP 38.59 each.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total fees and commissions are amounted to EGP 13,773,722 for year ended 31 December 2022 (31 December 2021: EGP 14,621,013) which is presented under the item of "other fees and commissions income" in the income statement.

C. Principal Bank for Development & Agricultural Credit and Banque du Caire Fund with accumulated return according to Islamic Sharia (Al Wefak)

The Fund is one of the investments activity licensed for the bank under Capital Market Law No. 95 for the year 1992 and its executive regulations.

HC Securities manage the Fund. Which was replaced by CI Assets Management as of 1/4/2021 The number of certificates was 5 million certificate amounted to EGP 50 million with face value EGP 10 each according to the approval No. 625 dated 6 Jan 2011 from the Capital Market Authority (CMA), the fund's year is 25 years from the date of the license.

The number of outstanding certificates as of 31 December 2022 was 986,630 certificate with a redeemable value of EGP 21.42 each. 250,000 Certificates were allocated to the Bank in the initial offering until 31 December 2022 with total amount of EGP 5,493,503 which should be held by the Bank till the end of the Fund's year as required by law, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative service rendered thereby. Total fees and commissions are amounted to EGP 42,701 for year ended 31 December 2022 (31 December 2021: EGP 36,925) which is presented under the item of "other fees and commissions income" in the income statement.

D. Banque Du Caire Fund for debt instruments (Fixed)

On 8 May 2012 Banque Du Caire's Board of Directors approved to establish Banque Du Caire Fixed Income Fund, and the approval of Central Bank of Egypt was on 15 August 2012, it was decided that subscription offering year is two month starting from 4 December 2012. The fund is managed by CI Asset Management Company. The fund consists of 1 million certificates amounted to EGP 100 million with a face value of EGP100 per certificate each. The number of outstanding certificates as of 31 December 2022 was 84,591 certificate with a redeemable value of EGP 289,42 each. 50,000 Certificates were allocated to the Bank in the initial offering until 31 December 2022 with total amount of EGP 14,461,500 which should be held by the Bank till the end of the Fund's year as required by law, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative service rendered thereby. Total fees and commissions are amounted to EGP 157,228 for year ended 31 December 2022 (31 December 2021: EGP 155,160) which is presented under the item of "other fees and commissions income" in the income statement.

39. Adjustments on prior year

Statement of financial position	Adjustment type / classification	Before	After	Amount
Assets				
Loans and advances to banks	Accrued revenues	3,113,441	3,113,905	464
Loans and advances to customers	Accrued revenues (Corporate & Retail)	98,676,603	99,112,404	435,801
Other assets	Accrued revenues	7,759,488	7,106,632	(652,856)
Liabilities				
Current income tax payable	Reverse for tax of retail interest	118,003	82,677	(35,326)
Equity				
Net profit for the year and retained earnings	Reverse of retail interest	4,065,070	3,883,805	(181,265)

Income statement	Adjustment type	Before	After	Amount
Interest and similar income	Reverse of retail interest	22,996,537	22,889,305	(107,232)
Income tax expense	Tax of retail interest	(2,174,582)	(2,157,092)	17,490

40. Important events

- The Monetary Policy Committee of CBE affirmed in its extraordinary meeting on 21 March 2022 that the CBE believes in the importance of the exchange rate flexibility, as global inflationary pressures began to appear again, after signs of recovery of the global economy from the turmoil caused by the Coronavirus pandemic, due to developments of the Russian-Ukrainian conflict.
- Based on the change in the US dollar exchange rate from 15.72 pounds per dollar to 24.74 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency position at the date of the financial position as shown in notes (9) and (11).

41. Tax position

41.1. Income tax

- **Years from beginning of the activity till 2018**

the final settlement for those years have been done, with the exception of years 1991/1992 where the tax due to the bank were paid by paying the tax differences for years 1991/1992 according to the judgement number 49 for the year 2008, as the bank paid this amount and recorded it on debit account waiting the results of the raised lawsuit before the administrative judiciary court.

- **Years 2019, 2020 and 2021**

The tax return has been submitted on its time and the due tax paid based on the submitted tax returns.

41.2. Stamp Duty

- **Periods from beginning of the activity till 31 July 2006**

The Bank's branches and departments have been inspected, and the inspection resulted in claims, some of which have been paid, while other claims remain in dispute and are pending before the administrative judiciary court and have not yet been decided upon.

- **Periods from 01 August 2006 till 31 December 2020:**

The inspection and settlement has been done, the periods from 01 January 2010 till 31 March 2013, was presented to the administrative judiciary, and some items for the year 2020 were presented to the specialized internal committee.

- **Period from 01 January 2021 till 31 December 2022:**

The stamp duty is delivered on time according to the law.

41.3. Salary tax

- **Periods from beginning of the activity till 2019**

It was inspected, paid and the dispute was settled.

- **Periods from 01 January 2020 till 31 December 2022:**

The bank pays the tax monthly and submits the annual and quarterly tax returns on the legal times.

41.4. Sales tax & Vat

- **Periods from 2002 to 2015**

The years have been inspected by tax authority and the bank paid the due tax, and challenged the incoming claims in the legal deadlines and the dispute is still pending before the administrative judiciary court till to date.

- **Periods from 2016 till September 2022**

The administrative court issued a decision not to register our bank in the Vat, and the decision is being implemented.

41.5. Real estate tax

Our bank hedges the real estate tax estimated on all the real estate owned by the bank including assets reverted to the bank since 01 July 2013 till 31 December 2022.

42. Translation

These financial statements are a translation into English from the original Arabic statements.
The original Arabic statements are the official financial statements.