EBank

2020-2021 Annual Report

رايحين مع بعض لبكرة

EBank

البنك المصري لتنمية الصادرات

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EXECUTIVE CHAIRPERSON'S STATEMENT

I am honored to present in this report the business results, activities and achievements of the Bank during fiscal year 2020-2021, which we consider the year of aspirations and achievements. Despite the numerous challenges that faced the entire banking sector including the coronavirus pandemic, which negatively affected the whole world, the Bank continued to operate at full capacity according to a proactive plan to confront the crisis. The plan enabled the Bank, which is the main financing arm of Egypt's export process, to play a pivotal role in supporting the Egyptian exporters and facilitating the access of the Egyptian products to various international markets. The Bank also continues to provide all diversified banking products and services, whether to corporate, retail customers, or small and micro business accounts.

Among the most important axes of the Bank strategy are the business development axis, which aims at doubling the credit portfolio, and the export development axis, which supports and assists the exporters with all available means including financing or financial and marketing advisory services or supports their presence in foreign markets, particularly the African markets. The Bank has been keen to support those development axes through concluding several protocols and agreements during the past fiscal year.

The Bank also witnessed a remarkable diversification and development in the various banking services and products, reflected on the achieved growth rates and the increase in the loan and deposit portfolio. Moreover, despite the severe slowdown witnessed by the global economy during the past year, the Bank continued to maintain the level of its business results, where the net profit amounted to EGP 870 million at the end of fiscal year 2020-2021, which represents 18 months (1 July 2020 - 31 December 2021), compared to EGP one billion and 13 million during the previous fiscal year, which represents 12 months (1 July 2019 - 30 June 2020), taking into account the coronavirus pandemic repercussions and the measures entailed.

In addition, the total assets increased reaching EGP 76.2 billion on 31 December 2021, with an increase of EGP 19.4 billion and a growth rate of 34% above that achieved on 30 June 2020, driven by an increase in the net portfolio of loans and facilities in the amount of EGP 3.7 billion to reach EGP 35 billion on 31 December 2021, with a growth rate of 12%. Also the deposit portfolio increased by EGP 20 billion to reach EGP 64 billion, with a growth rate of 45.5%.

Annual Report 2020 - 2021

The total shareholders' equity increased reaching EGP 6.7 billion on 31 December 2021, with an increase of EGP 675 million and a growth rate of 11.2% above that achieved during the previous year. Moreover, the return on the average assets (ROAA) reached 0.9% and the return on the average shareholders' equity amounted to 10.5%, while the number of branches increased to 43 branches.

The Bank strategy adopted a plan to advance the medium, small and micro enterprises sector, owing to its direct impact on the development of the Egyptian economy and creation of more job opportunities, as such complementing the State policy and directives. In order to fulfill this plan, the Bank relied on the benefits offered by the Central Bank of Egypt to banks to finance this sector, providing soft financing programs with low interests to the customers of this sector, by offering subsidized loans in the fields of environment, agricultural crops, poultry and fisheries, etc..., in addition to the technical support provided by the Bank to these projects besides the financial support.

The Bank continued to provide customers who own medium, small and micro enterprises with a variety of banking services and products, whether medium-term financing for the rehabilitation of equipment and machinery or short-term financing to finance the working capital in the various stages of the production process, in addition to other banking services. The Bank also financed associations and institutions that grant micro-loans to the owners of those projects to eradicate poverty, by providing micro-finance and financial services to those projects, as such supporting community development in its comprehensive concept.

During the year, the Bank started a major project, which is rebranding itself, getting a new corporate identity and reintroducing it to the banking market in a more modern and youthful image, addressing several diverse groups of the society such as the youth, small businessmen and female breadwinners, in line with the State's general orientation towards financial inclusion, and attracting the largest possible segment of the society to enjoy various banking services, especially technological ones with the aim of encouraging the digital transformation that the State is seeking.

It is worth mentioning that the Bank Management conducted many different studies, researches, experiments, workshops and meetings to reach the final form of the new corporate identity to reflect a different, modern and attractive personality for young people and to compete with local and international banking corporate identities. The rebranding includes changing the Bank logo and short name, now known as EBank, written in a way that preserves the Bank identity and highlights its competence to support the Egyptian exporter. The new identity is represented by the bow of a Pharaonic trade ship with the reintroduction of the letter E, which symbolizes several words in the English language and which the Bank Management wishes to be the Bank's focus of attention now and in the future, including Egyptian, Export Experts, Exquisite, Excellence, Entrepreneurial and Electronic.

EBank also released a brand new slogan for this stage, which is "A New World...we are its First", signifying a transformation into a new banking digital world, the world of export, the world of financial inclusion, the world of the youth and a new world of distinguished banking services.

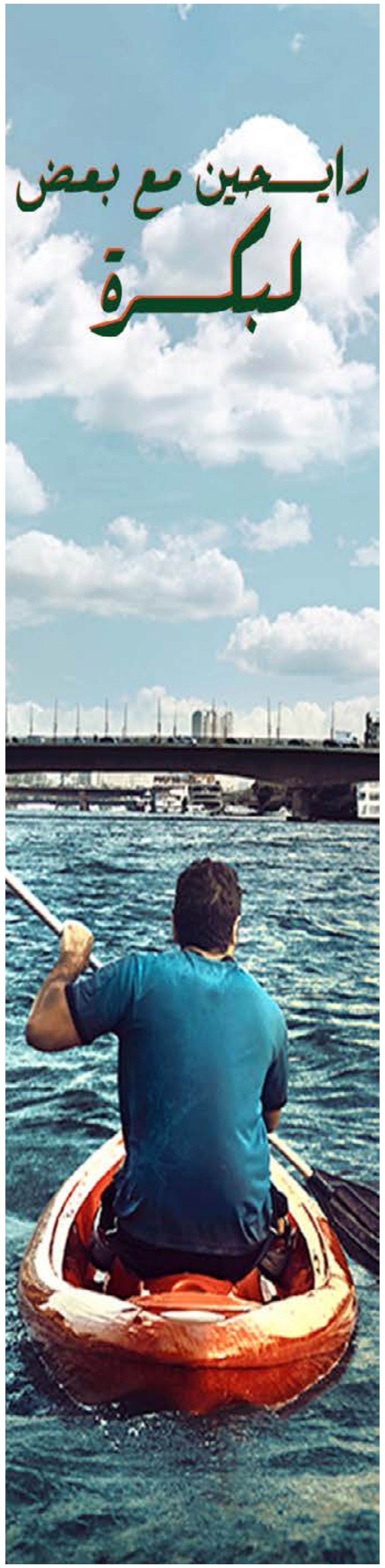
Regarding corporate social responsibility, which the Bank considers one of the main axes of its previous and current strategy, the Bank expanded in community development and services achieving positive impacts. The Bank increased the budget allocated to these community contributions while continuing to support the education and health sectors, which are two major sectors of social revival requiring sustainability in their support. The Social Responsibility Sector is adopting this approach in continuing to support many entities with clear action plans and direct goals that serve many segments of the society in need of education and health services; whether hospitals, community schools, surgeries, scholarships and many other aspects. It is worth noting that social responsibility also endeavors to achieve the success of the financial inclusion principle, preserve the environment and contribute to the qualification of young talents for community service.

The Bank continued this year to win specialized awards. It was awarded the "Best Foreign Trade Finance Bank" for another year in a row from GTR Leaders, thanks to the non-financial services it offered and the increase in foreign trade volume. The award is based on the Global Trade Review "GTR" Report, which was conducted on banks operating in the MENA region, for the year 2021, where several evaluations are performed on those banks periodically, every year. The report also measures performance and growth rates at the level of those banks.

Last but not least, I would like to extend my sincere gratitude and appreciation on behalf of the Board of Directors and all colleagues of the Bank to our dear shareholders for their continuous support that has enhanced our journey to success. I would like to thank our customers for their continuous trust in our ability to provide the best banking services. I would also wish to thank the Bank Management and work team for their continuous dedication.

Finally, I am looking forward to a year ahead that will be crowned with more and more achievements and success.

Mervat Soltan



ABOUT THE BANK

Export development Bank of Egypt was established in 1983 for the purpose of boosting Egyptian exports and supporting establishments of Agricultural, Industrial, Commercial and Services Sectors. Soon after, the Bank became the main funding source of exports operations in Egypt.

Through its outstanding performance and policy, based on diversified investments, the Bank was able to grow more and more, and achieve efficiency and a strong financial position. This has helped the Bank to attain the confidence of exporters, owners of small and medium-size enterprises and individuals, in addition to the trust of local and international financial institutions.

The Bank plays a vital role in supporting Egyptian exporters and facilitating the access of Egyptian products to markets worldwide through the extension of finance of export, and import substitution projects to help improving the local production. This goes along with its significant role in participating in syndicated loans and equity participations of those projects. The bank extends its full-fledged financing and banking services to exporters and its entire customer base.

To pave the way for Egyptian exporters, the Bank has built a network of correspondent Banks in countries with common interests and economic ties with Egypt. Moreover, the Bank has set up network of branches throughout Egypt to serve the customers wherever they are based.

One of the main business lines and activities of the Bank is the corporate banking and loan syndication activities, its role is to provide necessary finance for export-oriented and / or import substitution industries, supporting non-export industries finance requirements and securing necessary foreign currency needs. Also to provide necessary finance in the form of loan syndications for various industrial sectors, as well as providing diversified finance packages including medium term loans, short term lending to finance working capital requirements for various economic sectors.

As part of the leading role played by the banking sector in supporting the SMEs sector and providing the appropriate finance.

Also, considered as one of the main propellers of the economic growth, as they provide self-employments opportunities thus increasing employment rate as they need relatively low startup capital costs.

The Bank maintains a leading position among other Banks to tap SMEs sector through signing an agreement in 2005 with IFC, showing interest in supporting and developing the sme's sector which was reflected in the increase in the Bank's smes portfolio.

Additionally, the Bank is keen to obtain customer satisfaction through providing micro finance, as well as a wide variety of banking products and services developed with competitive rates, such as: time deposits, saving certificates in various currencies and tenors, different types of mutual funds, saving and current accounts, credit and debit cards, personal and car loans, mortgage finance, a call center and different e-banking services.

It is worth mentioning that the Bank's future vision is to provide diversified banking products and services at the level of unique and high quality of the services' standards which will fulfill all the desires and needs of customers. In order to achieve this vision, the bank presents all of its activity through widespread network of branches, which covers most regions and provinces all over the country, as well as several atms located over unique and vital places, commercial centers, and branches. Moreover, out of the keenness of the Bank to be present near the customers to easily provide its banking services and diversified products.

Legal form:

The Bank is an Egyptian joint-stock company established under law 95 of 1983. It is subject to the regulations of the Central Bank of Egypt (CBE) and the law of financial and banking system, no. 88 For 2020. As an Egyptian joint-stock company, it is also subject to the provisions of law 159 for 1981, promulgating the law on joint stock companies, companies limited by shares and limited liability companies, unless otherwise provided in the law establishing the Bank, without prejudice to the provisions thereof.

Capital and Shareholders:

The authorized capital of the Bank is EGP 10 Billion, and the issued and paid-up capital amounts to EGP 3,273,600 Million. All the Bank's shares are of nominal value and indivisible equaling egp 10 per share. The Bank's shares are registered in the Egyptian stock exchange since august 1989, with a free float percentage of 25%.

The Bank is fully owned by Egyptians; as foreign ownership is prohibited. According to the provisions of article no. 6 Of the law of the Bank, law 95 of 1983 public shareholding should contribute no less than 75% of the paid-up capital.

The capital structure of the Bank in 31 december 2021 is as follows:

National Investment Bank	40.75%
Banque Misr	23.13%
National Bank Of Egypt	11.57%
Private Sector And Others (Free Trade On Egyptian Stock Exchange Market)	24.55%

Vision
We anticipate Exporters' & Clients' divergent needs to provide the most Agile & Efficient solutions.

Mission
Become the Bank of Choice through:

- Soliciting/Canvasing dynamic customers' needs.
- Streamlined customer journey .
- Expanding our reach.
- Optimizing digital experience.
- Governance Risk and Compliance diligent.
- Breed Leaders of the Future.
- Sustainable Corporate Social Responsibility.

Values
Accountable - Graceful - Innovative - Leader - Engaged

THE GENERAL FRAMEWORK OF THE STRATEGY
In line with Egypt's Vision 2030, which includes an ambitious plan towards maximizing Egyptian exports and replacing imports, targeting a steady growth of the local national product, maximizing the role of small, medium and micro companies in the national economy to reduce unemployment and inflation rates, empowering youth and women, promoting financial inclusion and targeting the digitalization of the State by 2030, EBank Management developed a five-year strategic plan 2022-2027 to achieve this national vision aligned with the strategic objectives of the Bank. Such objectives include improving the Bank's competitive position and doubling its market share by increasing the Bank size and activity also its network of branches and digital channels.

We also aim to maximize the strategic role of the Bank in supporting Egyptian exports and assisting exporters in opening new markets by offering banking products that would enhance competitiveness in the Egyptian banking market, while adopting a foresighted hedging strategy based on the foundations of governance, risk management and compliance. We also observe flexibility in performance by directing attention to modern technologies to raise the efficiency of banking transactions

according to the highest international standards. Hence, we are endeavoring to develop the Bank to become more flexible and smarter by focusing on:

- Digital transformation
- Increasing efficiency and excellence
- Maximizing profitability and growth

Strategy Pillars:
- Business Development
- Export Development
- Community
- Digitalization
- Human Capital
- Governance, Risk and Compliance

Mrs. Mervat Soltan
Executive Chairperson

Dr. Ahmed Galal
Vice Chairman

Mr. Mohamed Abd-Elaal
National Investment Bank – Representative

Mr. Ahmed Ismaeel
National Investment Bank – Representative

Dr. Aliaa Soliman
Banque Misr – Representative

Ms. Hania Sadek
Banque Misr – Representative

Mr. Hamed Hassouna
National Bank of Egypt – Representative

Mr. Abdel Aziz Hassouba
Private Sector - Representative

Dr. Ahmed Taher
Independent Board Member

Dr. Eng. Ahmed Samir El Sayyad
Independent Board Member

Mr. Mohamed Abou El Seoud
Consolidated Risk Group Head
Export Development Bank of Egypt

MERVAT SOLTAN
Executive Chairperson

Appointed as the Chairperson of Export Development Bank of Egypt on 20 November 2016 with the mandate to drive the Bank's strategic role in helping to grow the Egyptian export sector.

She enjoys 36 years of banking experience in local, regional, and global institutions and brings to the Bank vast experience through her senior international and regional roles within these banks. Mervat served in various senior positions from 1991 until 2017.

She worked as the Regional Head of Financial Institutions coverage for North Africa & Levant in HSBC Middle East, Dubai; Vice President Global Transaction Banking in Deutsche Bank Egypt covering the same North Africa & Levant region. In addition, she held other various senior roles within local & regional banks and helped develop the business strategy for these banks' growth in the Egyptian market.

Mervat Soltan earned both her B.A. and M.B.A. in Business Administration from the American University in Cairo, with the highest honors, and has undergone several international training programs that have added to her technical and leadership skills.

* The Chairman of the Board of Directors has undertaken executive responsibility in addition to the chairmanship of the Board of Directors per the requirements of the Bank establishing law in 1983 Article (14).

AHMED GALAL
Vice Chairman

Appointed as the Vice Chairman of Export Development Bank of Egypt in August 2017, with 29 years of experience in the fields of Corporate Banking, Investment Banking, Information Technology and Telecommunication, in addition to Strategic Planning and Non-Bank Financial Institutions.

He earned the Doctorate Degree of Business Administration from the Arab Academy for Technology, Science and Maritime Business, the Master Degree of Business Administration from Maastricht School of Management, Netherlands (1995-2000), and his B.A. in Business Administration from the Faculty of Commerce – Cairo University.

Ahmed Galal worked as the Director of Corporate Banking Department at Ahly Bank of Kuwait (previously Piraeus) and is the Founder and Managing Director of ABKE Leasing Company, then the Chairman of the same company afterward.

Additionally, he was the Strategic Planning Manager at the Egyptian Company for Mobile Services (Mobinil), as well as the Relationship Manager in Corporate Banking at Egyptian American Bank (currently Credit Agricole), in addition to other different financial institutions.

MOHAMED ABD-ELAAL
National Investment Bank – Representative

Member of the Board of Directors - representing the National Investment Bank.

Mohamed Abd-Elaal holds a BA. degree in Commerce and a Diploma in Investment and Finance, Faculty of Commerce – Ain Shams University.

He is currently the Chief of the Banking Operations and Payment System at the National Investment Bank. He occupied several posts among which was the Chief Financial Officer, Head of General Secretariat Sector, Bank's Deputy for Financial Operations in the Financial & Banking Operations and Information System Sector, Bank's Deputy for Technical Support for Investment in the Investment Sector and that in addition to many other positions, such as Vice Chairman of the Egyptian Saudi Company for Industrial Investments, Deputy Chairman of Industrial Development Company, Board Member of other different companies such as Abou Keir for Cement and Al Mostakbal for Urban Development, as well as many other different posts.

This is in addition to his membership in many committees among which: Member of the Supreme Coordination Committee at the Ministry of Finance, Member of the Audit Committee and Member of the Investment Committee of Salhia Investment and Development Company, Member of the Audit Committee of Abu Qir Fertilizer Company since January 2016 till now, Member of the Audit Committee and Member of the Human Resources Committee of Future Real Estate Development Company, Chief of the Audit Committee of the Industrial Development Company, this is in addition to his membership in many other different companies.

Mohamed Abd-Elaal has about 34 years of banking experience.

AHMED ISMAEEL

National Investment Bank – Representative

Member of the Board of Directors, representing the National Investment Bank. Mr. Ahmed Ismaeel holds a B.A. degree in Commerce and a Diploma in Investment and Finance, Faculty of Commerce - Ain Shams University; he has also completed the preliminary studies for the Master's degree at the Environmental Research and Studies Institute.

He is currently the bank's Senior Deputy for the Finance and Credit of the Service Projects Directorates within Local Management. He occupied several posts at National Investment Bank among which was the General Manager for Feasibility Studies - Authorities and Economic Units' Projects Sector. In addition, he supervised the Housing, Urbanization, Health & Social Services, and Media Projects Department.

He is also a member of several committees among which are, the Securities Portfolio follow-up Committee, Joint Securities Portfolio Committee, and other committees. Moreover, he is a member of the Board of Directors of the International Company for Leasing (Incolease), the Egyptian Sudanese Agricultural Integration Company, Samannoud Textiles & Towels Company and others.

Mr. Ahmed Ismaeel has been with National Investment Bank since 1985 and has a total of 35 years of banking experience.

ALIAA SOLIMAN

Banque Misr – Representative

Managing Partner of AIT Consulting,

Non-Executive Board Member in Export Development Bank of Egypt, representing Banque Misr, Non-Executive Board Member in Suez Canal Company for Technology Settling, representing Misr Life insurance, Member of the Board of Trustees of the 6Th of October University.

Started her professional career as a banker in Misr International Bank MIBank, where she worked in areas of corporate credit, retail banking, and trade finance. She then joined AIT Consulting as a partner where she participated and managed projects in areas related to, Corporate Governance, MSME Finance and Women Business Leadership. She worked with the World Bank Group, KfW, the EIB as well as the Egyptian Ministries of Finance, Planning and Trade & Industry.

Visiting Professor at Nile University, and a certified lecturer at the Egyptian Banking Institute, the Egyptian Institute of Directors on the subject of Finance and Corporate Governance and Women in Business & Leadership for the World Bank Group.

Earned both her B.A. in Political Science & Economics and Masters in Public Administration from the American University in Cairo, and her Doctoral Degree from Maastricht University, The Netherland. She has undergone several international training programs in areas of Corporate Governance, Women on Boards & Business Leadership, and MSME Finance and Development.

HANIA SADEK

Banque Misr – Representative

Ex Executive Director and Chief Operating Officer of HSBC Bank Egypt.
Hania led Technology, Operations, and Services (HOST) in HSBC Bank Egypt from January 2010 till 30 April 2019. She was also a Board Member of HSBC Bank Egypt, the Chairperson of the Boards of both HSBC Egypt Electronic Data Services Company and HSBC Egypt Securities Company.
Her role with HSBC entailed engaging with various businesses and functions to manage the level of efficiency of operations, technology, and other services to enable the growth and success of the Bank. She managed a team of circa 250 in country FTEs as well as oversight over 100s of outsourced FTEs. Her extended responsibilities included maintaining and strengthening the overall governance and risk management across the bank; leading the simplification agenda; identifying consistency opportunities, cost management initiatives for the bank as well as the execution of transformational changes.
Under her tenure and seniority in the bank, she supported and deputized HSBC Bank Egypt CEO during his absence over 5 years and played a pivotal role in driving the relationship with the regulators and the various monitoring and supervisory authorities in Egypt.
Hania held several key roles in HSBC including setting up an Internal Audit function in Egypt, in line with the Global model, spending almost sixteen years in Information Technology introducing new systems, banking channels and products. Also, she held various roles in Branches and Trade Services as well as a regional position as interim Regional Head of Operations.
Hania has been acknowledged by Forbes Middle East magazine for five consecutive years (2014-2018) among the Most Influential Arab Women in the Middle East.
Hania holds a Master's Degree in Economics from the American University in Cairo. She speaks Arabic, English, and moderate French.

Hamed Hassouna

National Bank of Egypt – Representative

Member of the Board of Directors representing National Bank of Egypt, and the Regional Chief Representative of Union De Banques Arabes Et Francaises – UBAF, former Board Member of Corporate Leasing Company "Corplease". With 35 years of experience in different international and local institutions.
He holds Masters of Finance & Banking from Maastricht School of Management – Netherlands and honored with "Best Performing Student". In addition to a B.A. from Faculty of Commerce – Ain Shams University as well as other specialized certificates during participation in different training courses and seminars in economics, corporate lending, and treasury. He also participated in the preliminary studies for the establishment of Misr Bank – Europe, a subsidiary of MiBank and represented UBAF as the founder of Corplease.
He occupied several posts among different divisions at Chase National Bank (currently the Commercial International Bank), MiBank (currently QNB), and Credit Lyonnais Bank.
Hamed Hassouna is an Adjunct Faculty at the American University of Cairo and is a member of the American Chamber of Commerce and in the French Egyptian Business Council.

Abdel Aziz Hassouba

Private Sector – Representative

A lawyer before the Court of Cassation and the Supreme Constitutional Court. He has been a member of the Board of Directors representing the private sector since 2015.

He occupied several posts including the Head of the Legal Sector at Export Development Bank of Egypt until May 2011, Legal Advisor to the Union National Bank, Legal Advisor to the Arab Land Bank, and the Legal Advisor to Abu Dhabi National Bank until Oct. 1997. Besides, he is a Member of the Board of Directors of the Egyptian Holding Co. for Airports and Air Aviation.

Abdel Aziz Hassouba has been a certified lecturer at the Egyptian Banking Institute for more than 26 years and the Founder of the Banking Lawyer Certificate at the Institute. Moreover, he is a visiting Lecturer at several centers and conferences related to legal aspects. He has several books on banking operations from a legal perspective, debt recovery, arbitration, and settling banking disputes, especially the global financial crisis and its repercussions on the Egyptian economy.

Abdel Aziz Hassouba enjoys an experience of 40 years in legal consultations among different banks.

Board of Directors *Annual Report 2020 - 2021*

Ahmed Taher

Independent Board Member

Dr. Taher is a full-time Professor of Marketing at the School of Global Affairs and Public Policy at the American University in Cairo (AUC). He also taught at the University of Georgia, Offenburg University in Germany.

Dr. Ahmed Taher has been the Founder and Chairman of Integrated Marketing Solutions (IMS) since 1996. He has worked as a consultant and strategist with more than 300 organizations in the MENA region.

Dr. Taher has internationally published about 20 articles and 5 books, he supervised more than 30 doctoral and master dissertations and he serves on several boards of directors and boards of trustees of charity organizations including 57357 Children Cancer Hospital Foundation and Ahl Misr Foundation.

He holds a BSc. in Civil Engineering, Diploma from New York University, an MBA from the Ohio State University, and a Ph.D. from the University of Georgia.

Ahmed Samir El Sayyad

Independent Board Member

Dr. Eng. Ahmed Samir ElSayad is a specialized board member. He has thirty-one years of multidisciplinary experience. He is Chairman and CEO of a food industries company. Formerly, Dr. ElSayad was Chairman and CEO of Egypt's new countryside development company, implementing the mega national project of developing 1.5 million feddan. Dr. Ahmed ElSayad was Chairman and CEO of BiscoMisr one of the largest stock exchange listed food companies in Egypt. Dr. ElSayad was also General Manager of Kellogg Egypt. He led the complex integration process of the local firm into the global systems of Kellogg, internationalization of operations and change management.

He has served governmentally at the macro level as senior Counsellor to the Egyptian government (GAFI chairman/Minister of Investment) on the development of Mega National Projects. He contributed as an official Egypt representative and national speaker in many joint committees, ministerial missions, conferences and panels, globally.

Dr. Ahmed ElSayad is a senior international consultant, councilor in the fields of industry, investment, innovation, and has conducted many long-term and short-term missions in the MENA region for several multi-lateral and government organizations. He has led the preparation of regional studies across several MED countries; led the implementation of turn-key industrial projects.

Dr. Ahmed ElSayad holds a BSc degree in Electrical-Communications Engineering (Cairo University), an MBA (American University in Cairo), and a Marketing Ph.D. on foreign investment (University of Strathclyde, Glasgow, UK). Academically, he is a Professor (A.) of international marketing and project management, and he has several internationally published research papers and articles.

His other activities include membership of the board of directors of The General Authority for Investment and Free Zones, Taamir Mortgage Finance Co., Istithmar Misr Development Company, Cairo Leasing Company; and other companies.

He is also a Member of the entrepreneurship and innovation sub-council of the Egyptian National competitiveness council, member of the Egyptian Quality Society; Egyptian Engineers Syndicate; Engineers Society; Chamber of Engineering Industries; German Arab Chamber of Commerce; American Chamber of Commerce.

Board of Directors *Annual Report 2020 - 2021*

Mohamed Abou El Seoud

Consolidated Risk Group Head
Export Development Bank of Egypt

Mohamed M. Abul-Seoud joined the Bank in 2017 as Consolidated Risk Management Group Head and appointed as a Member of the Board of Directors in January 2019.

Mohamed enjoys banking professional experience of more than 24 years of diversified experience complemented by a solid track record in corporate credit & risk management.

He worked for The United Bank (TUB) for 8 years' prior to the Bank, used to develop and execute effective and reliable restructuring for risk division and enhancement of the Bank's credit portfolio.

Mohamed was formerly a Credit Risk Manager at Union National Bank in 2008, he has been appointed as a member of the credit committees in the bank.

He previously spent 11 years at Banque Misr in senior roles including Group Head in Corporate Credit Risk Department, Branch Manager in one of the main branches, and participate in executing effective restructuring for risk division as well.

He received his bachelor degree from the University of Ain-Shams, holds an MBA in Banking and Finance from Ain Shams University in cooperation with Westbrook University in the USA, a diploma in the political and economic system, and a diploma in banking & finance. He also has completed professional training courses including (technical and managerial skills) in New York, Germany and Netherland, as well as an executive leadership training at "Harvard Business School" in USA.

Board of Directors *Annual Report 2020 - 2021*

Board of Directors

The Bank's board of directors is the authority to make decisions that are considered important to achieve returns and realize the higher interest of all stakeholders, including shareholders, senior executive management, employees, clients, the business environment and the community in which the Bank operates, and following up on the implementation of those decisions.

The diverse experiences of the members and the proper structure of the board formation, which contains the executive, non-executive and independent members, in addition to enabling the IPOs to be represented in the board, achieves the principles of independence, objectivity and integrity in the board of directors and the principles of governance.

Some of the roles that the board plays to achieve the Bank's goals are as follows:-

- Setting the general policy and strategy of the Bank›s activities.
- Develop regulations related to employees, their salaries, remunerations, benefits and allowances.
- Reviewing periodic follow-up reports on the Bank›s activities.
- Preparing the financial statements, preparing the Board of Directors› report on the Bank›s activities and proposing the planned budget.
- Strengthening the Bank's corporate governance policy and ensuring its effectiveness through:
  - Adopting the strategic and main objectives of the Bank, supervising the implementation and dissemination among the Bank's employees.
  - Setting the organizational structure and defining the structure of authorities and responsibilities in the Bank.
  - Selecting senior executives from members of the senior management, supervising them, following up their performance and holding them accountable, as all material and important information must be made available in a timely manner to the members of the Board.
  - Hold periodical meetings with senior management and the internal audit sector to review and discuss the applicable policies and follow up on the implementation of the strategic objectives.
  - Monitoring and supervising the Bank›s operations.
  - Monitoring and following up on any potential conflict in the interests of the Bank›s management, members of the board of directors and shareholders, disclosing it in the appropriate mechanism.

  - Adopting the Bank›s policies, reviewing them periodically, and supervising the implementation, within the framework of the law and the regulatory instructions.
  - Continuous periodic evaluation of the efficiency and effectiveness of the Bank›s governance and internal control policy and practices.
- Work to achieve the interests of shareholders, employees, depositors and other stakeholders to avoid conflict of interests.

The no. of Board Meetings held during the period from 1 July 2020 until 31 December 2021 is 17 meetings.

Board of Directors Committees:

Audit Committee:

Representing the board in relation to internal auditors, external auditors, auditors of the Central Bank of Egypt, accountability state authority, internal control, compliance activities and all other control activities. The committee monitors the internal audit work of the Bank, reviews and discusses periodic reports, including the Bank's financial statements, auditors' reports, and reports on anti-money laundry and terrorist financing.

The number of meetings held during the period from 1 July 2020 until 31 December 2021 is 23 meetings.

Risk Committee:

The committee considers all issues related to the various risks in the Bank through reports issued by the risk departments group.

The number of meetings held during the period from 1 July 2020 until 31 December 2021 is 15 meetings.

Governance and Nominations Committee:

The committee ensures the implementation of the Bank's corporate governance standards and applications, and ensures compliance with the regulatory requirements of corporate governance.

Supervising the preparation and implementation of the governance policy, reviewing and updating the periodic evaluation of the Bank's corporate governance system, reviewing the internal charters and policies related to how to implement the rules of governance and considering the nominations submitted for membership of the Board of Directors.

The number of meetings held during the period from 1 July 2020 until 31 December 2021 is 10 meetings.

Strategy Committee:

The committee monitors the extent of commitment to the Bank's strategic plan, its implementation, updating and submitting its recommendations and proposals to the Board of Directors in light of global and local economic variables in order to improve the competitive position of the Bank and its branches network.

Playing a strategic role in supporting trade, maximizing the volume of exports in particular, assisting exporters in invading new markets providing new banking products.

The number of meetings held during the period from 1 July 2020 until 31 December 2021 is 6 meetings.

Payroll and Remuneration Committee:

Reviews the policies related to salaries and bonuses, and ensures that the Bank periodically reviews the bases for evaluating the performance of employees. In addition, analyzes the results, studies, follows up the salaries structure granted by the Bank, comparing them with other institutions to verify the Bank's ability to attract and retain the best elements and calibers. In addition to preparing clear and written policies regarding salaries and bonuses among the Bank, which are reviewed periodically and re-evaluated in line with the level of risk to which the Bank is exposed.

The number of meetings held during the period from 1 July 2020 to 31 December 2021 is 10 meetings.

Credit Executive Committee:

Studying and making decisions regarding granting financing and credit facilities, approving a classification and reclassification of the finances provided by the Bank, approving the credit risk rate for clients, and checking periodically the adequacy of the provisions to the Bank's financing and investment portfolios. Taking decisions on new banking products and contributing to various investments.

The number of meetings held during the period from 1 July 2020 to 31 December 2021 is 60 meetings.

Internal Executive Committee:

The Committee is competent to make all decisions on the following issues:

- Expressing opinion on amending the organizational and functional structure of the Bank also the bylaws and systems related to its workflow.

- Assessing the general situation and approving the declaration of a state of emergency in the Bank and assigning / delegating the Head of the Emergency Action Committee or whoever it deems appropriate to start work in accordance with the instructions issued in this regard.

- Approving the Emergency Action Plan proposed by the Emergency Management Committee and any amendments thereto to confront the crisis. Also approving the Emergency Management Plan budget, providing the support and resources necessary for business continuity in times of crisis and briefing the Board of Directors thereon.

- Following up the results of the Emergency Action Plan on an on-going basis and taking appropriate prompt decisions based on the general situation and the information presented to the Committee during and after the crisis. The Committee also continuously supervises and follows up the implementation of the adopted procedures, provided that the Committee shall evaluate all the indicators and decisions taken by the Emergency Management Committee and the reports it submits to ensure the adequacy and effectiveness of all measures undertaken.

- Studying and making decisions on issues related to institutional communication, Corporate Social Responsibility and Public Relations, in addition to the cases that the Board of Directors has the authority to approve and informing the Board thereof.

- Studying matters related to the medical treatment service, in terms of performance evaluation and selection of companies providing health care and consulting services.
- Reviewing the annual budget and recommending its submission to the Board of Directors.

- Reviewing the performance reports of the various Bank sectors and comparing the achievements with the plans (actually achieved against the target) on a regular basis (at least once every quarter).

- Examining the Information Systems and Technology Sector projects and the performance and achievement reports according to the action plans and the various implementation phases.

- Reviewing and approving the recommendations of the Banking Services Tariff Committee.

- Exercising all authorities stipulated in the Bank bylaws and systems related to the competencies of the Executive Committee, with the exception of the Higher Executive Credit Committee formation decision and the competencies of the Salaries and Remunerations Board Committees, stipulated therein.

- Examining the recommendations of the Human Resources Committee on the periodic employee performance review system, also the system for granting additional remuneration, promotions and training to employees, and taking the actions it deems appropriate in this regard in preparation for their submission to the Board of Directors for approval.

- Determining and developing a system for granting special allowances required by the nature of the work, workplace or the conditions of undertaking and completing the work.

- Determining and approving the system for granting additional remuneration to the employee who is assigned overtime work or work during the weekly rest days and official holidays.

- Developing, defining and approving the Bank employees' training system and the mechanisms of their travel on missions or scholarships, or their taking study leaves, whether with or without pay, inside or outside the country.

- Studying and approving the recommendations of the investigations that the Chairman deems necessary to be presented to the Committee and which may lead to the employee's dismissal or termination of the contractual relationship, or referral to the Central Bank of Egypt or other internal and supervisory authorities with respect to incidents that require thereof.

- Studying the disposal of the Bank assets by purchase or sale (related to the Bank's purposes), and submitting its recommendations to the Board of Directors for approval.

- Execution and follow-up of any other works assigned to the Committee by the Board of Directors.

Fifty-four Committee sessions were convened during the period from 1 July 2020 till end December 2021.

The General Secretariat:

The General Secretariat has a vital and important role that extends to building an ongoing link between board members on one hand, the board and executive management on the other hand, it can play the role of mediator between the board members and the top management.

Additionally, the general secretariat plays a valuable role as a source of information, it is responsible for preparing and coordinating meetings of the Board of Directors, committees and General Assemblies, it ensures that the minutes of meetings are written down, approved, and follows up the implementation of the decisions taken.

The General Secretariat main achievements during July 2020 until December 2021:

The general secretariat has participated, in cooperation with the concerned sectors such as finance, investment and legal, on the Bank's capital increase as follows:

-Increasing the licensed capital from EGP 5 billion to EGP 10 billion.

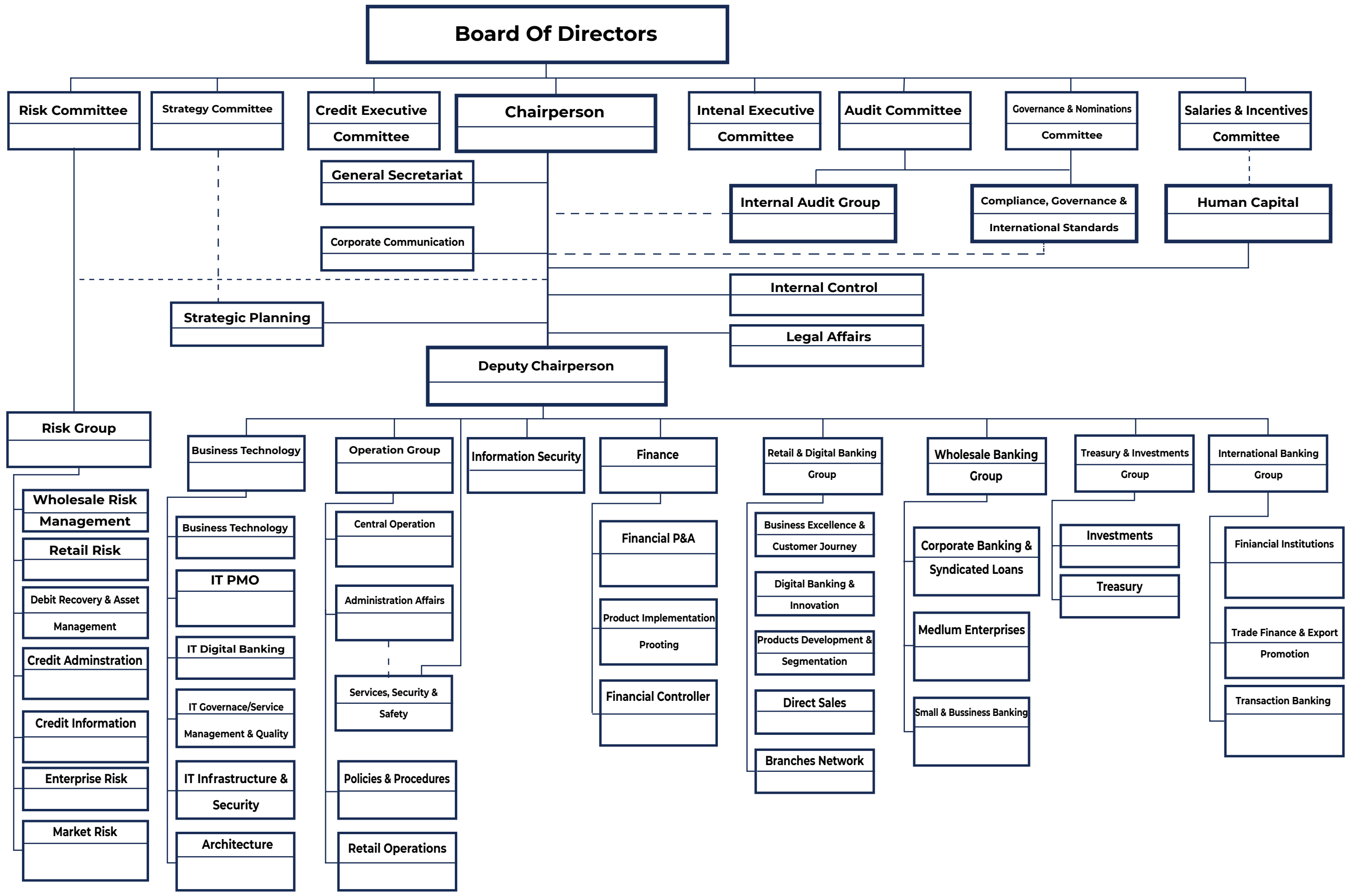
-Increasing the issued and paid up capital from EGP 2,728,000,000 to EGP 3,273,600,000.

-Working on the project of increasing the issued and paid up capital from EGP 3,273,600,000 to EGP 5,273,600,000.

General Assembly

The Ordinary General Assembly was held on 7 July 2020, 30 September 2020, 28 February 2021, and 14 July 2021, while the Extraordinary General Assembly was held on 28 February 2021.

ORGANIZATION CHART



ECONOMIC CONDITIONS
- GLOBAL ECONOMY

World Economic Overview

▪ The global economy enters 2022 in a weaker position than previously expected. As the new Omicron COVID-19 variant spreads, countries have re-imposed mobility restrictions. Rising energy prices and supply chain disruptions have resulted in higher and more broad-based inflation than anticipated, particularly in the United States and many emerging markets and developing economies.

▪ Global growth is expected to decline from 5.9% in 2021 to 4.4% in 2022, -0.5% lower for 2022, and largely reflecting forecast markdowns in the two largest world economies. In addition, the global growth is expected to slow to 3.8% in 2023.

▪ Elevated inflation is expected to persist for a longer period, with ongoing supply chain disruptions and high-energy prices continuing in 2022. Assuming inflation expectations stay well anchored, inflation is expected to gradually decrease as supply-demand imbalances diminish in 2022 and monetary policy in major economies responds.

▪ Prospects in the global baseline are tilted to the downside. The emergence of new COVID-19 variants could prolong the pandemic and cause renewed economic turmoil. Moreover, supply chain disruptions and energy price volatility mean uncertainty around inflation and policy paths is high. As advanced economies lift official interest rates, risks to financial stability and capital flows to emerging market and developing economies, currencies and public fiscal positions, may emerge.

▪ With the pandemic continuing to maintain its grip on the global scene, the emphasis on an effective global health strategy is more salient than ever. In this context, worldwide access to vaccines, diagnostic tests and treatments is essential to reduce the risk of emergence of further dangerous COVID-19 variants.

Source: *International Monetary Fund - January 2022*

- LOCAL ECONOMY

Local Economic Overview

▪ Over the past five years, the Egyptian government has undertaken many reform measures aimed at putting the Egyptian economy on track while raising the efficiency of services offered to the citizens. The Ministry of Finance has been keen on achieving the financial control targets, sustainability of public finance indicators and rationalization of consumption while providing sources of finance without compromising on the safe limits of public debt. The Ministry has also been keen on supporting the security network, providing quality health care to citizens and increasing financial allocations to raise the efficiency of infrastructure, human development, education and health programs, which would increase the Egyptian citizen's productivity and help in improving the quality of his daily life.

- Total fiscal balance of the state budget as a percentage of GDP recorded -4.0% during the period July-December of FY 2021/2022, while, the primary balance reached 0.05% of the GDP. This could be explained in light of the increase in revenues by 10.3%, while the increase in expenditures has exceeded the increase in revenues, rising by 15.4% year-over-year. The state budget could successfully maintain its commitments to increasing the allocations to the health and education sectors, investments financed through the treasury and wages, and to fulfill the allocations to social welfare programs, despite the COVID-19 repercussions on the economic activity.
- Total revenues increased by EGP 46.7 billion, with a growth rate of 10.3%, to record around EGP 499.6 billion during the period July-December of FY 2021/2022, where proceeds from tax revenues constituted 77.4% of total revenues while non-tax revenues constituted 22.6%.
- Tax revenues constituted around EGP 386.9 billion increasing by EGP 52.6 billion (with an increase rate of 15.7%) year-over-year.

Tax proceeds from sovereign authorities increased by around EGP 22.7 billion (with an increase rate of 55%) to record EGP 64 billion during the study period, compared to EGP 41.3 billion year-over-year.

- Tax proceeds from non-sovereign authorities increased by around EGP 30 billion (with an increase rate of 2.10%) to record EGP 322.9 billion during the study period, compared to EGP 293 billion year-over-year.

The following are among the most important tax revenue items that contributed to the increase of the total revenue:

- Increase in tax proceeds from Income Tax by around EGP 5.4 billion (with an increase rate of 4.7%).
- Increase in tax proceeds from Value Added Tax by around EGP 24.7 billion (with an increase rate of 14.4%).
- Increase in tax proceeds from Property Tax by around EGP 18.5 billion to reach EGP 50.6 billion during the study period, in light of the increase in proceeds from tax on T-bills and bonds interests.
- Increase in tax proceeds from International Trade Tax by around EGP 4 billion (with an increase rate of 23.9%).
- Non-tax revenues achieved 22.6% of total revenues.

Source: The Financial Report of the Ministry of Finance - January 2022

Inflation

The headline Consumer Price Index (CPI) for all urban consumers announced by the Central Agency for Public Mobilization and Statistics (CAPMAS) on January 10, 2022, recorded a monthly rate of -0.1% in December 2021, compared to -0.4% in the same month of the previous year.

Source: Central Bank of Egypt - December 2021

BUSINESS STRATEGY

▪ FINANCIAL INSTITUTIONS (FI):

FI Sector lies at the core of the International Banking Group acting as the focal point of contact for local and international financial institutions working with the Bank.

The sector's main objectives are building and enhancing strong correspondent relationships worldwide; extending country limits to target African export markets in alignment with the Egyptian government strategy to boost Egyptian exports; acquiring new trade finance business, maintaining / procuring sources of foreign currency funds with various tenors at competitive rates.

FI provides an array of products and services including trade finance, funded and unfunded risk participation, bilateral loans and funding arrangements, syndicated loans, payments facilitation, tailored / structured solutions and more. A number of factors underpin the sector core competencies:

- A diverse network of more than 100 correspondent banks, including both foreign and local ones.
- Strong ties with multilateral financial institutions.
- Proven track record in delivering tailored credit and trade finance services.

▪ Corporate Lending and Syndicated Loans

1) Corporate Finance

- The Corporate Finance and Syndicated Loans Sector strategy for FY 2020/2021 is associated with the Bank's five-year strategy 2017/2022, as an integral part of its six main pillars; particularly the business development pillar, which includes the goal of doubling and augmenting the credit portfolio. Exports development and supporting exporters as well as assisting them by all available means, including financing or providing financial and marketing advisory services to those exporters, and supporting their presence in foreign markets, particularly African markets, this was supported by protocols, MOUs, agreements and products that were concluded during the fiscal year.

This was positively reflected on the credit portfolio of the sector, according to the following:

Business Strategy Annual Report 2020 - 2021

Total credit portfolio (direct / indirect uses / new customers):

- The growth rate in the customers' total direct use at the end of FY 2020/2021 amounted to 1.5% compared to what was achieved on 30 June 2020, as the balance of direct use of the credit portfolio of the sector increased by about EGP 320 million.
- The balance of indirect uses at the closing on 31 December 2021 increased by about EGP 2.5 billion compared to the balance at the closing of the fiscal year of 30 June 2020, with a growth rate of about 71%.
- During the fiscal year ending on 31 December 2021, the sector enhanced its dealings with major customers in various economic sectors, including customers who are leaders in the volume of their export business compared to their total business figures.

2) Syndicated loans

- A banking alliance, led by our Bank, as the leading organizer, general coordinator, financing and guarantee agent, with the participation of four other banks, succeeded in concluding a long-term financing contract in the total value of EGP 1.5 billion, favor of Arkan Palm for Real Estate Investment Company, in order to finance part of the investment cost of the first phase of the 205 Project in Sheikh Zayed city, which is considered one of the most important syndicated loans arranged during the year in the real estate development and investment field.
- The Bank also participated in a banking alliance in providing finances, amounting to EGP 12.3 billion to Algharabli Company for the development of Abu Qir Port in Alexandria. This finance is the largest syndicated loan arranged during the year.
- The Bank's share in the syndicated loans on 31 December 2021 amounted to about EGP 5.7 billion, the largest percentage of which is focused on financing the industrial sector.

Based on the foregoing, the corporate finance and syndicated loans sector strategy aims to:

- Continuing the implementation of the Bank's strategy, which attaches special importance to strengthening the export activity.
- Growth in the lending portfolio through the optimal use of the credit limits granted to the Bank customers, in addition to the expansion in granting credit limits to new customers with a focus on exporting customers.

Cash payment initiative of exporters' dues at the Export Development Fund

Export Development Bank of Egypt contributed to the disbursement of the Export Development Fund's overdue dues to 806 beneficiaries during the period from November 2020 to December 2021. The Bank's total share in the initiative amounts to EGP 5.5 billion in line with the State's orientation towards supporting and helping companies active in export and in implementation of the President of the Republic's directives.

The initiative contributed to supporting exporters in light of the negative economic effects of coronavirus spread and in view of the primary role of the exporting companies in advancing the economic development.

Small and Medium Size Enterprises (SMES)

- Small and medium industries are the lifeline of major industries, as they feed them with raw materials and production components, hence ensuring the continuity and regularity of the production process. SMEs also help reduce the burden on major industries in providing the foreign currencies needed for acquiring the production materials, by purchasing them locally, as nearly 20 small and medium feeding companies work with / or complement major companies.
- As the Bank believes in the importance of SMEs and their direct impact on the development of the Egyptian economy and the creation of more job opportunities, the Bank strategy adopted a plan to advance this sector to complement the State policy and orientations and the incentives offered by the Central Bank of Egypt to banks to finance this sector.
- The Bank was a pioneer among banks in directing attention to SMEs and was keen to play its role in supporting this sector. In 2005, the Bank undertook the initiative to conclude a technical cooperation agreement with the International Finance Corporation (IFC) of the World Bank in order to provide technical assistance in the development of systems, policies, risk assessment tools and modern technical methods regarding the means of granting and managing credit for SMEs and train the workers in this regard.
- The Bank has also provided affordable financing programs against low prices to customers in this sector, where it provides subsidized loans in the fields of environment, agricultural crops, poultry and fisheries, along with offering financial support to technically support the SMEs. The Bank also provides the SME customers with a variety of banking services and products, whether medium-term financing for the rehabilitation of equipment and machinery or short-term financing for financing the working capital in the various stages of the production process in addition to other banking services.

- The volume of financing available from the Bank for SMEs amounted to EGP 5799 million on 31 December 2021 distributed over several economic sectors (industrial - agricultural - commercial - service) despite the economic and political changes during the previous period.
- The Bank also finances associations and institutions that provide micro-loans to micro-enterprise owners for the purpose of combating poverty by providing micro-finance and offering financial services to micro-enterprises in a way that supports social development in its comprehensive concept, based on the Bank's belief in small, medium and micro enterprises and integration with the current state policy in this regard. This is what made the Bank and the SMEs financing sectors play their role by providing coordination to activate the community-oriented role of the Bank.

Trade Finance and Export Promotion:

The Export and Foreign Trade Promotion Department aims to provide unique commercial financing solutions to increase the volume of the Bank customers raising its share in foreign trade in general and export in particular. Such solutions include the provision of non-financial services such as market research, technical consultation, organizing workshops and training courses in the area of foreign trade for increasing the awareness of current and potential customers. The Department also aims to strengthen the relations with several embassies of African and foreign countries, to achieve the maximum benefit from informational support and to work closely with the Egyptian Export Guarantee Company, in order to guarantee the exports and all other parties. In addition to being present in international conferences and forums, thus achieving a competitive advantage and a distinguished position in the market for the Bank.

The activities and achievements of the sector during the fiscal year 2020/20211:

- The Bank was awarded the Best Bank in Foreign Trade Finance for the second year in a row from GTR Leaders, owing to the non-financial services provided by the Bank, in addition to the increase in the foreign trade activities.
- Participation in the initiative to pay outstanding dues to support exporters by financing the largest percentage among various banks, in coordination with the Ministry of Finance.
- Increasing the Bank's customer base working in the field of foreign trade achieved an increase in the commissions collected by more than 20%.
- Organizing several workshops and lectures for members of the export councils with the aim of educating the members on all matters related to foreign trade operations.

- Participation and sponsorship of exhibitions held to activate and promote Egyptian exports in cooperation with various export councils (Stitching Egypt Export Council and HATS Export Council).
- Participation in Gosoor El Nasr initiative to support exporters and open new markets by information and awareness dissemination of the services provided by Gosoor El Nasr Company to exporting customers.

Payments, Cash Management and Global Transaction Banking:

In light of the rapid and continuous evolution of the financial and banking sectors, the Egyptian Government and Central Bank of Egypt directions, towards a cashless society depending on robust digital solutions, beside the Financial Inclusion Initiative, the Bank established the Cash Management department in 2019 as a first phase, then expanded by establishing the Transaction Banking Sector at the mid of 2021 supported by a state-of-art corporate internet banking on-line platform.

Transaction banking strategic objectives:

- Develop new digital products and services for corporate clients.
- Uniquely positioning the Bank as a market leader.
- Create new revenue / income streams.
- Reduce cost of fund.
- Embedding a benchmark customer service through differentiated service propositions.
- Introduce automation concept to lower operating costs and increase efficiency.
- Introduce diversified products for corporate clients.

Transaction banking sector represents two departments, Cash Management and Marginal Trading:

1) Cash Management Department:

Responsible for the provision of products and services to meet corporates' day-to-day operational business by streamlining transactions processing cycle and re-engineer receivables and payables processes, manage working capital and investment efficiency via advances E-channel and information services mechanisms along with leading the automation and digital transformation for corporate clients.

2) Marginal Trading Department:

Transaction Banking Sector introduced the Margin Trading Department to create new revenue stream and meet clients' expectations by offering new products / services.

Marginal Trading Service falls under the umbrella of assets related products aiming to increase investor's purchasing power by leveraging into larger positions than their cash positions would allow.

This takes place by entering into a short-term facility / loan agreements with the Bank, guaranteed by a portfolio of pre-determined stocks and / or government bonds.

INVESTMENT ACTIVITIES:

First: Capital Contributions:

The Bank's net investments in stocks, capital investment funds at the end of the fiscal year subject of the report amounted to EGP 1.4 billion with an increase of 9%.

During the fiscal year, the following have been achieved:

- With regard to strategic investments, the Bank increased its investments in one of the subsidiaries - EBE Factors Company by 15% as such increasing the percentage of our Bank's contribution to 75% of the total issued and paid-up capital, where the company offers a complete set of programs for export factoring, import factoring and local factoring whether with the right of recourse against the seller or without the right of recourse against the seller.
- The Bank added to its investment portfolio a new type of investment, namely sukuk. The sukuks represented 18.1% of the existing investment portfolio on 31 December 2021.
- The Bank has also succeeded in finding good opportunities to exit from investments that have reached the stage of maturity at a rate of 9.3% of the portfolio size. The Bank also succeeded in reducing its investments in private equity funds by approximately 13% during the current year as a result of selling some investments included in the portfolios of capital investment funds.
- Oberoi Sahl Hasheesh Hotel, owned by one of the Bank subsidiaries, won several awards, including the first Grand Hotel Champion Award for the year 2021 from the global Traveler Made website. The hotel also won an award from Booking.com, the world's largest website for booking hotels directly by guests. The hotel won the awards
- wing to the best level of luxury service it offers as well as due to its distinguished location and unique design. Oberoi Sahl Hasheesh was also nominated by The Telegraph UK among the best hotels in Egypt.
- Final handover of the new hotel Paradiseus (204 rooms - 4 stars) from the Contractors. The hotel has been established on the land allocated by the General Authority for Tourism Development in the area of Dashet El Dabaa in Sahl Hasheesh - Hurghada.

Second: Mutual Funds:

(A) Export Development Bank of Egypt Mutual Fund 1 – AL KHABIER

A stock fund managed by Azimut Company for funds and securities portfolios management, since 1 October 2021. The number of existing units at the end of the fiscal year subject of the report amounted to 100,250 units, including 79,191 units owned by the Bank. The redemption value of the unit is EGP 135.72 compared to its par value in the fund prospectus, which is EGP 33.33.

The fund is characterized by the fact that the customer is not charged with any expenses for the purchase or redemption operations, also the possibility of quick follow-up of the unit price, follow-up of the balance and possibility to purchase and redeem through the Bank branches or electronically through Internet Banking. The fund also provides collaterals for loans according to the Bank regulations in force.

(B) Export Development Bank of Egypt Mutual Fund 2 – Money Market Fund:

A cash fund managed by Azimut Company for funds and securities portfolios management. The number of existing units at the end of the fiscal year subject of the report amounted to 1,690,775 units, including 39,440 units owned by the Bank. The redemption value of the unit is EGP 435,4267 compared to its par value at the time of issuance, which amounted to EGP 100.

The fund is characterized by the exemption of the interest from tax, and the customer is not charged with any expenses for the purchase or redemption operations, also the possibility of quick follow-up of the unit price, follow-up of the balance and possibility to purchase and redeem through the Bank branches or electronically through Internet Banking. The fund also provides collaterals for loans according to the Bank regulations in force.

Business Strategy Annual Report 2020 - 2021

(C) Export Development Bank of Egypt Mutual Fund 3 – KONOOZ:

An asset allocation fund type managed by Prime Investments Company for financial investments management. The number of existing units at the end of the fiscal year subject of the report amounted to 52,181 units, of which 50,000 units are owned by the Bank, and the redemption value of the unit amounted to EGP 185,3929, compared to the par value of the unit at the time of issuance, which amounted to EGP 100.

The fund is characterized by the fact that the customer is not charged with any expenses for the purchase or redemption operations, also the possibility of quick follow-up of the unit price, follow-up of the balance and possibility to purchase and redeem through the Bank branches or electronically through Internet Banking. The fund also provides collaterals for loans according to the Bank regulations in force.

TREASURY

- The size of the government bills and bonds portfolio in all currencies amounted to EGP 18.6 billion on 31 December 2021, compared to EGP 13.2 billion on 30 June 2020, with an increase of 41.4%.
- The volume of deposits at the banks in all currencies amounted to EGP 7.9 billion on 31 December 2021, compared to EGP 4.7 billion at the end of the previous fiscal year, with a growth rate of 70%.
- Regarding the major customers, the revenues generated from the commissions of the major customers' transactions amounted to EGP 4.9 million, and the volume of acceptance in the tenders of the Ministry of Finance in government bills and bonds amounted to EGP 54.9 billion, which is equivalent to 156% of the volume of coverage required by the Ministry of Finance according to the share of the Bank as a major customer.
- The net profit of dealing in government securities in the secondary market amounted to EGP 38.8 million on 31 December 2021, compared to EGP 10.3 million at the end of the previous fiscal year, with a growth rate of 276.7% through a trading volume of EGP 267.1 billion Egyptian pounds, compared to EGP 70 billion at the end of the previous fiscal year, with a growth rate of 281.5%.
- Foreign exchange trading profits for the fiscal year ending on 31 December 2021 amounted to EGP 203.6 million, compared to EGP 119.7 million in the previous fiscal year, with an increase of 70.1%, in addition to an increase in the volume of foreign exchange transactions against the Egyptian pound in favor of the Bank customers from USD 2.5 billion during the previous fiscal year to USD 4.76 billion, recording a growth rate of 90.4%.

CENTRAL BANKING OPERATIONS

Export Documentary credits were advised to the Bank›s clients with a total amount of EGP 10.842 billion, part of which (EGP 4.631 million represents 43%) has been confirmed.

This ratio is one of the highest ratios in the level of Egyptian banks in confirming Export Documentarycredits.

This reflects directly the ability of the Bank and existing competencies in the central banking operations to bear responsibilities, and take the risk of non-payment of the shipping documents value to the Egyptian exporters for reasons related to documents and its compliance with terms and conditions of the documentary credit.

Export Shipping Documents has been negotiated through the Bank during this period with a total amount of EGP 60,590 billion.

The Bank Discounted Export shipping documents with a total amount of EGP 1,257 million, paid to the exporters before maturity dates, in order to encourage exporters to get shipping documents value immediately after completion of the shipment process without waiting for the receipt of proceeds.

Improve the technical aspects for the foreign trade processes by enrolling the staff of the Central Banking Operations to the multinational training courses (Certified Specialist Demand Guarantee - CSDG), with 100% achieved successes.

RETAIL & DIGITAL BANKING

Customer base

The number of customers increased from 55,252 in June 2020 to 98,757 in December 2021, with a growth rate of 78.7% and an increase of 43,505 customers.

Customer deposits

Retail banking was able to manage and acquire new capitals of about EGP 16 billion in the deposit portfolio, which contributed to an increase of 36% of the total increase in the Bank’s deposits portfolio, which amounted to 45%, achieving an increase of 67% in the retail banking portfolio in December 2021.

Retail banking loans

Retail banking was able to increase the loans portfolio by about EGP 2.2 billion, with an increase of 145% in the retail banking portfolio in December 2021.

Credit cards

The number of cards was doubled, as the number of credit cards increased from 5,339 cards in June 2020 to 13,599 cards in December 2021 with an increase of 8,260 cards with a growth rate of 154.7%, and an increase in the use of cards by 58% to reach EGP 38 million in December 2021.

Digital banking products and services

Many digital products and services have been launched to enable customers to easily obtain and use those products through:

First: E-Wallets

- Possibility of self-registration and activation.
- Possibility to withdraw / deposit from / to the electronic wallets through ATMs.
- Possibility to receive a local bank transfer (ACH).

Second: Internet banking

- Possibility of self-registration and activation.
- Activating the external transfer service using the standard International Bank Account Number (IBAN).
- Possibility to send transfers (ACH) to electronic wallets issued by banks or other institutions and subscribed in MEEZA Digital Network.

Third: Interactive Teller Machine (ITMs)

- Two ITMs were added in the two new branches (Mohandessin and El Merghany).
- The service has been activated for the Bank's employees only.

Fourth: Automated Teller Machines (ATMs)

The total number of ATMs reached 74 machines in service (44 in-branch ATMs and 30 external ATMs).

The ATM network is being expanded according to an initiative by the Central Bank of Egypt, through which the Bank contributes to support new and existing customers to meet their financial needs by means of electronic payment services.

Branches Network

Expansion of the Bank branches network is underway by opening new branches to cover the entire Arab Republic of Egypt geographically after contracting with ADHOC Co. to determine the best geographical locations in which the Bank needs to expand during the coming period.

Five new branches have been opened since the beginning of fiscal year June 2020 (Torel district in Mansoura, Zagazig, Minya, Shebin El Kom and El Merghany), including three electronic branches; where the branch is divided into an electronic branch and a branch that deals with the customary methods, bringing the total number of the Bank branches to 43 branches.

Direct Sales Department

The Direct Sales Department was established as an essential element in the retail sector in order to increase the percentage of new customer acquisition and provide the Bank's products to non-bank customers. The Direct Sales Department has succeeded in achieving the anticipated goals in a short period by creating a loan portfolio with a total amount of EGP 954 million (car loans: EGP 753 million and personal loans EGP 201 million).

Product development

All existing Bank products were developed and new products and programs were launched through competitions and contests, marketing campaigns, programs and services.

Business excellence and service quality

Restructuring the customer service units by increasing the number of employees and launching three new services through which the customer loyalty, the effort exerted by the customer, and the customer satisfaction with the Bank services are determined and evaluated.

- Credit card activation unit: 63% of the Bank's total credit cards have been activated
- The results of the Survey Unit so far, are as follows: customer loyalty: 61%, the extent of customer satisfaction with services: 92%, and the effort exerted by the customer: 8%.
- Customer welcome call unit.
- Launching a service evaluation card, through which the quality of service provided by the various retail sectors is measured.
- The application of local electronic payments procedures, which led to the support and facilitation of all local and foreign transfers.

▪ DEBT RECOVERY AND SWAP ASSETS

The sector adopts a clear strategy for handling non-performing debts and dealing with customers' accounts, based on a basic pillar, which is to deal positively with all cases that suffer from default, providing advices and assistance to manage these cases to get out of crisis, and to maintain the business continuity, in order to preserve the job opportunities provided by those entities, this is in line with the Central Bank of Egypt's policy, through:

- Proposing, discussing and finalizing settlements.
- Scheduling commensurate with the ability of customers to pay and in line with the business cash flows.
- Providing all forms of support to customers, whether through financial advice or injecting new financing, provided seriousness and commitment on the part of customers are available.

Through this policy, the Bank management succeeded in reducing the percentage of bad debts from 6.5% on 31 December 2016 to 3.3% on 31 December 2021, out of the total portfolio. It also succeeded in collecting about EGP 869 million from the bad debts during the same period.

Achievements during the fiscal year 2020/2021

- Settlements were concluded for eight customers with a net debt of EGP 222 million.
- An amount of EGP 103 million was collected, including:
  - EGP 52 million from bad debt portfolio customers.
  - EGP 19 million from writing-off customer debts.
  - EGP 32 million from the sale of assets whose ownership was transferred to the Bank, achieving a profit of EGP 8.2 million.
  - The provision was enhanced by EGP 49 million, to support the provisions of other customers.

A factory financed by the Bank


An industrial project of the Bank's customers

CREDIT AND INVESTMENT ADMINSTRATION:

Credit and Investment Administration sector is one of the sectors under the Risk Group Management that supports monitoring and controlling of Credit approvals for Corporate, Midcap, SMEs, Investment and Retail banking. It is also responsible for checking purpose for disbursements under credit approvals and issuing early warning indicators and reports to mitigate credit risk, and ensure complying with the Bank's credit policies and procedures as well as the Central Bank of Egypt regulatory requirements.

During the period from July 2020 until December 2021, the following was accomplished by Credit & Investment Administration Sector (Corporate):

- Restructure of Credit Admin sector and amendment of the organization chart, which will result in the improvement of control function and support of business growth plan.

There are many units that falls under management of Credit & Investment Administration sector as follows:

- Corporate Documentation Unit.
- Credit Control Unit.
- Purpose Monitoring Unit.
- Corporate & Syndication Loans Monitoring & Booking.
- Credit Information Unit.
- CAD Follow Up and MIS Reporting.
- Retail Credit Admin and Loans Booking.

The sector played a major role in Export Support Fund initiative:

Export Support Fund initiative started in Nov 2020 with Ministry of Finance and Central Bank of Egypt, where National Bank of Egypt - Bank Misr – Banque du Caire and Export Development Bank of Egypt participated with a total amount of EGP 23 billion to support Export Support Fund to pay exporters' obligations.

- The Bank share amounted to EGP 6.5 billion, and following is the summary with the disbursed amounts till December 2021 as well as the number of customers:
- Total disbursed amounts: EGP 6 Billion.
- Total number of customers: 842 customer.

Purpose Monitoring Unit achievements:

- Stop printing hard copies for customers' positions, which are used to proceed the daily transactions, using soft copies instead, which are saved on shared folders. This initiative saved lots of time and effort spent to print daily approx. 700 customers' positions, also cutting costs of approx. 1500 paper daily and box files used for archiving.
- Save time and effort by setting a system on Oracle to create trust receipts once daily for total transactions processed for each customer instead of creating each trust receipt separately.

Corporate & Syndication Loans Monitoring & Booking Unit Achievements:

- Execution and supporting the Bank's expansion in syndication loans as follows:
- Syndication loans (the Bank as an agent):
  - Arkan.
  - Barons Court Sports and Leisure for Tourism.
- Syndication loans (the Bank as a participant):
  - EL Gharably.
  - Marasem.
  - First Design.
  - EGYPTIAN SPONGE IRON AND STEEL.
  - ORA DEVELOPERS EGYPT FOR REAL ESTATE INVESTMENT.

- Support business growth in factoring, leasing and real estate finance.
- Implement CBE initiative related to postponing installments for all customers for 6 months to support companies and individuals due to epidemic crisis of Corona.

Credit Information Unit achievements:

- Accomplish automation of a highly complicated project required by CBE to change CBE monthly reporting for customers / individuals, and successfully upload new CBE reporting files at the target date specified by Central Bank of Egypt.

This huge project was complicated and diversified which required data extraction from various systems, reports and different departments on the Bank's levels, customers and credit facilities levels.

- Automation of credit cards to be placed on non-accrual / write off to ensure proper reporting to I-score system and CBE.
- Finalize automation of indirect facilities and exposure reporting on I-score.
- Prepare monthly report to measure the Bank's progress in achieving the required target set by CBE to increase SME portfolio to be 25% from the Bank's total portfolio.
- Automation of reporting write–off customers and their guarantors to I-score.
- Uploading of 181 SME customers in new project related to SME grading.
- Update 85% of credit customers on new CBE related parties system.

Documentation and Credit Control:

- Initiate and prepare consolidated legal contract to be signed by customers instead of obtaining customer signature on different documents, which saved time, cost, and increased customer satisfaction.
- Initiate new product for contracting facilities to ensure better control and follow up on contracting facilities.
- Finalize agreement to transfer legal documents in fireproof cars to 6th October city, instead of being transferred in the Bank's cars, mitigating fire and theft risk.

MIS and Reporting Unit:

Prepare the following new early warning reports as follows:

- New lending customers.
- Follow on expired Commercial registers and update of commercial registers, every 6 months to comply with CBE guidelines.
- Daily follow up on insurance policies and conduct freeze on facilities with expired insurance.
- Daily follow up on expired special transactions.
- New report for contracting customers.
- Follow up on suppliers list with division heads approvals.
- Prepare collateral report for customers covered by investment funds.

Finally, all units participated in attending and addressing requirements for core banking system upgrade.

RISK MANAGEMENT:

- We believe that the main role for risk management is to protect our customers, business, colleagues, shareholders and the communities that we serve, while ensuring we are able to support our strategy and provide sustainable growth.

Our Risk Appetite and Approach :

- Is expressed in both quantitative and qualitative terms and being applied across various business lines.
- Strength our capital, liquidity and balance sheet.
- Compliance with applicable laws and regulations.
- Effectiveness application of control to mitigate risk arises from different business lines.

Managing Credit Risk

- We assess the credit quality of all financial instruments that are subject to credit risk in line with the Bank›s expansion plan while maintaining average PRR and impaired loans ratio relative to gross loans.
- We have successfully implemented expected credit loss model in collaboration with international rating agencies in an end-to-end process.
- Enhanced the monitoring and review of credit loss models after the dramatic changes accompanied with Covid-19 outbreak for proper forward-looking assessment.
- We stress test portfolios regularly to identify sensitivity to loss under a range of scenarios, with management actions being taken to rebalance exposures and

  manage risk appetite where necessary, and as a result of Covid-19 outbreak and its global impact either on different economies or customers behavior or performance.
- We have successfully finalized the restructure of credit risk sector to cover different business lines.
- We have put in place measures to assess different industries risk and assign rating to promote well-diversified clusters and exposures.

OPERATIONAL RISK MANAGEMENT:

Operational Risk is one of the main risk management functions of the risk group in the Bank. The Bank's Operational Risk function launched in 2009/2010 by establishing and applying an Operational Risk Management framework by which the Risk Sector in coordination with business identifies, analyses and monitors risk factors within the Bank's activities.

Operational Risk is managed through a consistent framework designed based on transparency, management accountability and independent oversight, to enable the Bank to determine risk profiles, identify early warning signals, and key causes related to risks to promptly define mitigating measures and ensure the sufficiency and effectiveness of controls to mitigate risks.

The framework is supported by a set of comprehensive policies and procedures subject to regular reviews to ensure effective controls' setup, deal and comply with regulatory changes, and tackle risks arising due to change management.

Operational Risk Management function is involved in the early stages for launching new products and services through pro-actively identifying and assessing risks related to new products and sufficient remediation sustaining good service for the Bank's customers.

The Operational Risk management function performs risk analysis based on a well-defined methodology emphasizing root causes, timely reporting of envisaged problems, regular control assessment. Performance of systematic risk analyses, root cause analyses, while monitoring and tracking external events occurring in the banking industry to ensure the establishment of proactive set of controls and actions. Beside regular updating operational loss database.

The Bank's approach encompass but not limited to the use of RCSA, KRIs, incident reports, in addition to other supporting means to identify areas with high risk potential and determine appropriate risk mitigating measures and necessary controls. KRI trends of different activities are monitored and evaluated taking into consideration the acceptable risk limits of the Bank as set in accordance with the Internal Capital Assessment Adequacy Process (ICAAP)

Business Continuity Management:

Business Continuity is the capability of the Bank to continue to deliver its products or services at an acceptable predefined level under many circumstances.

The Bank aims to create safe and comfortable environment for employees and customers, so contingency plans as well as evacuation plans are designed based on best practices and previous experiences, the main goal is to face any emergency that may exposes the Bank's employees, branches or assets.

Therefore, business continuity and evacuation plans are designed to employees in the first place, assets and stakeholders› rights as well; it contributes to restore the normal business environment at the soonest.

Full curfew scenarios has been taken into consideration especially with the current conditions and the COVID-19 pandemic, as plans have been developed to distribute vital activities in alternative sites and reduce the concentration of the human element, ensure the availability of the main needs to ensure continuity of business.

Risk Governance:

The Bank maintains and implements a well-designed risk governance framework, in accordance with the CBE governance mandates.

The Board Risk Committee periodically oversees the Bank's overall operational risk profile and internal control functions, and reviews Operational Risk Management reports, major risk exposures, control effectiveness and main KRIs trends.

The Business Risk and Control committee BRCC periodically discusses operational risk reports and key risk indicators.

In addition, the Internal Audit Division conducts a risk based independent assessment of the activities carried out at the business levels and reports directly to the Board Audit Committee of the Bank.

Business Technology Risk:

In line with the Bank's Information Systems Risk mandate, the Operational IT Risk department (OITRD) carries out a regular plan for the risk assessment and review of all implemented IT applications, programs and network. Accordingly, the OITRD reviews CBE regulations to ensure and apply all necessary controls and enhance the setup for change management risk within the Bank and the suitable mitigation processes along with enhancing the awareness of fraud risk management's role among the Bank employees.

Market Risk

Market Risk is the risk of changes in financial market prices and rates that will reduce the value of a security or portfolio. Market risks arise from open positions of interest rates, currency rates and the equity instruments. Managing the market risk results from either trading or non-trading activities. The management of market risk resulted from trading and non-trading activities are centralized in the market risk department, providing ALCO and the board risk committee with regular reports on monthly and quarterly basis to measure performance.

- Market risk is managed and controlled through limits approved by the BOD, these limits are allocated across business areas where trading and non-trading market risks reside.
- The Bank uses a range of tools to monitor and limit market risk exposures including sensitivity analysis, VAR and stress testing.

Our models are predominantly based on historical simulation that incorporates the following features:

1) Historical market rates and prices, which are calculated with reference to foreign exchange rates, interest rates and the associated volatilities.
2) Potential market movements that are calculated with reference to data from the past.
3) Calculations to a 99% confidence level and using a one-day holding period.

Market risk Management

Market Risk is the risk of Loss resulting from unfavorable movements in the value of financial instruments arising from changes in the level and market volatility of interest rates, foreign exchange rates, equities, and other securities.

The Bank maintains a consistent framework designed along with a set of policies and procedures to ensure that the overall market risk is considered, adequately reported and effectively managed. The Bank classifies sources of market risks into trading and non-trading portfolio risks, which are managed at various organizational levels.

The Bank's approach in managing Market Risk exposures relies on a reliable set of management processes that drive risk identification, assessment, control and monitoring, to facilitate business growth and profits maximization within a controlled and transparent risk management framework, using robust measurement, limit setting, reporting and oversight, stress testing and scenario analysis.

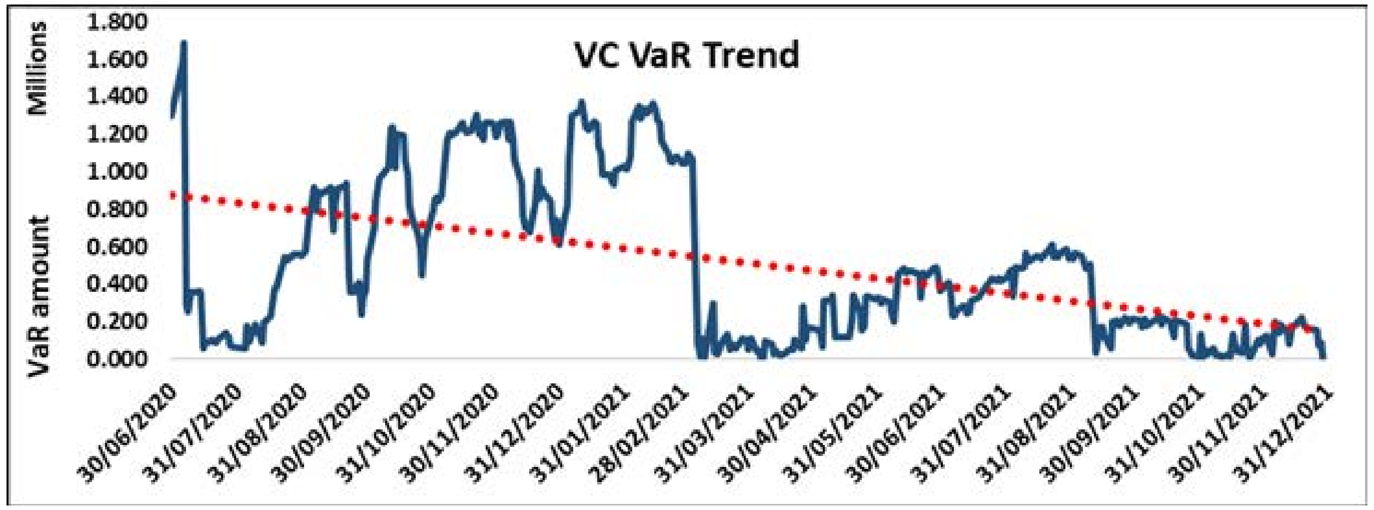
The Bank also complies with CBE's regulations regarding market risk as well as complying with the internal capital adequacy assessment process (ICAAP), which aims to confirm the Bank›s ability to face any significant risks that may affect the Bank.

MRM department checks, tracks any potential impact of market price movements on Banks' positions, portfolios and capital requirements and drives scenarios, assesses and reviews the effectiveness of and adherence to a set of risk limits.

The Bank started also to monitor and analyze the risk appetite statement for the all the risks the Bank is exposed to. The Bank measures the maximum and the acceptable various levels of risk types determined by the Banks Risk Appetite Statement (RAS), which is considered and updated periodically in accordance within the risk management's framework requirements and the market conditions. Based on RAS, Market Risk management department monitors the current level of risk compared to the acceptable risk level on a regular basis, and is presented to the BOD risk committee on quarterly basis.

Foreign exchange risk

Foreign exchange risk arises from open or imperfectly hedged positions, these positions may arise as a natural consequence of business operations. The board of directors have set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control exercised. Value at Risk VaR limits have been set as the maximum potential losses that could result from the possibility of an unexpected change in FX rates over a specified period and at a specific level of confidence.

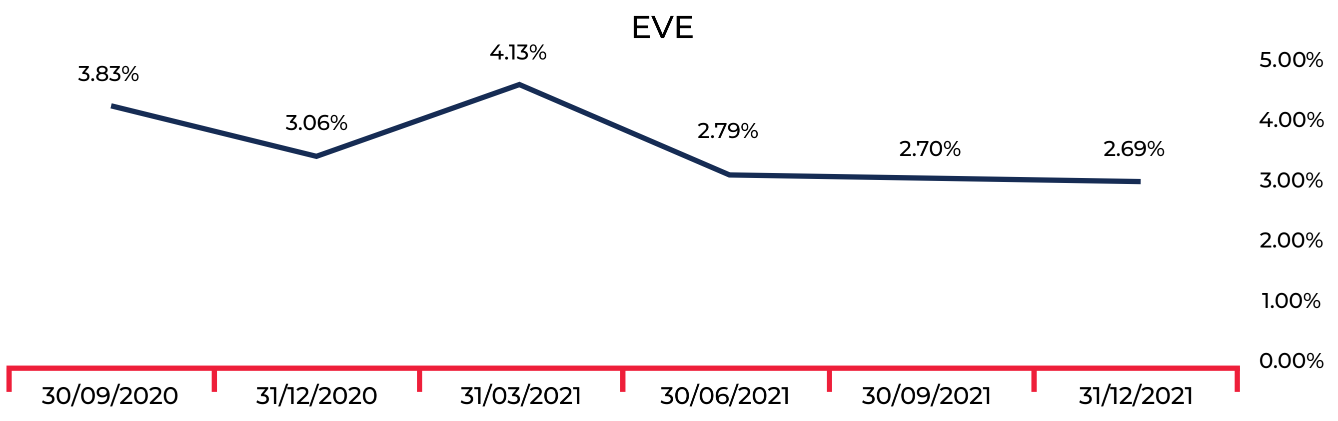


Interest rate risk

The Bank is exposed to impact of fluctuations in the levels of interest rates prevailing in the market.

The cash flow risk of interest rate represented in the volatility of future cash flow of a financial instrument due to change in the interest rates in the market, represented in the volatility of future cash flow of a financial instrument. 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 have set limits for Earning at Risk (EaR) and Economic Value of Equity (EVE) to mitigate repricing gap risk resulting from unfavorable movements in interest - monitored periodically.



Liquidity Risk

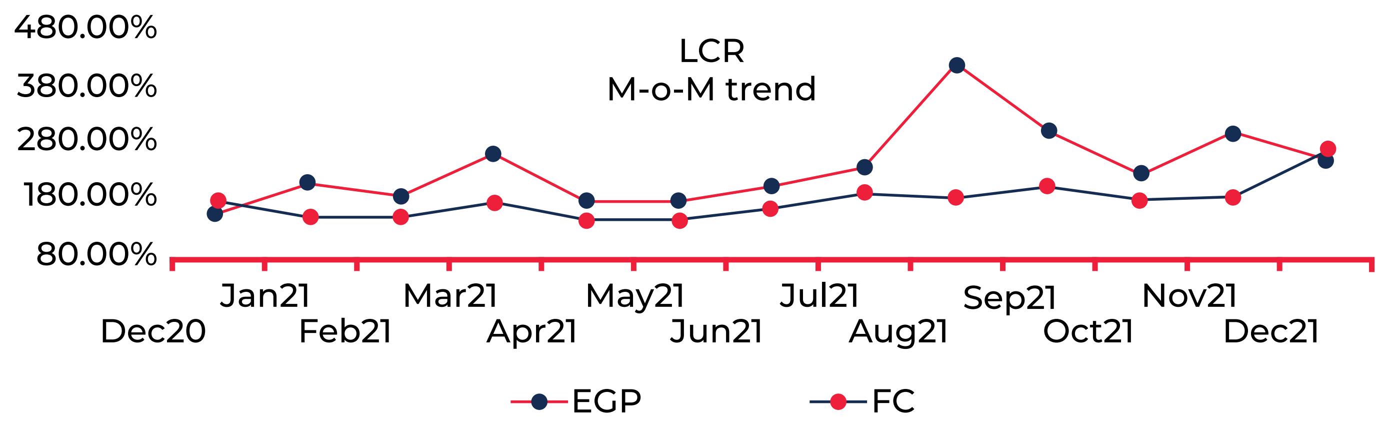
- Liquidity Risk is managed by cash flow matching and maintaining sufficient cash resources, investing in high credit-quality investments with deep and liquid markets, monitoring investment concentrations and restricting them where appropriate.
- We consider some prudential limits to avoid any liquidity crises such as; minimum liquidity ratios coverage, maximum cumulative gaps limits, cap on interbank borrowings, and maximum durations for investments in government securities.
- Contingency funding plan in place.

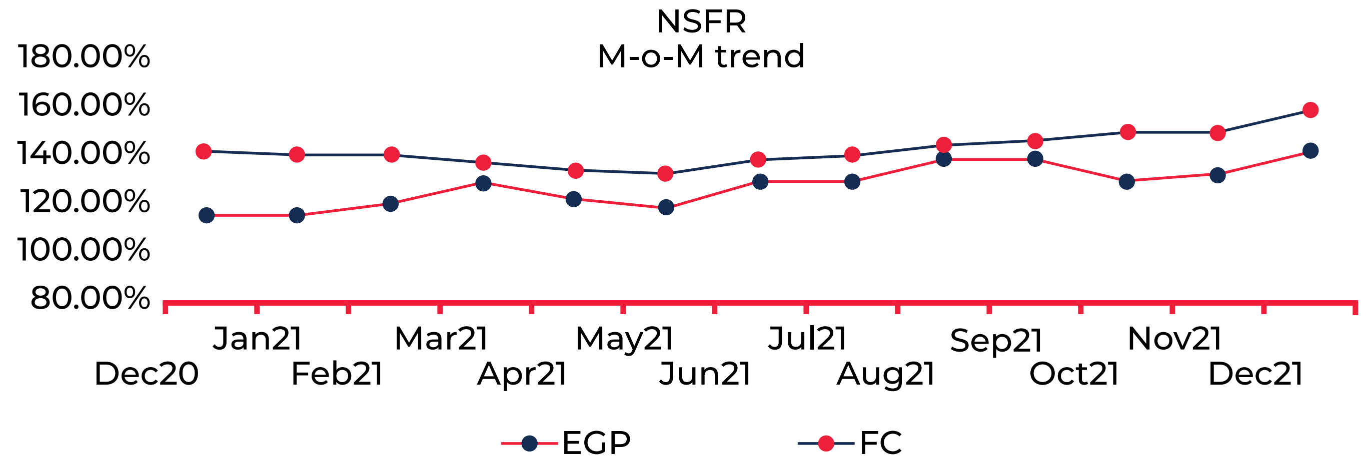
Liquidity risk is the risk that the Bank would be unable to fund increases in assets and meet obligations as they come due, there are two types of liquidity risk “Market Liquidity Risk” and “Funding Liquidity Risk”.

- *Market Liquidity:* The Risk that an item cannot be sold to another market participant due to a lack of liquidity in the market.

- *Funding Liquidity:* The risk that liabilities cannot be met when they are due or can be met only at a cost that is a great disadvantage to the market participant.

The Board of Directors have set limits for the liquidity coverage ratio (LCR), which aims to ensure that the Bank maintains a sufficient level of high liquid assets that can be converted into cash to meet liquidity requirements within 30 days on the assumption of adverse conditions in the liquidity position. As well as setting maximum limits for Net Stable Fund Ratio (NSFR) aims to help us structuring the sources of funds within the financial position and contingent liabilities, and to provide more stable sources of finance for each of the assets and our activities, which are monitored periodically.





Fraud Risk Management:

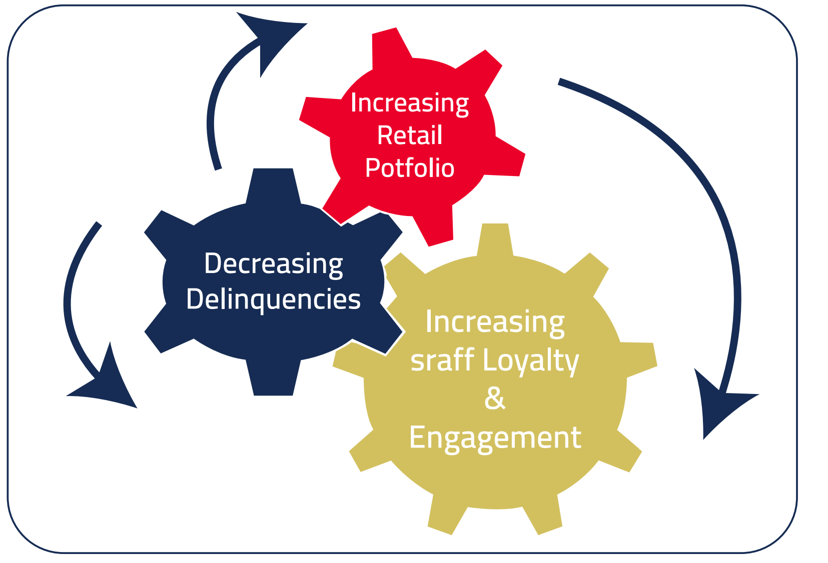
Fraud Risk Management is one of the main functions in line of the strategy of Export Development Bank of Egypt, and its endeavor to stand up against risks, which will contribute to protect our customers, brand and reputation, and reduce impact of financial loss related to such kind of risks.

The Bank direction is proactive to ensure that sustaining the business growth with appropriate anti-fraud controls and applying all regulations and controls to reduce fraud risks and effectively monitoring it.

The Fraud Risk Management Department is responsible to develop fraud prevention, detection, and deterrence strategies for all the products to assist the business protecting their potential and current profitability. The department also advices the Bank on new fraud trends and suitable mitigation processes enhancing the awareness of fraud risk management's role among the employees.

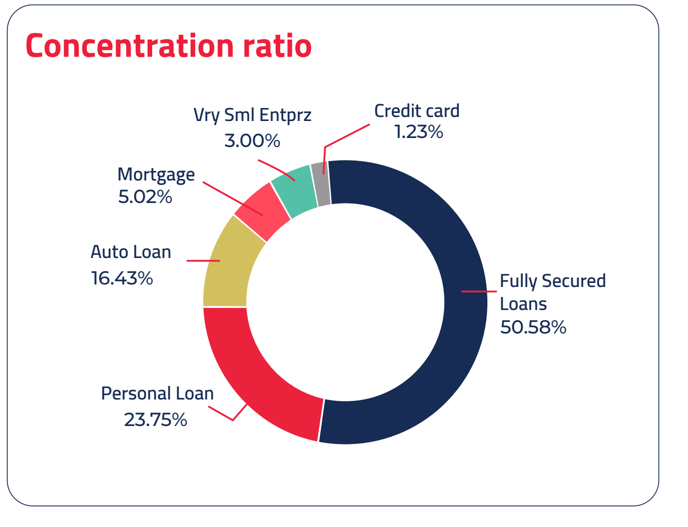
The Fraud Risk Management Department expanded its functions during the financial year by adding the online monitoring of cards transactions , as well as participating in the examination of credit cases for small and medium industries and the cases of mortgage finance.

Retail Risk Main Objectives

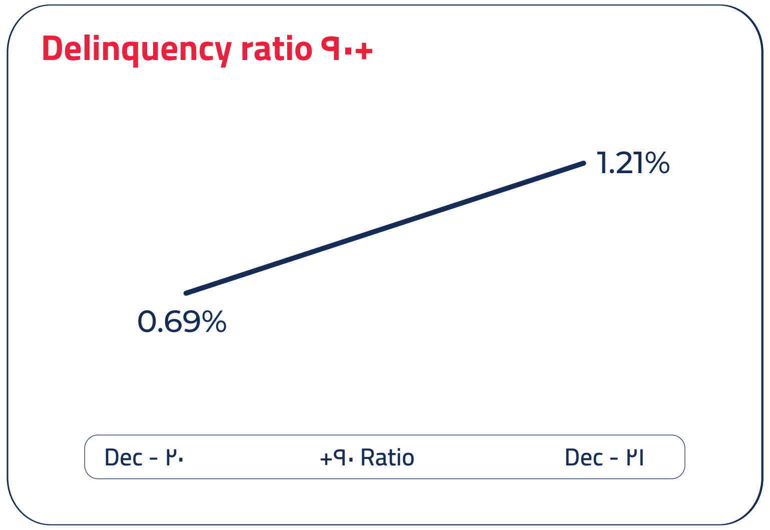


Top achievements during the period from July 2020 untill December 2021:

- Creating SOP's for both departments "Retail Credit – Retail Collection and Recoveries".
- Increasing the portfolio as a main service function in a healthy and risk mitigated status.
- Creating full package of MIS reports that serve the retail cycle all over the Bank.
- Enhance product features to meet all segments and customer needs taking into consideration-mitigated risk.
- Dealing with new collection agencies to enhance collection effort.
- Enhance the TAT for Auto Loans and Banker Loans Cases "Same day approvals".
- Decreasing the delinquent ratio to end up by 1.21%.

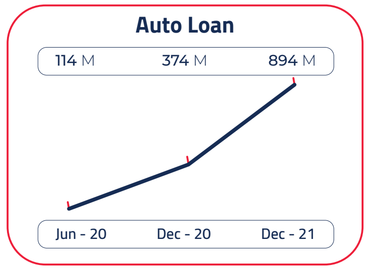


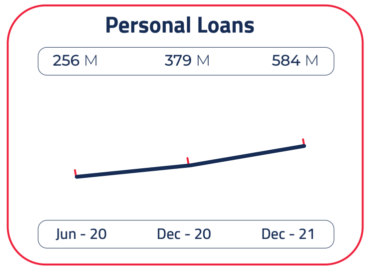
Delinquency ratio 90+

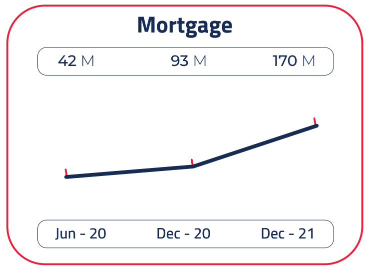


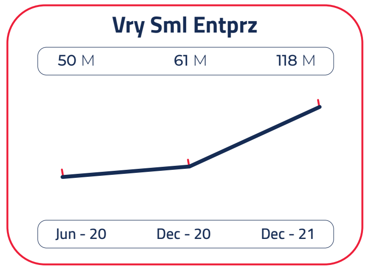
Retail Portfolio Gross

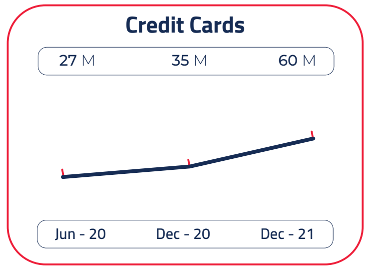
Retail Portfolio Gross











GOVERNANCE, COMPLIANCE AND INTERNATIONAL STANDARDS

Corporate Governance, Compliance and International Standards Sector aims to protect the Bank from the risks of violation of both local and international laws and regulations, defined as legal and reputational risks, it is also responsible for the compliance framework and its implementation throughout the Bank and for promoting a high level of awareness of compliance requirements. It is monitoring the Bank's compliance with regulatory requirements through the following:

- Corporate Governance
- Customer Rights Protection
- Branches Monitoring and testing
- CBE Relations

Corporate Governance:

Regarding the Corporate Governance, it is monitoring the Bank's compliance with regulatory requirements for the following:

- Ownership Structure.
- General Assembly.
- Board of Directors.
- Board's Committees.
- Responsibilities of senior management.
- Disclosure & Transparency.
- Corporate Social Responsibility.
- Auditors.

This in addition to:

1) Monitoring the Bank's compliance with Conflict of Interest Policy.
2) Ensuring that behavioral standards of conduct are properly met in the institution through the implementation of the Bank's Code of Ethics.
3) Whistleblowing on malpractices and protecting the whistleblower.

Customer Rights Protection

In the interest of our Bank to obtain customer satisfaction and enhance their confidence in the Bank from the perspective of reducing their complaints and reducing the time spent in the solution, this department has been strengthened with banking experiences while monitoring all sectors and branches in the application of the principles of protecting customers' rights. The department receives customers' complaints, analyzes them, direct them to the responsible unit and follow–up to ensure proper closure.

In addition, the unit analyzes the root cause of the problems and recommends the needed action to ensure non–recurrence.

Reviewing all the Bank products forms to make sure it considers all the principals related to customer rights.

Branches Monitoring and testing

Ensuring the branches commitment to all policies and procedures and the regulator instructions, in addition to audit committee comments and instructions through periodic visits to branches, submitting reports on regular basis, showing to what extent their compliance and shortcomings, then finally submitting the findings results to the audit committee to issue recommendations in this regard.

CBE Relations

Main role

- Receiving CBE circulations and uploading them on the internal electronic portal, communicating with concerned parties insuring adherence to the circulated rules, and following up on execution of CBE circulations abiding to the required conditions.

- Following up on implementation of the approval's conditions before activating products insuring the establishments of the required conditions as well as obtaining the final approval for product launch from CBE.

- CBE periodical and regular reporting, such as the supervisory reports, which is the most important role. Those reports are directed to CBE or to the senior management for decisions.

- Obtaining approvals by various sectors and departments. In addition, responding to any inquiries related to those approvals or rejections.

- Responding to the branch's inquiries concerning CBE circulations / Instructions.

- Responding to the control and supervision sector inquiries and clarifying the extent to which the Bank is abiding to the supervisory instructions and following up with the executive departments in fulfilling the CBE's required reports.

- Assuring the coordination of the Bank's procedures with CBE verbally and drafted regulations. To prevent fines, whether financial, administrative or legal penalties.

- Revising the policies and SOPs of different departments to insure their abidance to CBE regulations.

- Review issues and topics to assure adherence to CBE regulations.

- Revising the new contracts, administrative and purchasing instructions, controlling the renewal and extension concerning technical and support services as well as maintenance, supply and installation contracts.

- Follow up on the latest developments of international laws to abide by their instructions to prevent being exposed to any violations or fines.

- Preparing FATCA reports by listing US individuals / entities, respond to branches' inquiries regarding FATCA requirements, and providing FATCA awareness.

INTERNAL AUDIT

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve the Bank's operations. It helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, compliance and governance processes.

The scope of the internal audit work includes auditing, activities and processes for risk management, internal control systems, information systems and governance processes, through the periodic examination of a sample of operations. All activities, functions, departments and branches of the Bank operate within the scope of the audit process.

The primary reference and framework for the audit process are the standards and guidelines issued by the Institute of Internal Auditors.

At the beginning of the financial year 2020-2021, Internal Audit Group has prepared an annual risk based audit plan. The Audit Committee of the board has reviewed and approved the annual risk based audit plan for adoption during the financial year.

Internal Audit Group has adopted and executed the approved plan and performed audits of the Bank's various sectors, departments and branches, which were selected for audits. Thereafter, Internal Audit Group has issued its audit reports to respective departments' heads, executive management and the board audit committee.

During this year, the board audit committee held (18) meetings and minutes of these meetings were prepared and reported to the board of directors.

During the year, board committees' joint meetings held (5) meetings and minutes of these meetings were prepared and reported to the board of directors.

Internal Audit Group followed up on the board audit committee's resolutions and recommendations. Results of these follow ups were periodically presented to the committee.

Internal Audit Group has followed up on CBE Corrective Action Plan according to CBE's review report to the Bank as on 31/12/2018, in coordination with all the Bank's sectors and departments, where 100% of the notes were closed according to the target date.

Internal Audit has Coordinated with the External Auditors and provided them all their audit requirements.

Internal Audit Group has coordinated with Accountability State Authority Auditors and provided them with all their audit requirements.

Internal Audit Group staff have participated in several technical training courses according to the Bank's training and professional development plan.

INTERNAL CONTROL

Internal Control department was established with a main purpose to review, oversee and report on the internal control functions within the Bank. Internal controls are functions within the Bank's corporate governance pillars and environment, and as such must be sponsored and approved by executive leadership, implemented at the business area level with responsibility and accountability for compliance held at every level.

The head of internal control department is reporting directly to the BOD's chairperson to conduct ongoing independent and objective reviews of the Bank's operations and procedures. Findings and recommendations are reported as appropriate.

The internal control department shall use Central Bank of Egypt Control Framework and its guidance as the basis for maintaining the internal control function.

Scope

The internal control department shall review and inspect the reliability and integrity of the Bank's internal control functions, programs, processes, activities, measures and actions. Although primarily focused on upstream operational processes, the internal control department must also consider financial reporting and information technology various aspects of controls. To this end, the internal control department shall prepare an annual plan that includes, testing and remediation for the Bank's process units, branches, and departments to be introduced to owners, managers and executives after being approved by the BOD's chairperson.

Responsibilities and Authority

Internal control department is responsible to conduct independent and objective reviews of the Bank's operations and procedures providing continuous assurance on the internal controls effectiveness of the branches' operations, departments and programs, offering consulting guidelines on procedures and operational systems controls reporting findings and recommendations as appropriate.

The success of an internal control department depends on the endorsement and ongoing support of senior management and the board of directors and its chairperson, as such; head and staff of internal control department shall be granted unrestricted access to the Bank's premises, documents, systems and all other resources to enable surprise and ongoing reviews. All processes owners, managers, and employees are expected to fully cooperate and participate in the testing and review process. The Bank shall provide appropriate resources to the department in order to execute its responsibilities.

BANKING INVESTIGATION:

Strategic objectives of the credit Investigation sector:

Supporting the Bank's competitive advantage through:

1) Provide (outputs) inquiries of efficient and distinguished quality to supply the relevant sectors, departments and branches with the data and information that help them taking the credit decision efficiently and effectively. This reflects positively the results of the Bank's business and reduces the possibility of the Bank's exposure to risks represented in its inability to recover the money or some of it.

2) Meeting the needs of the real estate finance unit in the Bank from the required inquiries and in a way that supports its ability to expand in the field of real estate finance activity.

3) Meeting the needs of the irregular and legal debt treatment sectors from inquiries and investigations in the appropriate times, in a way that allows them to obtain the rights of the Bank.

4) Improving and developing the work system among the sector and raising its operational efficiency.

5) Participation in the formation of the customer database at the Egyptian Credit Bureau.

Moreover, with the following:

- Achieving compliance with the supervisory instructions issued by the Central Bank of Egypt.

LEGAL AFFAIRS

The legal department has a principal role in drafting and reviewing contracts as well as all the legal documents as soon as the competent authority's decision is made.

In addition to this role, the legal department has another important role, which is preserving the Banks' rights against his insolvent / bankrupt clients, and we can say that the department is targeting two type of clients:

First: internal customers:

Represented in the entire Bank's branches and departments, which are being provided with legal services, advices and opinions answering all their inquiries helping to overcome many legal obstacles.

The legal departments, this year provided various legal advices whether written or oral.

Second: insolvent / bankrupt clients

The legal department is suing clients who are not committed to their obligations to the Bank in repayment.

In addition, hereby we state some of the legal department achievements as follows:

1) As for internal clients, we cannot deny the role of the legal department in drafting loan contracts, facilities, guarantees, registration and renewal of all types of mortgages, it is also worth mentioning that facilities agreements, guarantees and mortgages contacts were drafted.

2) Taking the lead in contracting with ISCORE to subscribe to Egyptian collateral registry which is an electronic registry working 24/7 used to register banks' securities.

3) It has participated in reviewing different protocols with various institutions inside and outside Egypt.

4) Reaching settlements with insolvent / bankrupt clients according to the Central Bank of Egypt initiatives.

Beside all the previous roles that the legal department is doing, it acts as a legal consultant to all the affiliates and subsidiaries companies of the Bank, where the department is taking all the necessary actions to incorporate those companies as well as the authentication of the minutes and BODS records, and the procedures of increasing their capitals.

Additionally, within the framework of the principal role of the banking process, the department has achieved, in the past year, great results in all the aforementioned levels as it had the ability to gain many judgements, which was reflected in the Bank's results and preventing from facing any kind of losses.

The legal department was also able to force a great number of its insolvent / bankrupt clients by the judicial pressure to apply for settlements whether according to CBE initiative or not and drafting the contracts in relation to those settlements.

On the other side, the department is responsible for drafting real estate mortgages to medium, above medium and low-income customers in a way that will keep and preserve the Bank's rights according to CBE initiatives.

The department also made a legal review of all regulations and policies that the Bank dealt with in all activities and services, in addition, attending the Bank's committees to set a legal advice on what is being raised.

Finally, the role of the legal department has not stopped being a co-operative department only but it also extended to achieve revenues by providing legal services and advices to subsidiaries, obtaining fees from clients, because of drafting contracts.

BUSINESS COMPUTER & INFORMATION TECHNOLOGY

New services for the Bank's customers:

- Launching the first phase of electronic customer accounts statements.
- Digital island application in new branches.
- Opening new branches (Mansoura 2, Shebin El Kom, Minya, Zagazig and El-Merghany).
- Supporting the launch of new products, the initiatives of the Central Bank of Egypt and the product lines of SMEs (Hurghada & Beheira through IDA Protocol).

IT Infrastructure:

oUpdating the infrastructure of (PCs, laptops, high-performance servers, central backup units and main communications infrastructure including devices and interconnecting lines), which is reflected in better service provision to the Bank's customers.

- Updating and developing the various Bank systems to allow employees to work safely and securely remotely during periods of disaster or crisis.
- Updating the audio-visual services communication systems.

Digital banking technology

- Electronic channels and integration systems.
- Adopting the Middleware system, which supports the infrastructure for integration between the various electronic channels and banking application systems.
- Activating the direct connection by the Straight-Through Processing (STP) systems in the outgoing and incoming transfers of the Automatic Clearing House (ACH) system.
- Completing the modernization and upgrade of the Internet Banking system.

Payment and transaction automation

- Self-registration in the electronic wallet (GEBE).
- Connecting the ATMs to Meeza network.
- All the Bank and non-bank wallets can withdraw and deposit cash from the ATMs.

Electronic services

Launching the Interactive Teller Machine (ITM) project, including the following services:

- Cash withdrawal from customer accounts.
- Cash deposit to the customer's accounts / any account in the Bank.
- Depositing checks for collection in favor of the Bank customers.
- Cashing the checks drawn on any of the Bank's customer.
- Transfers between customer accounts.
- Transfers between the customer accounts and another customer in the Bank.
- Document copies (national number ID card / passport / other)
- Provide customer and enquiry service remotely.
- Printing the account statement.
- Full video recording of the conversation between customers and the customer service agent and all transactions, to secure the transactions.

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- Document copies (national number ID card / passport / other)
- Provide customer and enquiry service remotely.
- Printing the account statement.
- Full video recording of the conversation between customers and the customer service agent and all transactions, to secure the transactions.

HUMAN CAPITAL & RESOURCES

HC Operations achievements from July 2020 until December 2021

1) COVID-19 HC Management

Facilitating some of the medical services provided for the employees and their families, such as:

- Home visits in cooperation with laboratories (Al Mokhtabar, Al Borg and Speed).
- Home visits for emergencies in cooperation with hospitals (Cleopatra and Al Andalusia).
- Allowing medications' direct requests from home in cooperation with pharmacies (Masr, Okaby, Ezz and Care,.. etc.).
- Special discounts from labs and scans regarding Covid-19 needed tests.
- Vaccinating the Bank's employees and their relatives against Covid-19.
- Adding COVID-19 coverage in light of tests, scans and medications in the contract's renewal terms of the medical insurance 2020/2021.

HR Operations achievements from July 2020 until December 2021:

2) Implement Digitalization

- Enhancing HR System "Oracle" Capabilities.
- Creating Welcome On-Board Brochure QR Code that support new joiners in their first working days.
- Initiation of automated checklist for hiring, long leaves and leavers.
- Transforming attendance devices to be operated using dual functionality "Access Cards / Finger Print".

3) Revamping HC Policies and Procedures

- Updating HC Policies by applying the Bank's Strategy.
- Flexible working hours.
- Improving HC processes and re-engineering its procedures.

L&D achievements since July 2020 till December 2021:

1) Academies

- Orientation – Revamped, up and running.
- SME Academy - up and running.
- Corporate Academy - up and running.
- Retail Academy – Sales Track (8 Tracks).
- Leadership Academy.

- Young Talent – Big Shift and Emerging Leaders.
- Leadership Track for Top Management (Dare to Lead, KPI Certification and Future Leaders).
- Women Empowerment – Corporate Directors Certification Women Leaders.

2) Promote Virtual Training according to CBE regulations

- AML – Whole Population.
- SANS "Info Sec" – Whole Population.
- Financial Inclusion – Selective Criteria "58 Employee – different functions" as per the strategy function requirement.
- Physically Challenged and Sign Language – plan finalized and shared with the committee.
- Zedny Project – LMS & Book Library.
- Fraud & Forgery – 80 retail staff trained.

3) Series of Circles

- Circle of Knowledge

Knowledge Capsule – virtual or physical

1) Mrs. Mervat Soltan, Chairperson
2) Dr. Ahmed Galal, Vice Chairman
3) Mr. Mohamed Abul Soud, Consolidated Risk Group Head & Board Member.

Through workshops between staff and senior management, to exchange experience and knowledge, coaching and mentoring.

Strategic HR achievements Since July 2020 until December 2021

Talent Acquisition Achievements:

- Working on the branding in collaboration with AUC / BUE / AAST / Zewail universities through publishing the vacancies across their platforms.
- Virtual employment fairs done across this year (Careers for Her, GUC, FINTECH) - Career Coaching sessions done with AAST and Zewail universities.
- Human Capital team has attended "Career Development Program" that took place at the German University in Cairo in December 2021 conducting HR mock interviews with graduated seniors in different majors.
- HC team managed to run a career coaching session in Nile University, Zewail University, Nahda University and AAST on February, August and December 2021 where over 350 students from different majors attended the sessions.
- Participating in CBE new initiative of hiring special needs candidates with hearing and speaking disabilities.
- Process re-engineering for the recruitment cycle.

Organization Development Achievements:

- Formulating engagement task force to address the concerns raised from 2020 Engagement Survey.
- Launching of Engagement Survey 2021: making staff more engaged in order to find out the factors that drive employees to perform their best.
- Launch 360-degree evaluation project to improve the work environment.
- Revamping all organization charts and titles.
- Execute three grievance committees to discuss the grievance cases submitted by the employees and take decisions accordingly.
- Launching succession planning and talent pool project which include:
  - Critical Roles Identification.
  - Potential Successors Identification.
  - Talent Pool Identification.
  - Development area for both successors and talents.

C&B Achievements from July 2020 until December 2021

01) Setting the Bank's compensation and benefits strategy.

02) Introducing spot award as a part of the recognition program.

03) Implementing partial annual increase cycle due to the end of year change.

04) Implementing profit in advance payment for employees.

05) Process re-engineering and quality assurance, ensuring the highest level of confidentiality regarding the staff accounts.

06) Revamping the compensation and benefits related policies.

07) Market study for enhancing the life insurance / pension programs.

08) Conducting a salary survey, developing and recommending action plan based on the output.

09) Developing new plan to adjust the starting salary.

10) Revising and adjusting the direct sales commission scheme.

11) CBE Inspection Mission.

12) Core Banking (Finacle Upgrade).

13) Setting HC Budget 2022.

ADMINSTRATIVE AFFAIRS, PROJECTS AND ENGINEERING

- Completion of all process related to furnishing, finishing and opening of 7 new branches according to the strategy of the Bank (Zagazig – Minya – Shebin El-Kom – El-Marghany – Arkan Zayed – Mohandesein – Nasr City).
- Finalizing all the process of opening Concordia, the new administrative headquarter (HUB) in 6th of October City.
- Preparing and completing the general tender for insurance on all the Bank's assets for the next 5 years.
- Completing the façades of the Bank's headquarters in the new administrative capital.

STRATEGIC PLANNING

The Strategic Planning Department was established after consolidating and presenting 2017/2021 strategy, wherein the Upper Board perceived the need to develop a separate department to monitor and support strategy implementation.

The strategic planning department is tasked with several objectives, the main objectives being to measure and monitor the Bank's adherence to strategic goals presented, improving the Bank's overall efficiency, promoting profitability and reducing costs. These objects are addressed through the following divisions:

Strategic Planning:

The division is primarily concerned with developing the Bank's strategy, monitoring its progress and completion of goals (main goals or supplementary goals for each line of business or support function). The department further develops the necessary analysis to quantify the level of adherence of each department to the targets and goals set to them using a variety of methods. Furthermore, the division is also tasked with updating the strategy so that it addresses changes in the political climate and business needs.

Project Management

The department is tasked with planning and monitoring all large-scale projects within the Bank. The department is further tasked with creating ad-hoc teams to manage projects, in order to ensure that all project deliverables are fulfilled on time and in full and within the budget set; this minimizes the probable losses due to delays and maximizes the returns from each venture.

Process Re-engineering

The department is tasked with evaluating all processes and operations that take place within the Bank, identifying all parties concerned within the process and develop the optimal workflow; the re-engineering process results in an indirect benefit to the Bank's operations as it maximizes efficiency. The department is also heavily involved in the development of the workflow of entire Bank products.

Financial Inclusion

In accordance with the Central Bank of Egypt's instructions, an independent Financial Inclusion department was initiated with the purpose of integrating the informal economy into the formal economy. This goal is accomplished through spreading the culture of banking and financial inclusion, collaborating with various other departments to develop new savings and lending products that meets the needs of the financially excluded segments, particularly women, youth, entrepreneurs and marginalized communities.

Cross functions support

A need arose to establish a department to support business needs in addressing and executing urgent tasks of a strategic importance. These tasks requires specialized skill sets, thus, given the department's diverse skill and experience, they are capable of completing the delegated tasks in an efficient manner.

Major achievements from July 2020 until December 2021:

Strategic Planning:

·Updating the Bank's strategy and preparing for the development of 2021/2025 strategy.

·Preparing research packets and reports on all assigned topics, as well as supporting upper management decisions in adopting new practices or entering new markets.

·Developing and utilizing the necessary quantitative methods to measure the performance of the Bank's different departments in order to ascertain their adherence to the assigned goals and targets.

·Monitoring assigned tasks delegated to the Bank's different departments to guarantee achievement on time and in full.

Project Management:

- Core Banking System Upgrade – Phase 1.
- E-Statement.
- Bank's Trade Mark and logo upgrade – "GO Live" in January 2022.
- Fiscal Year Closing.
- Tariffs update.

Process Re-engineering:

- Centralization of account opening in order to reduce the required time to open a new account.
- Restricting the process of developing or altering Bank's products, in order to fulfill the Bank's vision of developing new competitive products.
- Re-assessing the Bank's operations in order to maximize efficiency,
- Upgrading digital banking products in order to make them more dynamic and efficient.
- Restricting the time deposits and certificate of deposits processes in order to reduce the turnaround time and boost efficiency.

Financial Inclusion:

- Updating the Bank's financial inclusion strategic goals.
- Enacting the protocols signed with universities and other nationally recognized institutions to offer an educational content to youth.
- Participating in "Hayah Karima" initiative in all its phases.
- Participating in events and conferences set by university student unions inside and outside university campuses.
- Continuing the educational sessions presented to youth inside the Bank's headquarters.

Cross functions support

- Supporting project management department in the E-Statements project.
- Supporting the E-Archiving project.
- Participating in completing the instructions of Central Bank of Egypt in updating corporate client's information.
- Participating in the financial literacy initiatives with the financial inclusion department.

CORPORATE COMMUNICATION

The Bank is always keen to expand its customer base and branches network, establishing a retail department, accordingly, required advertising, media existence and press outreach. This was the Corporate Communication department's goal, in terms of marketing, advertising and PR activities, during the period from July 2020 until December 2021, where several achievements was made, such as:

Conducting publicity, advertising and marketing campaigns about the Bank's different products and services for corporate and individual customers, which were published in local and international print newspapers and magazines, and digitally on the internet and social media different platforms as well as on outdoor signs, billboard and directional signs nationwide. This is in addition to specific campaigns promoting saving and current accounts, certificates of deposits, time deposits, mortgage finance, cars and personal loans, internet and mobile banking and e-wallet...etc... Those various products and services was also promoted through marketing booths in different shopping centers, conferences, fairs, seminars, universities, sports and social clubs, where informative flyers and brochures about the product and services, as well as some give aways were distributed.

Corporate Communications Department is always using its official social media platform (Facebook - Instagram - LinkedIn - YouTube), in promoting various products and services, announcing about the Bank's different activities and news, which allow exposure and easy communication with customers and stakeholders, and building new clientele base and targeting new segments.

The Corporate Communication Dept. is implementing and highlighting “Bridging Together for Tomorrow” slogan, relaying an optimistic message about looking for the future in many aspects like technology, production etc. This slogan is always used in social media and internet different platforms, outdoors and print press ads in various local and international publications.

Several animated demonstrations and multimedia graphic ads about the Bank's different products, services, special promotions and programs, are designed, produced and broadcasted on social media platforms as well as on the digital screens located in all of the Bank's branches.

One of the important tasks of the department is to continuously oversee, develop and update the Bank's website, in terms of design, layout and contents, in order to allow easy search and display, expressing all the information and data about the Bank.

The Corporate Communication Department is working continuously in standardizing and establishing uniformity of the layouts of publications and marketing, advertising and publicity materials, maintaining consistency in the tone of voice, themes, colors and messages of those materials. The department is also working in providing branches

and departments with various types of such promotional materials, in the forms of flyers, brochures, posters and see-through or window films.

Participating in numerous conferences, fairs, business seminars, exhibitions, workshops, roundtables and forums locally and internationally, through presence, participation or sponsorship and attendance in addition to representing the Bank among marketing pavilions or booths and contributing to the presentation of the Bank's various services and different products to customers and participants.

Organizing special celebrations for the new branches opening, which achieved a positive impact on those branches customers' base, in addition to organizing periodic meetings between staff members and senior management, opening channels of communication and understanding.

Continually ensuring good and wide channels of communication with various press, online and audio-visual media, expanding those channels to facilitate the dissemination of the Bank's news, activities, while ensuring proper press and media coverage.

The department developed the monthly newsletter, as a way of internal communication, to announce about different activities, information, news along with some interactive contests, which is distributed via email to all staff.

The Corporate Communication Department, organized different events in several occasions, such as the New Year celebration, mother's day, father's day, valentine and the coffee day, those events are used to distribute small related gifts to staff and are very good occasions to create a friendly atmosphere between staff members and an opportunity for employee engagements.

A play station tournament was also organized, as well as a couple of sports days like the biking day and a kayaking day. Additionally, special occasions' cookies were distributed to all staff in “Eid el Fitr” and in the 'Prophet's Birthday”, which also created a loyalty environment among staff members.

- Corporate Communication started a major project of a full rebranding to a more youthful modern image and look fit to accommodate to the current digital directions. The project required studies, various discussions and experiments to reach the final agreement. The new brand “EBank” is inspired by the existing heritage wrapped up with the agility to adopt to new market needs, looking more modern and contemporary, reflecting the country's new strategy, strength, security and trust.

CORPORATE SOCIAL RESPONSIBILITY, SUSTAINABILITY AND BUSINESS COMMUNITY SUPPORT

First: Corporate Social Responsibility and Sustainability:

The Bank considers the CSR as one of the main six pillars of its strategy 2017 – 2022, in this regard; the Bank is expanding its role and impact in serving the community. This is out of believing in the importance of CSR participation in developing the surrounding communities through supporting the high priority sectors, such as education and health, where the Bank always believes in its responsibility towards the community, financial inclusion and awareness.

1) Education Sector:

Out of sustainability, the Bank continues this year to supporting the education sector, according to its strategy and out of believing in the CSR activities and its role towards the whole community.

This year, and for the fourth consecutive year, the Bank continues to fund and support Massr El Kheir foundation in the operational costs of the five schools of Essna villages – Luxor Governorate, in Upper Egypt. The fund included the educational, sports, arts, recreational and cultural activities' costs, as well as the books, tools and students' uniforms and materials, as well as the teachers' salaries and allowances.. etc..

Those are the same schools, which were previously established and renovated, couple of years ago, by the Bank and comes out of the Bank's keenness in improving the level of education especially in Upper Egypt, where a team from the Bank's staff regularly visits those schools, to encourage the students and teachers, and to follow-up on that project.

Also, on the education side and based on the Bank's belief in sustainability, and in the scientific research field and its overall impact on the community. The Bank continues to financially support Zewail City & University for Science and Technology, in the form of 6 scholarship for 6 excellent university students, who cannot afford the education cost, until they finish their studies and get graduated from their different major on Nanotechnology, Nano electronics, aerospace, physics, IT, Engineering and Science.

Additionally, the Bank provided 8 scholarship to excellent students who cannot afford the educational fees of Nile University in different faculties and majors such as Engineering, IT, Computer Science and Business.

Moreover, the Bank in cooperation with Massr El Kheir Foundation provided 70 other different scholarship to vocational and technical students, who are studying different fields in the industrial cluster in Fayoum, Amirreya Industrial Cluster and in Dome

Bosco. As well as 14 academic scholarship in different faculties such as Dentistry and Pharmacy in the Arab Academy for Science and Technology and Maritime Transport AAST, Faculty of Medicine in Misr University for Science and Technology and in 6th of October University, the Faculty of Pharmacy in the Russian University, Mass Communications in the Modern University.

The Bank participated in establishing a new lab for remote learning in the Faculty of Science, Helwan University, where a video camera was provided to enable the instructors and teachers to present their lecture and experiments remotely to students, while it could be also recorded, uploaded and sent via different e-platforms and social media channels. The need for such lab aroused due to Covid-19 pandemic, which prevented students from attending the lectures inside the faculty's classrooms, in full capacity. In addition to a data-show and two LCD screens as well as 30 PC were provided.

In cooperation with Giza Systems, a new project was inaugurated in one of the Bank's community schools in Essna – Luxor. The fund is covering the digital transformation of the students and teachers, in order to enable them using electronic devices such as laptops and tablets, using innovated ideas and activities to learn electronically, the school was a pilot one as a first phase before implementing the idea on the four other schools. This is mainly for enhancing and developing the level of education in different fields in all aspects and means.

In cooperation with Enactus Egypt, a contest was announced about exporting Egyptian products among 66 of governmental, international and private universities, in order to minimize the gap between education and business life.

The total amount spent to support education sector from July 2020 until December 2021 is EGP 7 Million and 897 thousands.

2) Health Sector:

On the health sector, out of sustainability, the Bank continues to financially support different health issues and cases; this is through previously signed protocols with different foundations.

This year, the Bank continued to cover the chemotherapy sessions of breast cancer patients in Baheya Hospital for Early Detection and Breast Cancer Treatment, through the MOU previously signed with the foundation. A group of the Bank's staff usually visits the hospital to psychologically, emotionally and morally support the patients.

Moreover, the Bank supported Banha University Hospitals – the Urology and Venereology Department, through presenting surgical endoscopy devices and some other latest medical equipment and tools to be used for operations and check-ups.

While participating in the renovations of different medical sections, such as the intensive care units, the inpatients clinics, the operations rooms and the administration and educational buildings... etc.

Moreover, the Bank financially supported Al Nass Hospital, through covering the cost of surgeries of some children patients. While continuing to participate in establishing, equipping and furnishing a wardroom in the hospital.

In addition to the financial support given to Mansoura University Hospital, Urology and Nephrology Center, participating in the cost of researches and studies made to enhance the quality of medical services, providing better treatments, free of charge, to patients who can't afford it.

Additionally, the Bank covered the cost of 18 heart surgeries operated to children in Magdi Yaacoub Heart Center in Aswan, and also participated in the cost of establishing and furnishing a room in Magdi Yaacoub New Heart International Center, as well as a room in Shefaa El Orman Children Cancer Hospital in Luxor.

For the second consecutive year, the Bank financially supported Ibrahim Badran Foundation for holding 4 convoys in Qualyubia Governorate, to provide free of charge medical check-ups, in different specialization, for around 3539 patients in poor villages among the governorate. In addition to medical and hygiene awareness sessions, providing and distributing free of charge medical consultation, medications and treatments through those convoys, for the residents of those poor villages, where the Bank's staff participated by attending and helping.

In collaboration with 57357 Hospital, the Bank covered the cost of surgeries for nine cancer children patients, where staff team visited the different sections of the hospital.

Additionally, Balloon Catheters were provided to the Intensive Care Unit of Kassr El Einy Hospital – Cairo University as well as a high tech medical equipment, provided to the Cancer National Institute. In addition to a clothes dryer and two air-conditions to the Institue of Culture and Mental Care for Girls under the patronage of the Women and Community Development National Institute, supporting the disabled girls providing them with special care, especially for special need cases.

The total amount spent on supporting the health sector from July 2020 until December 2021 is EGP 7 Million and 193 Thousands.

3) Environment Sector:

On the environment level, the Bank collects all the drafts papers and the outdated documents, which in turn are shredded then given to specialized organization for recycling, in order to protect the environment. On another hand, the Bank makes a regular check-up on all vehicles owned by the Bank, in order not to be a source of pollution and to prevent harming the environment. Moreover, the Bank is applying an "environment friendly" policy in construction, maintenance and energy saving materials.

In the same contest, the Bank participated in the initiative of replacing the old vehicle, by providing car loans, with special rates to individuals, in order to encourage them to replace their old vehicles, which passed their 20th production year, to ecofriendly cars. The initiative is initiated by the Central Bank of Egypt in light with the government's sustainability and energy saving strategy. The loan is provided to taxis, microbuses or individual owners.

4) Corona Virus (Covid-19) Pandemic:

In light with Covid-19 crisis, the Bank participated with EGP 10 Million for providing Corona virus' vaccine and making it available, as the Bank is considered one of the main supporter to "Tayha Massr" believing in its role towards the whole population.

5) Other CSR Initiative:

In order to disseminate the financial awareness to youth, and contributing in CBE various financial inclusion initiatives. The Bank continued to participate, for a sixth consecutive year, in the initiative under the supervision of the Egyptian Banking Institute (EBI), in partnership with the Ministry of Education, where workshops and lectures were conducted to different university students. In this line, the Bank sponsored and adopted the Egyptian Banking Simulation Model - EBSM, organized by the Faculty of Economics and Political Sciences - Cairo University, where financials and banking informative sessions where conducted to those universities' students. In addition to the financial inclusion workshops and sessions conducted in Galala University, Egyptian Japanese University, Nahda, Nile, Zewail, Ain Shams Universities and many others.

As part of its role towards the community development and corporate social responsibility, and in order to contribute in solving the unemployment problems. The Bank usually participates in various employment fairs, organized by several entities and in different business fields.

As part of its role towards different community segments and categories, and for financial inclusion purposes, the Bank facilitated the access to its premises and branches through making special ramps to physically disabled customers, vendors and visitors as well as some special parking slots. Where also some of the fresh graduates of hearing and speaking disabilities, and visual disabilities were hired, in order to provide equal opportunities to the community members.

This year, the CSR Department sustained a couple of new initiatives, such as:

- The "CSR monthly tip", where a CSR tip is sent to all staff on a monthly basis, via email, as a slogan for action and for staff engagement.

- The collective initiative of "from our hearts", either by visiting our CSR partners of hospitals, schools and universities, or participating in medical convoys...etc.. Or through inviting those partners to our premises encouraging staff to donate for different causes such as winter campaigns, buying medical equipment for hospitals, "Sak El Odheya" ...etc..

- Additionally, the Bank participated in the Special Needs Day organized by Arab Center for Conferences, as well as the "CSR Conference in Light of Covid-19" organized by Dolphin for Conferences Arrangements. This is in addition to sponsoring the visual disability initiative "touch your dream".

- Moreover, the Bank sponsored the charitable event in favor of Ahl Massr Foundation for burns victims, organized by the British Egyptian Business Association "BEBA" held in Abdeen Palace.

- Furthermore, for women empowerment purposes and for encouraging women entrepreneurs and Egyptian products, all of the business-women of BWE were all registered in the Bank's vendors and suppliers' official registry.

Second: Business Community Support

On the business community support side, the Bank usually participates in different activities organized by the chambers of industries and commerce as well as the businesspersons' associations; this is through attending or sponsoring exhibitions, fairs, forums, seminars, conferences and roundtables, either locally or internationally.

Where the Bank usually provides financial support to such chambers and organizations through memberships and participating in their different events in order to remain an active member among those business communities. This year, the Bank is very active to know about all the new implications in the fields of international trade, export and global economy.

In order to develop and improve business relationship with businesspersons and exporters, the Bank, constantly, coordinates with the Ministry of Trade and Industry. As

well as with some of the specialized centers, giving priority to introduce itself to local and international business communities, in order to open new markets for Egyptian products and goods, and to facilitate the process of commercial trade, through (B2B) events organized by those associations. Such as, The American Chamber of Commerce, Union of Arab Banks (UAB), Federation of Egyptian

Banks (FEB), Egyptian Banking Institute (EBI), Egyptian Businessmen Association (EBA), British Egyptian Businessmen Association (BEBA), Arab Federation of Capital Markets, and the Arab Investors Union.

This is in addition to the specialized fairs and exhibitions, which are attended and sponsored by the Bank, in order to develop the Egyptian products to meet and compete with the international standards as well as expanding the volume of exports.

The purpose behind that is to help Egyptian exporters to expand sales by providing opportunities to meet providers of key export services in Egypt in "B2B" events, through networking, data-collection and raising awareness about key resources to increase export and sales, also to support microfinance, strengthen and develop economic cooperation, partnership and trade relations.

In Line with its strategy to introduce the Egyptian export community, mostly manufacturers from different sectors to key export service providers, business and economy drivers in Egypt. The Bank was keen, this year, to be present at the most important economic local, regional, global and international events, such as:

-"Egypt in a Changing World" conference under the auspices of Faculty of Economics and Political Science in Future University.

- The exhibition of the Egyptian Air Force Museum.
- The first fair of Vehicles Technological Transformation to Clean Energy.
- The Unified Tax Procedures Law conference.

- Flowers Island Tennis Tournament, in Manssoura, under the auspices of the Egyptian TennisFederation.
- Different Payments Method for Trade Finance Transactions.
- The Financial Authority of the Egyptian Armed Forces event in the 6th of October occasion.
- Red Sea Maritime Transport and Logistics Conference.
- Taxes Conference organized by the Egyptian Center for References and Researches.
- "People and Banks" Conferences in 2020 and 2021, annually presented by Arab Media Center.

- Arab Banks Forum on “Banking Industry and the Future of Financial Services” and the Risk Heads in Arab Banks Forum, organized by the Union of Arab Banks.
- Mortgage Finance exhibition in Abeer Paradise compound, owned by New Menya Company for Mortgage Investments.
- “A Dream and a Fund” workshop in line with Nile-Preneurs for entrepreneurship.

-The 7th annual international conference for Business Women of Egypt Association, where the Bank uses this conference for promoting Export activities specially within women entrepreneurs.

- The 3rd Egyptian Women Forum which stipulated Egyptian women success stories in all life fields, scientific, practical, sporting, humanitarian, financial and business activities. Success stories of Egyptian Women were enumerated, motivating other women to seek and occupy pioneer and leadership positions, learning and gaining experience from leader businesswomen in all life spheres.

Moreover, the Bank signed some MOUs, protocols and agreements with the following parties:

- Ministry of Awqaf in Red Sea Governorate to fully finance the small factories for moving to the industrial zone in order to maintain the touristic city of Hurghada an ecofriendly city.
- Financing the project of the biggest vegetables and fruits cluster in Badr City Center in Beheira Governorate.
- Arab Global Company for Optics under the National Project Services of the Ministry of Defense, to finance the SME projects of the agricultural and industrial sectors in order to use the solar energy.
- GGF for USD 15 million to facilitate green recovery of Egyptian businesses. Green for Growth Fund (GGF) has provided a loan to support the Bank’s green lending activities to small and medium enterprises (SMEs) as well as corporates in the export sector. Through the investment, the partners aim to facilitate these clients’ ability to access funding for energy and resource efficiency measures as well as renewable energy, especially in light of the difficult environment brought about by the COVID-19 crisis.
- 10th of Ramadan Development Authority to finance the investors of small industries funding their ownership of small readymade industrial units, where the Bank also provide non-financial services to support SMEs and microfinance in Egypt, boosting industry to open new foreign markets .
- Partnering with UNFPA.
- Syndicated loan to Veeto-Pharm International Pharmaceutical and Chemicals.

- Syndicated loan to Aura for Real Estate Development.
- Syndicated loan to El Gharably United Engineering.
- Syndicated loan to Arkan Palm for Real Estate Investment.
- Kharafi National Company Syndicated Facility Agreement to meet the financial needs of the company to finance the new upcoming tender projects of “Haya Kareema” and water purification projects and many other projects across different governorates in allover Egypt.

Financial Indicators

Auditors’ Report
Export Development Bank of Egypt
On the Separate financial statements as at Dec 31, 2021

To the shareholders of Export Development Bank of Egypt

Report on the separate financial statements

We have audited the accompanying separate financial statements of Export Development Bank of Egypt (S.A.E.), which comprise the separate balance sheet as at Dec 31, 2021 and the separate statements of income and other comprehensive income, changes in equity and cash flows 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 the Bank’s management.

Management is responsible for the preparation and fair presentation of these separate financial statements, in accordance with Central Bank of Egypt›s rules, pertaining to the preparation and presentation and the financial statements issued on December 16, 2008, which is amended by instructions issued on 26 Feb 2019 and in light of the prevailing Egyptian laws, management responsibility includes, designing, implementing internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatements, 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.

Auditor›s Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian standards on auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from significant and material misstatements.

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 auditor›s judgment, including the assessment of the risks of material and significant misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity›s preparation and fair presentation of the 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 entity›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 separate financial statements presentation.

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 Export Development Bank of Egypt (S.A.E) as of Dec 31, 2021 and of its financial performance and its cash flows for the financial period ending on that date (18 Months) in accordance with Central Bank of Egypt›s rules pertaining to the preparation and presentation of financial statements issued on December 16,2008 which is amended by instructions issued on 26 Feb 2019 and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Pay attention Paragraph

Without considering that a reservation, and as stated in Note No. (1) and Note No. 39 of the notes supplementing the separate financial statements, on February 28, 2021 the extraordinary general assembly of the Bank approved the amendment of Article No. (48) of the Bank’s articles of association to start the Bank’s financial year with the beginning of the Gregorian year is on the first of January and ends on December 31, provided that the period from July 1, 2020 to December 31, 2021 is a transitional period extended for eighteen months. The separate income statement and the related notes, as well as the separate comprehensive income statement, and the separate cash flow statement for the eighteen months period from July 1, 2020 to December 31, 2021, compared to the last financial statements approved by the Bank’s Ordinary General Assembly for the fiscal year ending in June 30, 2020 have been presented. (twelve months) and therefore the comparative figures in the financial statements are not comparable at all.

Report On Other Legal and Regulatory Requirements

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

The separate financial information included in the Board of Director's report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Bank's Auditors

DR. Ahmed Moustafa Shawki	Salwa Younis Saied
MAZARS Moustafa Shawki	Sector Head
	Central Auditing Organization

Cairo, 24 February 2022

Financial Indicators Annual Report 2020 - 2021

Separate Balance Sheet Dec 31, 2021

	Notes	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Assets			
Cash and due from Central Bank of Egypt	(14)	7,103,754	3,867,123
Due from banks	(15)	7,923,835	4,661,523
Treasury bills and other governmental notes	(16)	6,871,650	8,028,595
Loans and advances to customers	(17)	34,900,873	31,261,314
Loans and advances to banks	(17)	72,127	29,073
Financial Investments:			
-Financial Assets at Fair value through OCI	(19)	11,202,020	4,567,500
-Amortized cost	(19)	910,574	1,087,740
Financial investments in subsidiaries and associated co	(20)	816,644	809,144
Intangible assets	(21)	49,232	37,643
Other assets	(22)	5,502,916	1,844,815
Fixed assets	(23)	818,188	552,358
Investment property	(24)	1,525	1,600
Total Assets		76,173,338	56,748,428
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(26)	2,543,697	3,931,391
Customers' deposits	(27)	64,380,777	44,250,478
Financial derivatives	(18)	-	205
Other loans	(28)	1,515,073	1,712,838
Other liabilities	(29)	846,266	594,290
Other provisions	(30)	154,634	214,933
Deferred tax	(25)	5,227	2,780
Retirement benefit obligations	(31)	44,831	33,991
Total liabilities		69,490,505	50,740,906
Shareholders' equity			
Paid up capital	(32)	3,273,600	2,728,000
Reserves	(32)	1,107,773	976,327
Retained earnings	(32)	2,301,460	2,303,195
Total shareholders' equity		6,682,833	6,007,522
Total liabilities and shareholders' equity		76,173,338	56,748,428

The accompanying notes are an integral part of these financial statements.

Auditor's report attached.

Separate Income Statement For The Period Ended Dec 31, 2021

	Notes	Three Months Ended Dec 31,2021 EGP Thousands	The Period Ended Dec 31,2021 (18 Months) EGP Thousands	Three Months Ended June 30,2020 EGP Thousands	The Year Ended June 30,2020 EGP Thousands
Interest and similar income	(5)	1,592,671	8,277,364	1,130,517	5,456,090
Deposits and similar expenses	(5)	(1,096,008)	(5,550,285)	(708,491)	(3,651,243)
Net Interest Income		496,663	2,727,079	422,026	1,804,847
Fees and commissions income	(6)	130,200	652,052	77,725	348,666
Fees and commissions expenses	(6)	(31,631)	(124,017)	(8,025)	(35,363)
Net income from fees & commissions		98,569	528,035	69,700	313,303
Dividends Income	(7)	-	13,120	1,554	39,826
Net Trading Income	(8)	51,595	266,846	33,809	133,127
Profit (Loss) from Financial Investments	(19)	3,142	21,343	-	3,424
Impairment of credit losses	(11)	(60,072)	(265,107)	(27,989)	71,372
Administrative expenses	(9)	(346,589)	(1,865,799)	(265,048)	(1,024,061)
Other operating income (expense)	(10)	3,025	34,864	9,767	42,699
Net profit before tax		246,333	1,460,381	243,819	1,384,537
Income Tax	(12)	(94,419)	(586,087)	(83,663)	(360,739)
Deferred tax		(2,955)	(4,563)	(1,930)	(10,091)
Net profit for the period		148,959	869,731	158,226	1,013,707
Earnings per share	(13)	0.45	2.37	0.50	3.22

The accompanying notes are an integral part of these financial statements.

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Separate Changes in Shareholders' Equity Statement For The Period Dec 31, 2021

June 30,2020	Capital EGP Thousands	Legal Reserve EGP Thousands	General Reserve EGP Thousands	Special Reserves EGP Thousands	Capital Reserves EGP Thousands	General Banking Risk Reserve EGP Thousands	General Banking Risk Reserve Acquired Assets EGP Thousands	"Reserve of revaluation at Fair value through OCI" EGP Thousands	Retained Earnings EGP Thousands	Total EGP Thousands
The balance at the beginning of the year	2,728,000	244,116	172,517	22,441	28,954	909	20,661	34,191	1,928,941	5,180,730
Transferred to capital reserve	-	-	-	-	166,358	-	-	-	(166,358)	-
Transferred to legal reserve	-	88,454	-	-	-	-	-	-	(88,454)	-
Transferred to Banking Risk Reserve - Acquired Assets	-	-	-	-	-	-	(4,267)	-	4,267	-
Net change in fair value through OCI	-	-	-	-	-	-	-	200,581	-	200,581
Deferred tax - fair value through OCI	-	-	-	-	-	-	-	2,304	-	2,304
Transferred to retained earnings	-	-	-	-	-	-	-	(890)	890	-
Net profit for the year	-	-	-	-	-	-	-	-	1,013,707	1,013,707
Dividends paid	-	-	-	-	-	-	-	-	(389,799)	(389,799)
Balance at the end of the year	2,728,000	332,570	172,517	22,441	195,312	909	16,394	236,186	2,303,194	6,007,522
Dec 31,2021										
The balance at the beginning of the period	2,728,000	332,570	172,517	22,441	195,312	909	16,394	236,186	2,303,194	6,007,521
Amounts paid under the capital increase account	545,600	-	-	-	-	-	-	-	(545,600)	-
Transferred to Capital Reserve	-	-	-	-	119	-	-	-	(119)	-
Transferred to legal reserve	-	101,359	-	-	-	-	-	-	(101,359)	-
Transferred to Banking Risk Reserve	-	-	-	-	-	122,348	-	-	(122,348)	-
Transferred to Banking Risk Reserve-Assets acquired	-	-	-	-	-	-	(16,394)	-	16,394	-
Net change in fair value through OCI	-	-	-	-	-	-	-	(78,570)	-	(78,570)
"Deferred tax - fair value differences of fair value through OCI"	-	-	-	-	-	-	-	2,117	-	2,117
Transferred to retained earnings	-	-	-	-	-	-	-	466	16,166	16,632
Dividends paid	-	-	-	-	-	-	-	-	(134,600)	(134,600)
Net profit for the period	-	-	-	-	-	-	-	-	869,731	869,731
Balance at the end of the period	3,273,600	433,929	172,517	22,441	195,431	123,257	-	160,199	2,301,459	6,682,833

The accompanying notes are an integral part of these financial statements.

Separate Cash flows Statement For The Period Ended Dec 31, 2021

Cash flows from operating activities	Notes	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands
Net profit before income tax		1,460,381	1,384,537
Adjustments to reconcile net profit to cash provided from operating activities:			
Fixed Assets Depreciation	(23)	163,332	89,075
Intangible Assets Amortization	(21)	55,046	15,274
Investment property depreciation	(24)	75	50
Expected of credit losses for loans and overdrafts for customers	(11)	296,391	(74,937)
Expected of credit losses for treasury bills	(11)	(20,986)	(7,138)
Expected of credit losses for treasury bonds	(11)	(1,738)	9,649
Expected of credit losses for loans and overdrafts for banks	(11)	(420)	491
Expected of credit losses for due from banks	(11)	(10,087)	558
Expected of credit losses for corporate bonds	(11)	1,946	-
Expected of credit losses for accrued revenues	(11)	-	4
Reversal - expected of credit losses		60,032	23,882
Profit (Loss) Reserve Acquired Assets		(8,059)	-
Capital Profits		-	(119)
Revaluation differences of financial investments at fair value through OCI foreign exchange	(19)	27,147	(14,898)
Impairment of retirement benefit obligations	(31)	18,718	15,547
"Foreign currencies revaluation differences of provisions (other than loans provision)"		(1,626)	(169)
Dividends Income	(7)	(13,120)	(39,826)
Amortization for discount and premium for financial investments	(19)	(16,216)	(8,604)
Operating profit before changes in assets and liabilities used in operating activities		2,010,817	1,393,376

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Net decrease (increase) in Assets & Liabilities			
Due from banks	(14)	(3,123,647)	382,435
Treasury bills and other governmental notes	(16)	837,664	1,471,302
Financial Assets at fair value through P&L		-	16,044
Loans and advances to customers & banks	(17)	(3,961,953)	(6,421,320)
Financial Derivatives (Net)	(18)	(205)	205
Other assets	(21)	(3,871,131)	(786,930)
Due to banks	(26)	(1,387,694)	1,597,193
Customers' deposits	(27)	20,130,299	3,726,668
Other liabilities	(29)	196,017	(68,368)
Income tax paid		(530,129)	(293,392)
Other provisions	(30)	(120,118)	(39,462)
Retirement benefit obligations	(31)	(7,880)	(3,358)
Net cash flows provided from operating activities		10,172,041	974,393
Cash flows from investing activities			
Purchase of fixed assets and branches improvements	(23)	(234,501)	(63,579)
Proceeds from sale of fixed assets		-	155
Purchase of intangible assets	(21)	(66,635)	(33,909)
Proceeds from sale of acquired assets		26,430	-
Purchases of financial investments through OCI	(19)	(7,426,305)	(2,935,636)
Proceeds from redemption of OCI financial investments	(19)	696,933	184,975
Purchases of financial investments by amortized cost	(19)	(369,603)	-
Proceeds from redemption of financial investments by amortized cost	(19)	552,207	650,867
Dividends Income		13,120	39,826
Financial investments in subsidiaries and associated co.	(20)	(7,500)	405,738
Net cash flows (used in) investing activities		(6,815,853)	(1,751,563)

Separate Cash flows Statement For The Period Ended Dec 31, 2021

	Notes	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands
Cash flows from financing activities			
Net proceeds (repayments) from debt instruments & other loans	(28)	(197,765)	85,467
Dividends Paid		(134,600)	(389,800)
Net cash flows (used in) financing activities		(332,365)	(304,333)
Net increase in cash and cash equivalents during the period		3,023,822	(1,081,504)
Cash and cash equivalents at the beginning of the year		5,387,414	6,468,918
Cash and cash equivalents at the end of the period	(34)	8,411,235	5,387,414
Cash and cash equivalents are represented in:			
Cash and due from Central Bank of Egypt	(14)	7,103,754	3,867,123
Due from banks	(15)	7,923,835	4,661,523
Treasury bills and other governmental notes	(16)	6,871,650	8,028,595
Balances with Central Bank of Egypt (mandatory reserve)	(14)	(6,781,954)	(3,647,905)
"Treasury bills and other governmental notes with maturities more than three months"	(16)	(6,706,050)	(7,521,920)
Cash and cash equivalents at the end of the period		8,411,235	5,387,414

Non-Cash transactions

* EGP 194,730 thousands value of fixed asset additions transferred from other assets to fixed assets during the year, the impact of which has been cancelled from the change in debit balances, fixed assets and intangible assets.

* EGP 75,987 thousands value of the revaluation of financial investments at fair value through OCI has been cancelled from the change equity reserve and financial investments at fair value through OCI and financial investments by amortized cost, deferred tax and retained earnings.

The accompanying notes are an integral part of these financial statements.

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Separate Statement of Other Comprehensive Income For The Period Ended Dec 31, 2021

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Net profit for the period	148,959	869,731	158,226	1,013,707
Revaluation differences of equity instruments at fair value through OCI	(7,641)	(30,745)	(27,644)	101,620
Revaluation differences of debt instruments at fair value through OCI	(21,636)	(43,876)	125,807	110,283
Revaluation differences of mutual funds at fair value through OCI	2,974	5,926	2,165	(1,980)
Revaluation differences of foreign exchange rates for equity instruments at fair value through OCI	(758)	(9,409)	7,597	(10,231)
Income Taxes	170	2,117	(1,709)	2,302
Total other comprehensive income for the period	122,069	793,744	264,442	1,215,701

Separate Profit Appropriation statement (Approved)
For The Period Ended Dec 31,2021

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Net profit for the period	869,731	1,013,707
Add / Deduct		
Profit from selling fixed assets transferred to capital reserve	-	(119)
Release: General Banking Risk Reserve Acquired Assets	18,270	-
Increase: General Banking Risk Reserve Acquired Assets	(1,913)	-
Transferred from reserve of revaluation at fair value through OCI	16,166	890
General Banking Risk Reserve - On the basis of obligor risk rating	(108,075)	(117,087)
Net profit for the year – available for appropriation	794,179	897,391
Add		
Accumulated profit at the beginning of the period / year	1,397,292	1,281,460
Total	2,191,471	2,178,851
Distributed as follows :		
Fees for support and development of the banking system	7,942	-
Legal Reserve	86,973	101,359
Dividends to the shareholders*	327,600	545,600
Employees' profit share	152,660	115,000
Board of directors' remuneration	26,019	19,600
Accumulated profit at the end of the period	1,590,277	1,397,292
Total	2,191,471	2,178,851

Shareholders dividends distributions in the form of free shares.

The year figures are for the period from July 1st, 2020 to December 31, 2021 (18 months) compared to the previous year's figures representing 12 months

Notes to the separate financial statements

1) General information

Export Development Bank of Egypt (Egyptian Joint Stock Company) was established on July 30, 1983 under Law No. 95 of 1983 and its articles of association in the Arab Republic of Egypt, the head office is located in New Cairo at 78, South Tesseen, and the Bank is listed in the Egyptian Stock Exchange (EGX). The objective of the Bank is to encourage, develop Egyptian export activities, and assist in developing agricultural, industrial, commercial and service exporting sectors, also to provide all banking services in local and foreign currencies through its head office and forty-three branches. The number of employees has reached 1505 employee on the date of financial statement.

The Extraordinary General Assembly of the Bank, held on 28/2/2021, approved the amendment of Article (48) of the Bank's Articles of Association so that the Bank's fiscal year begins at the beginning of the calendar year on 1 January and ends on 31 December.

The period from 1 July 2020 to 31 December 2021 will be an eighteen-month transitional period.

These Financial statements have been approved by board of directors in 24 February 2022.

2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1) Basis of preparation of the financial statements

The financial statements have been prepared, in accordance with Egyptian Accounting Standards issued in 2006 and its amendments and in accordance with the instructions of the Central Bank of Egypt, approved by the Board of Directors on 16 December 2008 consistent with the standards referred to, and have been prepared under the historical cost modified by the revaluation of trading, financial assets and liabilities held for trading, assets and liabilities originally classified as at fair value through profit or loss, financial investments available for sale and all derivatives contracts. The unconsolidated preparation of these financial statements was according to relevant domestic laws.

The Bank also prepared the consolidated financial statements of the Bank and its subsidiaries, in accordance with Egyptian Accounting Standards. The subsidiaries 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 of an enterprise, regardless of the type of activity, the consolidated financial statements of the Bank can be obtained from the Bank›s management. The investments in subsidiaries and associate companies are disclosed in the standalone financial statements of the Bank and its accounting treatment is at cost after deducting the impairment losses from it.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the period ended on 31 Dec. 2021 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

2.2) Subsidiaries and associates subsidiaries

Subsidiaries are all entities over which the Bank has owned directly or indirectly the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank has the ability to control the entity.

The accounting for subsidiaries and associates in the unconsolidated financial statements are recorded by cost method, investments are recognized by the cost of acquisition including any good will, deducting impairment losses in value, and recording the dividends in the income statement in the adoption of the distribution of these profits and evidence of the Bank right to collect it.

2.3) Segment reporting

A business segment is a group of assets and operations related to providing products or services that are subject to risks and returns 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 risks and returns different from those of segments operating in other economic environments.

2.4) Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances in foreign currencies

- The Bank hold accounts in Egyptian pounds and prove transactions in other currencies during the financial year on the basis of prevailing exchange rates at the date of the transaction, and re-evaluation of balances of assets and liabilities of other monetary currencies at the end of the financial period on the basis of prevailing exchange rates at that date, and is recognized in the list gains and losses resulting from the settlement of such transactions and the differences resulting from the assessment within the following items:

• Net trading income or net income from financial instruments classified at fair value through profit and loss of assets / liabilities held for trading or those classified at fair value through profit and loss according to type.

• Shareholders' equity of financial derivatives, which are eligible qualified hedge for cash flows or eligible for qualified hedge for net investment.

• Other operating revenues (expenses) for the rest of the items.

- Changes in the fair value of monetary financial instruments denominated in foreign currencies and classified as Financial Investments at fair value through OCI (debt instruments) are analyzed into valuation differences resulting from changes in amortized cost of the instrument, translation differences arising from changes in foreign exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences are recognized in profit or loss to the extent they relate to changes in amortized cost and changes in exchange rates which are reported in the income statement under the line items ‹revenues from loans and similar activities and other operating revenues (expenses) respectively. The remaining differences resulting from changes in fair value of the instrument are carried to reserve for cumulative change in fair value of Financial Investments at fair value through OCI in the equity section.

- Valuation differences resulting from measuring the non-monetary financial instruments at fair value include gains and losses resulting from changes in fair value of those items. Revaluation differences

arising from the measurement of equity instruments classified as at fair value through profit or loss, are recognized in the income statement, whereas the revaluation differences arising from the measurement of equity instruments classified as available

for sale financial investments are carried to ‹reserve for cumulative change in fair value of Financial Investments at fair value through OCI investments› in treasury bills section.

2.5) Financial assets

The Bank classifies its financial assets in the following categories:

Financial assets classified as at fair value through profits or loss, loans and receivables, Financial Investments by amortized cost, and Financial Investments at fair value through OCI. The Bank›s classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Management determines the classification of its investments at initial recognition.

Financial assets and liabilities

1) Initial Recognition

All «regular» purchases and sales of financial assets are recognized on the trade date, the date on which the Bank commits to purchase or sell the asset. Regular purchases and sales are the purchases and sales of financial assets that require delivery of assets within the time frame generally provided by law or by market norms.

Financial assets or liabilities are measured initially at fair value plus, in the case of an item not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

2) Measurement and Classification

On initial recognition, financial assets are classified as measured at cost, carried at fair value through other comprehensive income or at fair value through profit or loss. Financial assets are measured at amortized cost when each of the following conditions are met and is not classified as at fair value through profit or loss:

- Assets are retained in a business model that is intended to hold assets in order to collect contractual cash flows;

- The contractual terms of the financial assets on specific dates result in cash flows, which are only payments on the original amount and interest on the original amount outstanding.

Financial assets are measured at fair value through other comprehensive income only when both of the following conditions are met and are not classified as at fair value through profit or loss:

Assets are retained in the business model, which is intended to achieve both the collection of contractual cash flows and the sale of financial assets. The contractual terms of the financial assets on specific dates result in cash flows that are only payments on the original amount and interest on the original amount outstanding.

Upon initial recognition of equity investments that are not held for trading, the Bank may elect irrevocably to present changes in fair value in other comprehensive income. This choice is made on an investment-by-investment basis.

Expected credit losses (ECL)

The requirements in IFRS 9 represent a material change from the requirements of EAS number 26 Financial Instruments: Recognition and Measurement. The new standard leads to fundamental changes in the accounting of financial assets and some aspects of accounting of financial liabilities.

• The Bank applies a three-stage approach to measure expected credit losses for financial assets carried at amortized cost and debt instruments classified as at fair value through other comprehensive income. Assets are transferred through the following three stages on the basis of changes in the quality of credit ratings since the initial recognition of these assets:

• **Stage 1:** expected credit losses over 12 months

For exposures where there has been no significant increase in credit risk since initial recognition, the portion of expected long-term credit losses associated with the probability of default over the next 12 months is recognized.

• **Stage 2:** credit losses over life - non-credit impaired for credit exposures where there has been a significant increase in credit risk since initial recognition, but not credit default, expected credit losses are recognized over the life of the asset.

The Corporate Credit Customer Classification Form includes the assessment of customers based on quantitative and other qualitative criteria with different relative weights, leading to the customer›s final evaluation, corresponding to probability of default at the level of the different classification categories, including the future outlook, which depends on the most important macroeconomic indicators to reflect the economic conditions, which in turn affect the customer's classification in the future, noting that credit customers are classified on an individual basis (individual).

With regard to the retail banking portfolio, asset purchase receivables and loans granted to small projects through different products with similar characteristics, they are evaluated and the expected credit losses are calculated on a consolidated basis (collective) and based on the data in the market.

When calculating the expected credit losses, the credit rating model contracted with is based on the following equation:

(Probability of default rate X loss given default X exposure at default). It is measured on an individual or collective basis and includes the corporate and small and medium-sized enterprise credit classification model, to prepare a final evaluation of the customer corresponding to probability of default at the level of the different classification categories, including the outlook, which is based on the most important macroeconomic indicators to reflect the economic conditions that in turn, affects the customer's classification in the future with the calculation of the loss given default of each facility, in addition to the loss given default (LGD) representing the loss in the exposed portion after excluding the expected recovery rate (the present value of what can be recovered from the investment value in the financial asset, whether from guarantees or cash flows divided by the value at default 1- The recovery rate, and this rate is calculated for each facility individually) and the basis for the calculation is based on the main axes explained as follows:

- Cash flow
- Corresponding collateral to facilitate
- Financial leverage
- Any obligations on the facility with priority in paying for the Bank debt

Exposure at default (E.A.D) is represented in the balance used on the date of preparing the position in addition to the amounts that may be used in the future by the client.

The criteria of classifying credit customers in 3 stages:

It includes the basis of classification for the portfolio of credit customers according to the quantitative and qualitative standards specified by the Central Bank of Egypt and based on the experience of those in charge of management and accordingly, all customers have been classified according to the following criteria:

Stage 1: Includes all customers who are regular in payment with payment arrears and those customers do not meet any of the criteria mentioned in the second and third stages. For large companies and medium enterprises credit customers, customers classified as risky are listed (1-6).

Stage 2: This stage includes customers who have witnessed a significant increase in credit risk. The classification is done in this stage based on the following criteria:

Info.	Quantitative standards	Quality standards
Large and medium corporate loans	- If the borrower delays in paying his contractual obligations from 50 to 90 days from the due date. - All clients who have a credit score 7 (risks need special attention). - A decrease in the creditworthiness of the borrower by three degrees compared to the degree of creditworthiness of the customer at the beginning of dealing with the Bank	- A significant increase in the interest rate, which may negatively affect the borrower›s activity and lead to an increase in credit risk. - Negative material changes in the activity and financial or economic conditions in which the borrower operates. - Scheduling request due to difficulties facing the borrower. - Negative material 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 problems such as delays in servicing creditors, business loans.
Small and micro enterprise loans, retail bank loans and real estate loans	- The borrower's behavior exhibited a usual delay in repayment beyond the permissible time limit for repayment and with delay periods, up to a maximum of 50 days. - Previous arrears are frequent during the previous 12 months.	Negative future economic changes that affect the borrower›s future cash flows

• It decreases at a rate of 10 days annually to become 30 days in 3 years.

Stage 3: This stage includes loans and facilities that have experienced a decline in their value (NPL clients), which requires calculating the expected credit loss over the life of the asset on the basis of the difference between the book value and the present value of the expected future cash flows and is classified based on the following criteria:

Info.	Quantitative standards	Quality standards
Large and medium corporate loans	- Grades of credit rating 8,9,10, and, or delayed borrower more than 90 days in the payment of contractual installments	- The borrower has defaulted financially. - The disappearance of the active market for the financial asset or one of the borrower›s financial instruments due to financial difficulties. - The possibility that the borrower will enter the stage of bankruptcy and restructuring due to financial difficulties. - If the financial assets of the borrower are purchased at a significant discount that reflects the credit losses incurred.
Small, Micro and Infinitesimal Enterprise Loans	- Delayed borrower more than 90 days in the payment of contractual installments become in default case.	
Retail bank loans and real estate loans	- Delayed borrower more than 90 days in the payment of contractual installments become in default case.	Negative future economic changes that affect the borrower›s future cash flows

Defining the concept of default and amending the customer's classification and moving it to the third stage is an integral part of the risk management role, which includes quantitative criteria and other qualitative indicators, in accordance with the international standard for preparing financial statements no. 9 in paragraph no. (B5, 5, 37).

(3) Expected credit losses of NPL (non performing loans):

Any of the following principles are followed to compute the loss given default (LGD) rate in order to calculate the expected credit losses (ECL) for irregular customers:

- The present value of future cash flows according to the programmed settlement and scheduling agreements.
- The present value of the list guarantee after excluding judicial expenses related to implementation.
- Historical failure rates.

1) Business model

The Bank assesses the objective of the business model in which the asset is maintained at the business portfolio level. This method better reflects how business is managed and how information is presented to management. The following information is taken into consideration.

Specific policies and objectives of the business portfolio and practical application of these policies. In particular, whether the management strategy focuses on the achievement of contractual interest income and the realization of cash flows through the sale or retention of assets for liquidity purposes:

- The risks that affect the performance of the business model (and the financial assets that are retained within that business model), how these risks are managed; the frequency, value and timing of the sales in prior periods, the reasons for such sales, as well as their forecast for future sales activities. Information on sales activities cannot be taken into account alone from the rest of the activities. Rather, they are part of a comprehensive assessment of how the Bank achieves the objectives of managing the financial assets as well as how to achieve cash flows.

Financial assets held for trading or managed, whose performance is measured at fair value, are measured at fair value through profit or loss where they are not held to collect contractual cash flows and are not held for the purpose of collecting cash flows and the sale of financial assets.

Assess whether contractual cash flows are only payments of the original amount and interest on the original amount outstanding:

For the purposes of this valuation, the original amount is determined on the basis of the fair value of financial assets at initial recognition. Interest is determined on the basis of the time value of the money and the credit risk associated with the original principal over a given period of time or other basic lending risk and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The Bank applies the following approved business models in the management of its debt instrument to achieve its goals and objectives.

Business Models	Primary objective
Hold to collect	Hold to collect contractual cash flows
Hold to collect and sell	Hold to collect and sell financial assets
Others	Hold for trading and / or manage on a fair value basis

Reclassification

Financial assets are not recognized after initial recognition, unless the Bank changes the business model to manage financial assets.

2) Disposal

Financial assets

The Bank derecognizes the financial assets at the end of the contractual rights of the cash flows from the financial asset or transfers its rights to receive the contractual cash flows, in accordance with the transactions, in which all significant risks and rewards of ownership relating to the transferred financial asset are transferred, or when the Bank has not transferred or retained all the risks, the fundamental benefits of ownership and did not retain control of financial assets.

When the financial asset is derecognized, the difference between the carrying amount of the financial asset (or the carrying amount allocated to the financial asset excluded) and the total of the consideration received (including any new acquired asset) in other comprehensive income is recognized in profit or loss.

Effective 1 July 2019, any gain / loss recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities.

If the terms of the financial assets are modified, the Bank assesses whether the cash flows of the financial assets are substantially different. If there are significant differences in cash flows, the contractual rights to the cash flows from the original financial assets are past due. In this case, the original financial assets are derecognized and the new financial assets are recognized at fair value.

The financial asset (in whole or in part) is derecognized when:

- Expiration of rights to receive cash flows from the original.

The Bank has transferred substantially all the risks and rewards of the asset or has not transferred or retained All the material risks and benefits of the assets but transferred control over the assets.

- The financial liability is excluded when the liability has been incorporated or cancel or its tribute.

2.6) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

And the clauses of agreements to buy treasury bills with a commitment to re-sale agreements and sale of treasury bills with a commitment to re-purchase on a net basis within the balance sheet item, treasury bills and other government papers.

2.7) Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.
- Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss as part of «net trading income». Embedded derivatives are not split if the Bank chooses to designate the entire hybrid contact as at fair value through profit or loss.
- The accounting treatment used to recognize changes in fair value of derivatives depends on whether or not the derivative is designated as a hedging instrument under hedge accounting rules and on the nature of the hedged item. The Bank designates certain derivatives as either:
  - Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);
  - Hedging relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).
  - Hedging for net investment in foreign operations relating to future cash flows attributable to a recognized (net investment hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the criteria are met.

- The Bank documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of hedged items.

2.7.1) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income'. The effective portion of changes in the fair value of the currency swaps are recognized in the 'net trading income'. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument no longer qualified for hedge accounting, the adjustment to the book value of a hedged item is amortized which are accounted for using the amortized cost method, by charging to the profit and loss to the maturity. The adjustments made to the book value of the hedged equity instrument remains in the equity section until being excluded.

2.7.2) Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge shall be recognized in equity while changes in fair value relating to the ineffective portion shall be recognized in the income statement in «net trading income».

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in «net trading income».

When a hedged item becomes due or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and shall only be recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item that is measured at amortized cost is amortized to profit or loss over the period to maturity.

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2.7.3) Net investment hedge

Accounting for net investment hedge is the same for cash flows hedge. Profit or loss from hedging instrument related to the effective portion of the hedge to be recognized in equity, while it is recognized in the income statement directly for hedging instrument not related to the effective portion. Accumulated profit or loss in equity to be transferred to the income statement upon disposal of foreign transactions.

2.7.4) Derivatives that do not qualify for hedge accounting

Interest on and changes in fair value of any derivative instrument that does not qualify for hedge accounting is recognized immediately in the income statement in "net trading income" line item. However, gains or losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in "net income from financial instruments designated at fair value through profit or loss".

2.8) Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated as at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of 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, prepayment 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.

When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized as revenues on the cash basis as follows:

1) When collected and after recovery of all arrears for retail loans, personal loans, real estate loans for personal housing and loans to small business.

2) For corporate loans, interest income is also recognized on the cash basis, according to which interest earned during the periods subsequent to reschedule agreements

does not start to accrete on the loan principal until the Bank collects 25% of the rescheduled installments and after payments of the installments continue to be regular for at least one year. If the customer is always paying at his due dates the interest calculated is added to the loan balance which makes revenues (interest on rescheduling without deficits) without interests aside before rescheduling which is avoiding revenues except after paying all the loan balance in the balance sheet before rescheduling.

2.9) Fees and commissions income

Fees and commissions charged by the Bank for servicing a loan are recognized as revenue as the services are provided. Recognition of such fees and commission in profit or loss ceases when a loan becomes non-performing or is impaired in which case fees and commission income is rather marginalized and carried off the balance sheet. Recognition of such fees and commissions as revenues continues on the cash basis when the relevant interest income on the financial instrument is recognized since they are generally treated as an adjustment to the effective interest rate on the financial asset.

If it is probable that the Bank will enter into a specific lending arrangement, the commitment fee received is regarded as compensation for an ongoing involvement with the acquisition of a financial instrument and, together with the related transaction costs, is deferred and recognized as an adjustment to the effective interest rate. If the commitment expires without the Bank making the loan, the fee is recognized as revenue on expiry.

A syndication fee received by the Bank that arranges a loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants) is compensation for the service of syndication. Such a fee is recognized as revenue when the syndication has been completed.

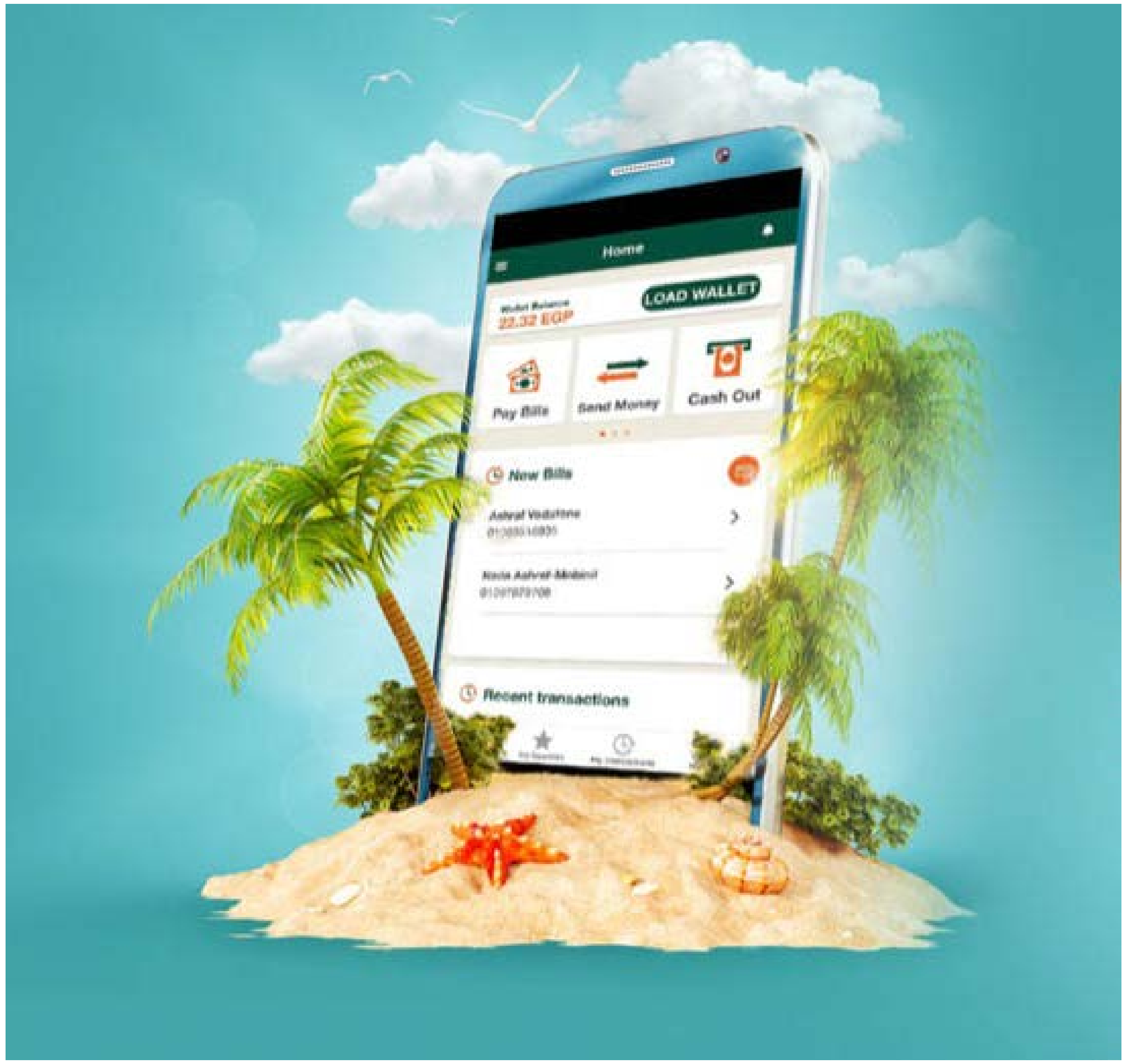
Fees and commissions resulting from direct negotiations or participation in such negotiations for the benefit of or on behalf of another party, such as those earned on the allotment of shares or other financial assets to a client or acquisition or disposal of entities for a client, are recognized as revenue when the specific transaction has been completed.

Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service.

Fees charged for financial planning services and custodian services provided over long periods are recognized as income over the period during which the service is rendered.

2.10) Dividend income

Dividends are recognized in the income statement when the Bank's right to receive payment is established.



2.11) Purchase and resale agreements, sale and repurchase agreements

The financial instruments sold, subject to repurchase agreements, are reported as additions to the balance of treasury bills and other governmental notes in the assets side at the balance sheet, whereas the liability (purchase and resale agreement) is reported in the balance sheet as a deduction therefrom.

Difference between the sale price and repurchase price is recognized as a return throughout the period of the arrangement using the effective interest rate method.

2.12) Impairment of financial assets

(a) Assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- The Bank for reasons of economic or legal financial difficulties of the borrower by granting concessions may not agree with the Bank granted in normal circumstances;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The objective evidence of impairment loss for group of financial assets is the clear data indicate to a decline can be measured in future cash flows expected from this group since its initial recognition, although not possible to determine the decrease of each asset separately, for example increasing the number of failures in payment for one of the banking products.

The estimated period between losses occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant and in this field the following are considered.

- If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment according to historical default ratios.
- Assets that are individually assessed for impairment and for which an impairment

loss is or continues to be recognized are not included in a collective assessment of impairment.

- If no impairment losses result from the previous assessment of impairment in this case the asset included in a collective assessment of impairment.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract when there is objective evidence for asset impairment. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

For the purposes of evaluation of impairment for a group of financial assets according to historical default ratios future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank.

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets classify at fair value through OCI or by amortized cost is impaired. In the case of equity investments classified at fair value through OCI, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

2.13) Real Estate Investments

The real estate investments represent lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore does not include real estate assets, which the Bank exercised its work through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with fixed assets.

2.14) Intangible assets

2.14.1) Software

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the Bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs include the ones, which will generate future economic benefits that exceed its cost within more than one year. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads. Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification cost of computer software recognized, as an asset shall be amortized over the period of expected benefits, which shall not exceed three years.

2.14.2) Other intangible assets

Other intangible assets represent intangible assets other than software programs (they include but not limited to trademark, licenses, and benefits of rental contracts). The other intangible assets are recorded at their acquisition cost and are amortized on the straight-line method or based on economic benefits expected from these assets over their estimated useful life. Concerning the assets which do not have a finite useful life, they are not subject to amortization they are annually assessed for impairment, while value of impairment (if any) is charged to the income statement.

2.15) Fixed Assets

Lands and buildings are mainly represented in head office, branches and offices premises. All fixed assets are disclosed at historical cost less accumulated depreciation and impairment losses. The historical cost includes expenditures that are directly attributable to the acquisitions of the fixed assets› items.

Subsequent costs are included in the assets carrying amount or recognized separately, 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. Repairs and maintenance expenses are recognized in profit or loss within «other operating costs» line item during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other fixed assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Premises and constructions	40 years
Fixtures and air conditions	5 years
Safes	20 years
Copiers and faxes	8 years
Vehicles and means of transportation	5 years
Electric appliances	10 years
Mobile phones	3 years
Computers	3 years
Furniture	10 years

The residual value and useful lives of the fixed assets are reviewed on each balance sheet date and they are adjusted whenever it is necessary. Depreciated assets are reviewed for purposes of determining extent of impairment when an event or change in conditions occurs suggesting that the book value may not be recovered. Consequently, the book value of the asset is reduced immediately to the asset›s net realizable value in case increasing the book value over the net realizable value.

The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. Gains and losses from the disposal of fixed assets are determined by comparing the net proceeds at book value. Gains (losses) are included within other operating income (expenses) in the income statement.

2.16) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. 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. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.17) Leases

(a) Being lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized in profit or loss on a straight-line basis over the term of the contract.

(b) Being lesser

Assets leased out under operating lease contracts are reported as part of the fixed assets in the balance sheet and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized net of any discounts granted to the lessee, using the straight line method over the contract term.

2.18) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, they include cash and balances due from Central Bank of Egypt (other than those under the mandatory reserve), balances due from banks, treasury bills and other governmental notes.

2.19) Other Provisions

Provisions for restructuring 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions, which negated the purpose of wholly or partly, repaid within the item other operating income (expense).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, which become due after one year from the financial statement date using appropriate rate for the due date (without being affected by effective tax rate), which reflect time value of money. And if the due date is less than one year, we calculate the estimated value of obligation, but if it have significant impact then it is calculated using the present value.

2.20) Financial Guarantees

A financial guarantee contract is a contract issued by the Bank, as security for loans or debit current accounts, due from its clients to other entities that requires the Bank to make specified payments to reimburse the holder for a loss. It incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These financial guarantees are presented to the banks, corporations and other entities on behalf of the Bank's clients. When a financial guarantee is recognized initially, the Bank shall measure it at its fair value that is directly attributable to the issue of such financial guarantee.

The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized in the income statement, using the straight-line method over the term of the guarantee and the best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the balance sheet date. Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment. Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (costs) in the income statement.

2.21) Employees' benefits

2.21.1) Pension obligations

The Bank has employees insurance fund, it was founded in 1 July 2000 under the law of 54 for the year 1975 and its executive regulations for the purpose of granting insurance and compensation benefits for the members. This fund rules and modifications are applied to all the Bank staff in the head office and its branches in Arab Republic of Egypt.

The Bank is committed to lead to the fund monthly and annual subscriptions in accordance with the rules of the fund and its amendments, and there are no obligations to the Bank following the payment of additional contributions. Contributions are recognized in expenses of employee benefits when due.

The recognition of contributions paid in advance as an asset to the extent that its payment to the reduction of future payments or cash refund.

2.21.2) Post-employment benefits – Health Care

The Bank provides the advantages of health care for retirees in after-service usually have entitlement to those benefits conditional on employee stay in service until retirement age, and completion of a minimum service period and are accounted for on the health care commitment as a defined benefit.

The health care system›s commitment to retirees annually account (the future cash flows expected to be paid) using an independent actuary using Projected Unit Credit Method. It is determined by the present value of the commitment of health care for retirees system, by discounting the future cash flows expected to be paid using price yield corporate bonds of high quality or rate of return on government bonds in the same currency repayment of benefits and have the same for the commitment of the benefits of the pension is almost on its maturity.

The expense of profits (losses), resulting from adjustments and changes in estimates and actuarial assumptions and deducted those profits (and added losses) on the income statement, if it did not exceed 10% of the value of the assets of the regulations, or 10% of the defined benefit obligations, whichever is higher, and in the case of increasing profits (losses) for this percentage will be deducted (added) and the increase in the statements of income over the average remaining working years. Is recognized past service costs directly in the income statement item administrative expenses, which were not changes made to the list of pension conditional on the survival of workers in the service for a specified period of time (vesting period maturity period), in this case, the past service costs of consumption using the straight-line method over the period of eligibility.

2.22) Income taxes

Income tax on the profit or loss for the year includes each year tax and deferred tax and is recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax. This is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets, with part of that will not come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.23) Borrowing

Borrowing is recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.24) Capital

2.24.1) Capital issuance cost

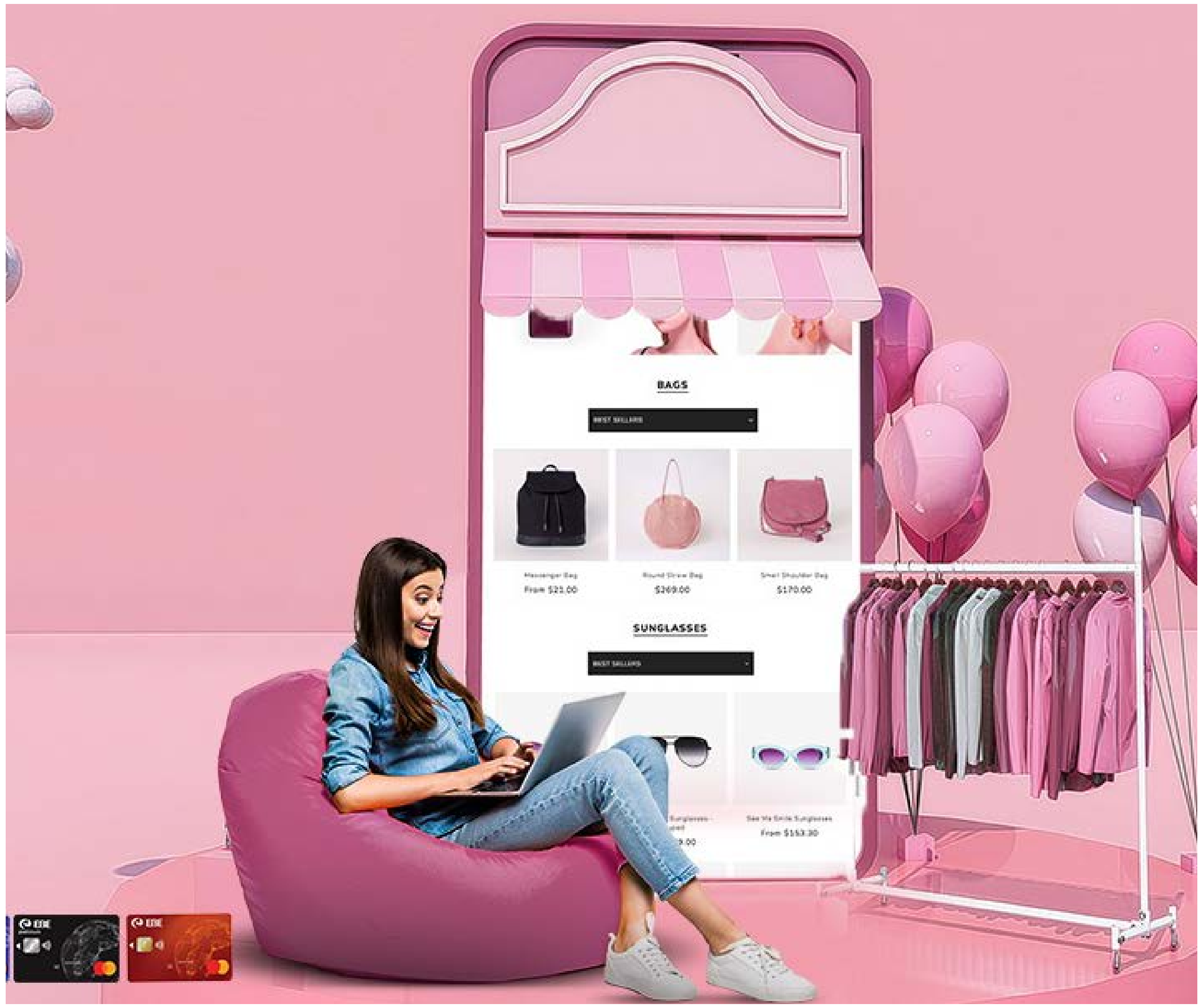
Cost of issuance of new shares, issuance of shares to effect an acquisition, or issue of share options, net of tax benefits, are reported a deduction from equity.

2.24.2) Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the Bank›s articles of association and the corporate law.

2.24.3) Treasury shares

In case of purchasing treasury stocks the purchased amount is deducted from shareholders' equity till its cancellation and in case of selling or reissuing these stocks all collected amounts will be added to shareholders' equity.



2.25) Trust activities

The Bank practices trust activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans. These assets and related income are excluded from the Bank's separate financial statements, as they are assets not owned by the Bank.

2.26) Comparatives figures

Comparative figures are reclassified, where necessary, to conform with changes in the current year presentation.

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3) Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance. And the most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. In addition, market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyses those risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a risk department under policies approved by the Board of Directors. Bank Treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team in the Bank Treasury and reported to the Board of Directors and head of each business unit regularly.

3.1.1) Credit risk measurement

(a) Loans and advances to banks and customers

To measure credit risk related to loans and advances extended to banks and customers, the Bank examines the following three components:

- Probability of default of the customer or others in fulfilling their contractual obligations.
- The current position and the likely expected future development from which the Bank can conclude the balance exposed to default (exposure at default).
- Loss given default.

The daily activities of the Bank›s business involves of measurement for credit risk which reflect the expected loss (The Expected Loss Model) required by the Basel Committee on Banking Supervision. The operating measures may interfere with the impairment charge according to the Egyptian Accounting Standard no. (26), which depends on losses realized at the balance sheet›s date (realized losses models) and not on expected losses.

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally, combine statistical analysis with credit officer judgment, and are validated, where appropriate.

Clients of the Bank are segmented into four rating classes.

The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale:

Bank's internal ratings scale	Bank's rating description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Nonperforming loans

In addition, the loans expose to default depend on the banks expectation for the outstanding amounts when default occur.

Example, as for a loan position is the nominal value while for commitments the Bank enlists all already drawn amounts besides these amounts expected to be withdrawn until the date of default, if it happens.

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

(b) Debt instruments and treasury bills and other governmental notes

For debt instruments and treasury bills and other governmental notes, external rating, and if this rating is not available, then other ways similar to those used with the credit customers are used. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2) Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

Financial Inclusion Day at Zewail University

(a) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Mortgage business assets such as premises, and inventory;
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

(b) Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

(c) Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(d) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.3) Impairment and provisioning policies

The internal rating systems described in note 3.1.1 focus more on credit-quality mapping from the inception of the lending and investment activities.

In contrast, impairment provisions are recognized for financial reporting purposes, only for losses that have been incurred at the balance sheet date, based on objective evidence of impairment due to the different methodologies applied. The amounts of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision shown in the balance sheet at the year-end is derived from each of the four internal rating grades. However, the majority of the impairment provision comes from the bottom two grades. The table below shows the percentage of the Bank's in balance sheet items relating to loans and advances and the associated impairment provision for each of the Bank's internal rating categories:

	Dec 31,2021		June 30,2020	
Bank›s rating	Loans and advances	ECL provisions	Loans and advances	ECL provisions
performing Loans	78.33%	13.66%	88.80%	19.69%
Regular watching	15.09%	10.03%	7.68%	9.98%
watch List	3.30%	21.45%	1.19%	9.88%
non-performing Loans	3.28%	54.86%	2.33%	60.45%
	100%	100%	100%	100%

The internal rating tools assists management to determine whether objective evidence of impairment exists under EAS 26, based on the following criteria set out by the Bank:

- Cash flow difficulties experienced by the borrower.
- Breach of loan covenants or conditions.
- Initiation of bankruptcy proceedings.
- Deterioration of the borrower's competitive position.
- Bank granted concessions may not be approved under normal circumstances, for economic, legal reasons, or financial difficulties facing the borrower.
- Deterioration in the value of collateral.
- Deterioration in the credit situation.

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided portfolios of homogenous assets by using the available historical experience, experienced judgment and statistical techniques.

3.1.4) Pattern of measuring the general banking risk

In addition to the four categories of measuring credit worthiness discussed in disclosure 3.1.1.a the management makes small groups more detailed according to CBE rules. Assets facing credit risk are classified to detailed conditions relying greatly on customer›s information, activities, financial position and his regular payments to his debts.

The Bank calculates the provisions needed for assets impairment in addition to credit regulations according to special percentages determined by CBE.

In the case of increase of impairment loss provision needed according to CBE than that for purposes of making the financial statements, according to the EAS, the general banking risk reserve is included in owners› equity deducted from the retained earning with this increase. This reserve is modified with periodic basis with the increase and decrease, which equals the increase in provisions and this reserve is not distributed.

Moreover, this are categories of worthiness according to internal ratings compared with CBE ratings and rates of provisions needed for assets impairment related to credit risk.

First: institutional worthiness:

CBE Rating	Description	Provision %	Internal Rating	Internal Description
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 watching
7	Watch List	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad Debt	100%	4	Non-performing loans

Second: Classification of small loans according to economic activities:

Terms of classification	Performing loans	Non-performing loans		
		Substandard	Doubtful	Bad Debt
delayed Payment period	--------	6 Months	9 Months	12 Months
Provision	3%	20%	50%	100%

3.1.5) Maximum exposure to credit risk before collateral held

▸ Balance sheet items exposed to credit risks

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Cash and due from Central Bank of Egypt	7,105,903	3,879,672
Less: Expected credit losses	(2,149)	(12,550)
Due from banks	7,923,835	4,661,523
Treasury bills and other governmental notes	6,885,330	8,064,070
Less: Expected credit losses	(13,681)	(35,475)
Gross loans and advances to customers		
Individual:		
Overdraft	287,689	251,485
Credit cards	38,088	26,868
Personal loans	2,706,892	995,438
Mortgages	164,128	40,013
Corporate:		
Overdraft	19,326,720	18,465,256
Direct loans	8,025,704	7,346,500
Syndicated loans	5,801,262	5,195,661
Less: interest in suspense	(120,939)	(15,831)
Less: Expected credit losses	(1,328,672)	(1,044,075)
Loans and advances to banks	72,226	29,607
Less: Expected credit losses	(99)	(534)
Financial Investments: at fair value through OCI & amortized cost	11,774,306	5,164,538
Less: Expected credit losses	(11,145)	(11,233)
Other assets (accrued income)	737,410	662,171
Total	69,372,810	53,663,105

- The previous table represents the maximum exposure on Dec. 31, 2021, June 30, 2020, without taking into consideration any guarantees for balance sheet items, the amounts included are based on the total book value presented in balance sheet.

- As shown in the previous table, 50.41% of the maximum credit risk is the result of loans and facilities to banks and customers, compared to 58.31% as at June 30, 2020, while investments in debt instruments represent 16.96% compared to 9.60% at June 30, 2020.

- The Management is confident in its ability to continue to control and maintain the minimum credit risk resulting from both the loans & facilities portfolio, and debt instruments based on:

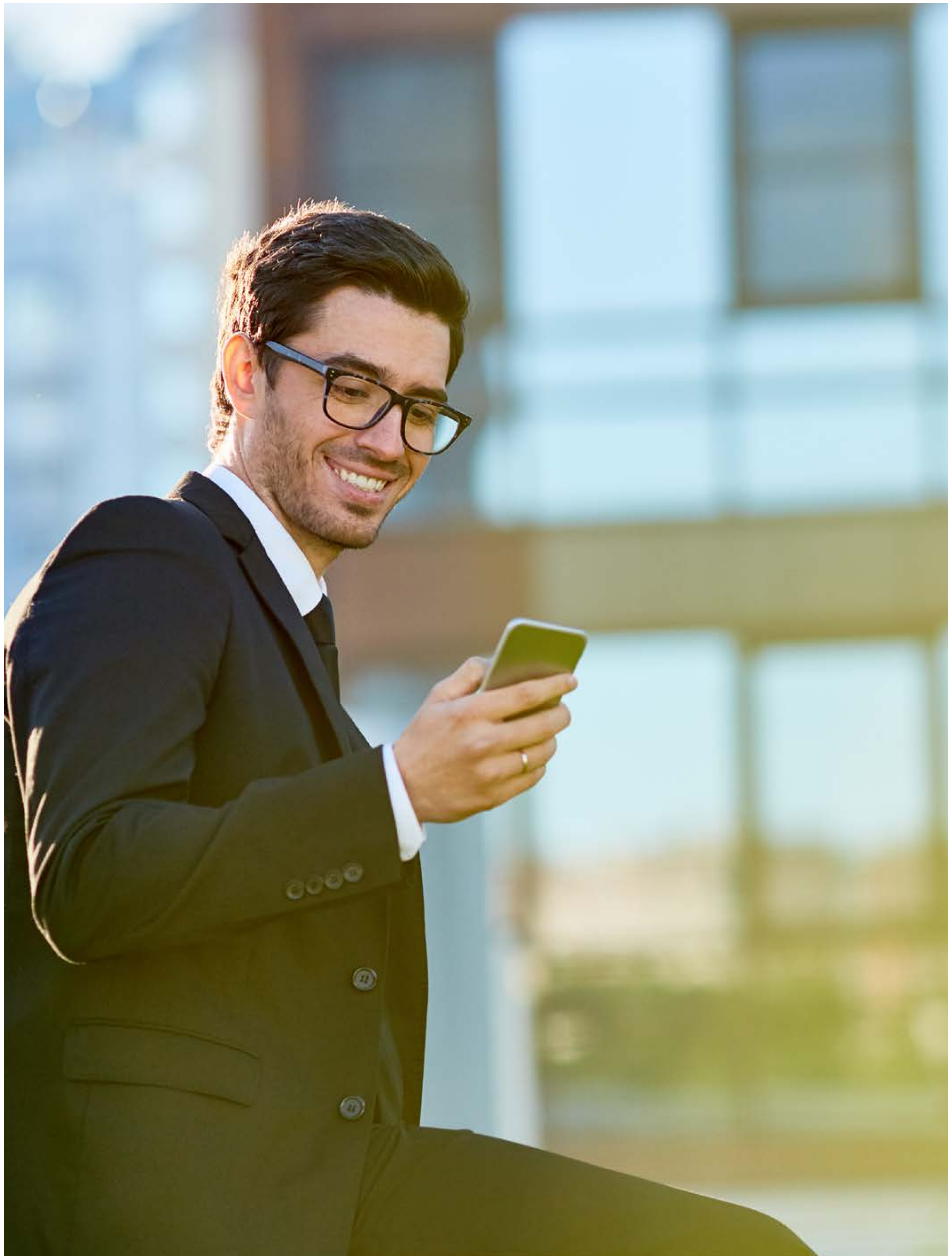
- 93.42%of the loans and facilities portfolio is ranked in the top two internal ratings compared to 96.48% at June 30, 2020

- 95.97%of the loans and facilities portfolio has no arrears or impairment indicators compared to 97.67% as of June 30, 2020

- Loans and facilities singly assessed amounting to EGP 1,194 million compared to EGP 755 million as of June 30, 2020

Off Balance sheet items exposed to credit risk

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Letter of guarantee	7,342,014	3,741,878
Letter of Credit (Import)	1,886,101	1,360,219
Letters of Credit (Export-confirmed)	608,135	293,604
Shipping documents (Export)	597,309	586,739
Less: Cash cover	(728,345)	(743,230)
Net	9,705,214	5,239,210
Irrevocable commitments to loans and credit facilities	2,671,184	3,896,989
Total	12,376,398	9,136,199



3.1.6 Loans and advances

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Neither have arrears nor impaired	34,886,961	31,560,566
Have arrears but not impaired	269,215	5,159
Subject to impairment	1,194,307	755,495
Total	36,350,483	32,321,221
Less: interest in suspense	(120,938)	(15,831)
Less: Expected credit losses	(1,328,672)	(1,044,075)
Net	34,900,873	31,261,315

Total balances of loans and facilities divided by stages

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over 12 months	Expected credit losses over a lifetime that is not creditworthy	Expected credit losses over a lifetime credit default	
Retail	3,137,286	39,546	19,964	3,196,797
Corporate	30,266,330	1,713,014	1,174,342	33,153,686
Total	33,403,616	1,752,560	1,194,307	36,350,483

ECL of loans and facilities divided by stages

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
	Expected credit losses over 12 months	Expected credit losses over a lifetime that is not creditworthy	Expected credit losses over a lifetime credit default	
Retail	43,261	5,165	12,492	60,917
Corporate	192,032	359,342	716,381	1,267,754
Total	235,293	364,507	728,872	1,328,672

ECL for impairment losses divided by internal classification

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
Corporate	Expected credit losses over 12 months	"Expected credit losses over a lifetime that is not creditworthy"	Expected credit losses over a lifetime credit default	
(1-5) Performing loans	132,909	193	-	133,103
(6) Regular watching	59,122	74,126	-	133,248
(7) Watch list	-	285,023	-	285,023
(8-10) Non-performing loans	-	-	716,381	716,381
Total	192,032	359,342	716,381	1,267,754

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
Retail	Expected credit losses over 12 months	Expected credit losses over a lifetime that is not creditworthy	Expected credit losses over a lifetime credit default	
Performing loans	43,261	5,165	-	48,426
Non-performing loans	-	-	12,492	12,492
Total	43,261	5,165	12,492	60,917

The total balances of loans and facilities divided according to the internal classification

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
Corporate	Expected credit losses over 12 months	"Expected credit losses over a lifetime that is not creditworthy	Expected credit losses over a lifetime credit default	
(1-5) Performing loans	25,280,449	15,924	-	25,296,373
(6) Regular watching	4,985,881	498,642	-	5,484,523
(7) Watch list	-	1,198,448	-	1,198,448
(8-10) Non-performing loans	-	-	1,174,359	1,174,359
Total	30,266,330	1,713,014	1,174,359	33,153,703

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
Retail	Expected credit losses over 12 months	Expected credit losses over a lifetime that is not creditworthy	Expected credit losses over a lifetime credit default	
Performing loans	3,137,286	39,546	-	3,176,832
Non-performing loans	-	-	19,948	19,948
Total	3,137,286	39,546	19,948	3,196,780

The following table summarizes information on asset quality and changes in expected credit losses

Cash and due from Central Bank of Egypt

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
	12 Months EGP Thousands	Life time EGP Thousands	Life time EGP Thousands	EGP Thousands
Performing loans	7,105,903	-	-	7,105,903
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Balance at the end of the period	7,105,903	-	-	7,105,903
Expected credit losses	(2,149)	-	-	(2,149)
NET	7,103,754	-	-	7,103,754

Treasury bills and other governmental notes

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
	12 Months EGP Thousands	Life time EGP Thousands	Life time EGP Thousands	EGP Thousands
Performing loans	6,885,330	-	-	6,885,330
Regular watching	-	-	-	-
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Balance at the end of the period	6,885,330	-	-	6,885,330
Expected credit losses	(13,681)	-	-	(13,681)
NET	6,871,650	-	-	6,871,650

Loans and advances to customers

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
Corporate	Expected credit losses over 12 months EGP Thousands	Expected credit losses over a lifetime that is not creditworthy EGP Thousands	Expected credit losses over a lifetime credit default EGP Thousands	EGP Thousands
Performing loans	25,280,449	15,924	-	25,296,373
Regular watching	4,985,881	498,642	-	5,484,523
Watch list	-	1,198,448	-	1,198,448
Non-performing loans	-	-	1,174,359	1,174,359
Balance at the end of the period	30,266,330	1,713,014	1,174,359	33,153,703
Expected credit losses	(192,032)	(359,342)	(716,381)	(1,267,754)
NET	30,074,298	1,353,672	457,978	31,885,948

Dec 31,2021	Stage 1	Stage 2	Stage 3	Total
Retail	Expected credit losses over 12 months EGP Thousands	Expected credit losses over a lifetime that is not creditworthy EGP Thousands	Expected credit losses over a lifetime credit default EGP Thousands	EGP Thousands
Performing loans	3,137,286	39,546	-	3,176,832
Non-performing loans	-	-	19,948	19,948
Balance at the end of the period	3,137,286	39,546	19,948	3,196,780
Expected credit losses	(43,261)	(5,165)	(12,492)	(60,917)
NET	3,094,025	34,381	7,456	3,135,863

Loans and advances to Banks

Dec 31,2021	Stage 1 12 Months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
(1-5) Performing loans	-	72,227	-	72,227
(6) Regular watching	-	-	-	-
(7) Watch list	-	-	-	-
(8-10) Non-performing loans	-	-	-	-
The Balance at the end of the period	-	72,227	-	72,227
Expected credit losses	-	(99)	-	(99)
NET	-	72,127	-	72,127

ECL of credit losses for treasury bills

Dec 31,2021	Stage 1 12 Months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
The balance at 1 July 2020	35,475	-	-	35,475
Expected credit losses	(20,986)	-	-	(20,986)
Cumulative foreign currencies translation differences	(808)	-	-	(808)
The balance at the end of the period	13,681	-	-	13,681

ECL of credit losses for financial investments at fair value through OCI & by amortized cost

Dec 31,2021	Stage 1 12 Months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
The balance at 1 July 2020	11,233	-	-	11,233
Expected credit losses	208	-	-	208
Cumulative foreign currencies translation differences	(296)	-	-	(296)
The balance at the end of the period	11,145	-	-	11,145

ECL of credit losses for cash and due from Central Bank of Egypt & due from banks

Dec 31,2021	Stage 1 12 Months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
The balance at 1 July 2020	12,550	-	-	12,550
Expected credit losses	(10,087)	-	-	(10,087)
Cumulative foreign currencies translation differences	(314)	-	-	(314)
The balance at the end of the period	2,149	-	-	2,149

Loans and advances neither have arrears nor impaired

The credit quality of loans and advances that do not have arrears and which are not subject to impairment is assessed by reference to the Bank's internal rating.

Dec 31,2021	EGP Thousands							
	Retail				Corporate			
Rating	Overdrafts	Credit cards	Personal loans	Mortgage	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers
Performing loans	287,689	34,453	2,569,701	159,927	15,600,039	6,051,168	3,645,166	28,348,144
Regular watching	-	-	-	-	3,086,620	1,585,685	1,866,513	6,538,817
Total	287,689	34,453	2,569,701	159,927	18,686,658	7,636,853	5,511,678	34,886,961

June 30,2020	EGP Thousands							
	Retail				Corporate			
Rating	Overdrafts	Credit cards	Personal loans	Mortgage	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers
Performing loans	251,485	26,088	993,853	40,013	17,219,116	5,423,495	4,477,114	28,431,165
Regular watching	-	-	-	-	941,816	1,691,775	495,810	3,129,401
Total	251,485	26,088	993,853	40,013	18,160,932	7,115,270	4,972,925	31,560,567

Loans and advances have arrears but are not subject to impairment

These are loans and facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and facilities to customers which have arrears but are not subject to impairment are analyzed below:

Dec 31,2021	EGP Thousands					
	Retail			Corporate		Total loans and advances to customers
Rating	Credit cards	Personal loans	Mortgage	Direct loans	Syndicated loans	
Arrears up to 30 days	3,058	68,449	3,176	54,657	37,066	166,406
Arrears from 30 to 40 days	391	10,441	-	16,758	291	27,883
Arrears from 40 to 90 days	81	38,440	1,025	67	35,311	74,926
Total	3,530	117,331	4,201	71,483	72,668	269,215

June 30,2020	EGP Thousands					
	Retail			Corporate		Total loans and advances to customers
Rating	Credit cards	Personal loans	Mortgage	Direct loans	Syndicated loans	
Arrears up to 30 days	-	-	-	5,159	-	5,159
Arrears from 30 to 60 days	-	-	-	-	-	-
Arrears from 60 to 90 days	-	-	-	-	-	-
Total	-	-	-	5,159	-	5,159

Loans and advances which are individually impaired

Loans and advances individually assessed without taking into consideration cash flows from guarantees are totaled EGP Thousands 1,194,307 on Dec. 31,2021 compared to EGP Thousands 755,495 on June 30,2020 and total fair value of guarantees is 273,879

The breakdown of the gross amount of individually impaired loans and advances held by the Bank, are as follows:

Dec 31,2021	EGP Thousand						
Rating	Retail			Corporate			
	Credit cards	Personal loans	Mortgage	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers
Loans which are individually impaired	88	19,860	-	640,061	317,382	216,916	1,194,307
Total	88	19,860	0	640,061	317,382	216,916	1,194,307

June 30,2020	EGP Thousands						
Rating	Retail			Corporate			Total loans and advances to customers
	Credit cards	Personal loans	Mortgage	Overdrafts	Direct loans	Syndicated loans	
Loans which are individually impaired	780	1,585	-	304,323	226,071	222,736	755,495
Total	780	1,585	-	304,323	226,071	222,736	755,495

Restructured loans and advances:

Restructuring activities include rescheduling arrangements, obligatory management programs, modification and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, indicate that payment will most likely continue.

Restructuring is commonly applied to term loans, especially customer loans. Renegotiated loans totaled at the end of the period

Renegotiated loans totaled at the end of Dec. 31, 2021:

Loans and advances to customers corporates	Dec 31,2021 EGP Thousands
Direct loans	172,044

Financial Inclusion and Career Coaching Day presented by the Bank at Zewail City for Science and Technology

3.1.7) Government debt instruments, treasury bills and other governmental notes

The table below presents an analysis of debt instruments, treasury bills and other governmental notes by rating agency at the end of the financial period:

EGP Thousands				
Financial investments	Dec 31,2021		June 30,2020	
	Treasury bills and other Gov. notes	Financial Investments Debt instruments	Treasury bills and other Gov. notes	Financial Investments Debt instruments
Rating B	6,871,650	11,506,330	8,028,595	5,153,305
Total	6,871,650	11,506,330	8,028,595	5,153,305

3.1.8) Concentration of risks of financial assets exposed to credit risks

3.1.8.1) Geographical segments

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the Bank is exposed at the end of the current reporting period.

The gross amount of all financial assets is segmented into the geographical regions of the Bank's clients:

EGP Thousands				
	Cairo	Alex , Delta and Sinai	Upper Egypt	Total
Cash and due from Central Bank of Egypt	6,966,544	118,729	20,630	7,105,903
Less: Expected credit losses	(2,149)	-	-	(2,149)
Due from banks	7,923,835	-	-	7,923,835
Treasury bills and other governmental notes	6,885,330	-	-	6,885,330
Less: Expected credit losses	(13,681)	-	-	(13,681)
Loans and advances to customers :				
Individual :				
Overdraft	115,638	166,307	5,745	287,689
Credit cards	28,462	8,187	1,440	38,088
Personal loans	1,645,770	874,331	186,791	2,706,892
Mortgages	144,588	17,730	1,809	164,128
Corporate :				-
Overdraft	15,360,082	3,753,443	213,195	19,326,720
Direct loans	6,571,127	1,110,253	344,324	8,025,704
Syndicated loans	5,557,873	100,546	142,843	5,801,262
Less: interest in suspense	(119,081)	(1,858)	-	(120,939)
Less: Expected credit losses	(1,066,010)	(254,400)	(8,262)	(1,328,672)
Loans and advances to banks	72,226	-	-	72,226
Less: Expected credit losses	(99)	-	-	(99)
Financial investments: at fair value through OCI				
Debt instruments	10,862,224	-	-	10,862,224
Less: Expected credit losses	(9,637)	-	-	(9,637)
Financial Investments: Amortized cost				
Debt instruments	912,082	-	-	912,082
Less: Expected credit losses	(1,508)	-	-	(1,508)
Other assets (Accrued income)	727,407	8,696	1,307	737,410
Total	62,561,022	5,901,965	909,822	69,372,810

3.1.8.2) Industry Segments

EGP Thousands					
	Government Sector	Private Sector	External Sector	Other Activities	Total
Cash and due from Central Bank of Egypt	7,105,903	-	-	-	7,105,903
Less: Expected credit losses	(2,149)	-	-	-	(2,149)
Due from banks	7,066,760	-	857,075	-	7,923,835
Treasury bills and other governmental notes	6,885,330	-	-	-	6,885,330
Less: Expected credit losses	(13,681)	-	-	-	(13,681)
Loans and advances to customers :					
Individual :					
Overdraft	-	-	-	287,689	287,689
Credit cards	-	-	-	38,088	38,088
Personal loans	-	169	-	2,706,723	2,706,892
Mortgages	-	-	-	164,128	164,128
Corporate :					
Overdraft	507,762	18,551,740	-	267,218	19,326,720
Direct loans	2,277	7,794,846	-	228,582	8,025,704
Syndicated loans	2,692,485	3,108,777	-	-	5,801,262
Less: interest in suspense	-	(120,939)	-	-	(120,939)
Less: Expected credit losses	(56,941)	(1,209,107)	-	(62,623)	(1,328,672)
Loans and advances to banks	-	-	72,226	-	72,226
Less: Expected credit losses	-	-	(99)	-	(99)
Financial Investments: at fair value through OCI					
Debt instruments	10,603,448	258,776	-	-	10,862,224
Less: Expected credit losses	(7,691)	(1,946)	-	-	(9,637)
Financial Investments: Amortized cost					
Debt instruments	912,082	-	-	-	912,082
Less: Expected credit losses	(1,508)	-	-	-	(1,508)
Other assets (Accrued income)	-	7,114	-	730,296	737,410
Total	35,694,076	28,389,429	929,202	4,360,102	69,372,810

3.2) Market Risks

The Bank is exposed to market risk represented in volatility in fair value or future cash flows resulted from changes in market prices. Market risk arise from the open positions of interest rates, currency rates and the equity instruments, the management of market risk resulted from trading, non-trading activities are centralized in the market risk department in the Bank.

3.2.1) Foreign exchange rate volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised.

The following table summarizes the Bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting period. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

EGP Thousands						
	EGP	USD	EUR	GBP	Other currencies	Total
Financial Assets						
Cash and due from Central Bank of Egypt	5,924,396	1,143,409	32,539	2,334	1,076	7,103,754
Due from banks	6,801,808	742,900	206,691	110,962	61,474	7,923,835
Treasury bills and other governmental notes	3,639,983	2,830,348	401,318	-	-	6,871,650
Loans and advances to customers	29,000,652	5,326,815	570,519	2,884	2	34,900,872
Loans and advances to banks	0	68,234	3,893	-	-	72,127
Financial Investments: at fair value through OCI	10,183,550	1,018,112	358	-	-	11,202,020
Financial Investments: Amortized cost	792,359	118,215	-	-	-	910,574
Financial investments in subsidiaries and associated co.	816,644	-	-	-	-	816,644
Other financial assets	707,297	29,676	437	1	-	737,410
Total financial assets	57,866,689	11,277,709	1,215,756	116,180	62,552	70,538,886
Financial Liabilities						
Due to banks	2,050,028	432,338	61,331	-	-	2,543,697
Customers deposits	53,410,146	9,645,194	1,148,317	112,050	65,070	64,380,777
Other loans	203,379	1,311,695	-	-	-	1,515,073
Other financial liabilities	217,746	25,923	(3)	2	-	243,668
Total financial liabilities	55,881,298	11,415,150	1,209,645	112,052	65,070	68,683,215
Net balance	1,985,390	(137,442)	6,112	4,128	(2,518)	1,855,670

3.2.2) Interest rate risk

The Bank is exposed to impact of fluctuations in the levels of interest rates prevailing in the market that is the cash flow risk of interest rate represented in the volatility of future cash flow of a financial instrument due to change in the interest rate of the mentioned instrument. Whereas the interest rate is 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 sets limits for the level of difference in the re-pricing of interest rate that the Bank can maintain and risk department in the Bank daily monitors this.

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 divided based on the price of re-pricing dates or maturity dates whichever is sooner:

A project financed by the Bank

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EGP Thousands						
Dec 31,2021	**Up to 1 month**	**More than 1 month up to 3 months**	**More than 3 months up to 1 year**	**More than 1 year up to 3 years**	**More than 3 years**	**Total**
Financial assets						
Cash and due from central banks	5,737,391	1,049,938	-	-	-	6,787,329
Due from banks	3,950,679	4,089,304	-	-	-	8,039,984
Treasury bills and other governmental notes	484,509	2,764,685	3,263,969	-	-	6,513,163
Other financial investments & bonds	473,625	524,898	2,325,904	9,001,190	2,156,122	14,481,738
Loans and advances to customers and banks	22,640,104	7,133,046	2,264,124	2,326,175	2,570,630	36,934,079
Other financial assets	61,986	307,120	1,158,637	2,032,183	23,115	3,583,042
Total financial assets	33,348,294	15,868,991	9,012,634	13,359,548	4,749,868	76,339,335
Derivatives for trading						5,533,896
Total interest sensitive assets-derivatives other than trading	33,348,294	15,868,991	9,012,634	13,359,548	4,749,868	76,339,335
Financial liabilities						
Due to banks	2,546,406	-	787	2,224	18,370	2,567,788
Customers deposits	25,690,758	8,205,761	13,858,806	16,541,140	2,493,822	66,790,288
Other loans	545,631	549,694	334,581	90,189	3,182	1,523,277
Other financial liabilities	1,085,540	-	-	-	-	1,085,540
Total financial liabilities	29,868,336	8,755,455	14,194,174	16,633,554	2,515,374	71,966,893
Total interest non sensitive liabilities						8,700,917
Total interest sensitive liabilities-derivatives other than trading	29,868,336	8,755,455	14,194,174	16,633,554	2,515,374	71,966,893
Repricing Gap	3,479,958	7,113,536	(5,181,540)	(3,274,006)	2,234,494	4,372,442

3.3) Liquidity Risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management Process

The processes of liquidity risk control carried by assets and liabilities management department in the Bank include the following:

The daily funding is managed by monitoring and controlling the future cash flows to ensure the ability to fulfill all obligations and requirements. This includes replenishment of funds as they mature or is borrowed by customers.

The Bank maintains an active presence in The global money markets to ensure achievement of this target.

- Monitoring liquidity ratios compared to the internal requirements of the Bank and the Central Bank of Egypt's requirements.

- Management of concentration and profile the debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week, and month respectively. The starting point for these projections is represented in the analysis of the contractual maturities of financial liabilities and expected collection dates of financial assets.

Assets and Liabilities management department controls the unmatched medium term assets management, the level and type of the unutilized portion of loans' commitments, the extent of utilizing debit current accounts advances and the impact of contingent liabilities such as letters of guarantees and letters of credit.

Financing approach

Liquidity resources are reviewed by a separate team from treasury department of the Bank to provide a wide variety of currencies, geographical regions, resources, products, and maturities.

Assets available to meet all liabilities and cover loan commitments include cash, balances with central banks, balances due from banks, treasury bills and other governmental notes, and loans and facilities to Banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the Bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

3.4) Fair value of financial assets and liabilities

The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the balance sheet at fair value

Dec 31,2021	Book value EGP Thousands	Fair value EGP Thousands
Financial Assets		
Due from banks	7,923,835	7,923,835
Loans and advances to customers	34,900,873	34,900,873
Loans and advances to banks	72,127	72,127
Financial investments:		
Amortized cost	910,574	935,525
Financial liabilities		
Due to banks	2,543,697	2,543,697
Customers' deposits	64,380,777	64,380,777
Other loans	1,515,073	1,515,073

▸ Due from banks:

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

▸ Loans and advances to banks:

Loans and advances to banks are represented in loans other than deposits with banks. The expected fair value for loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted by adopting the current market rate to determine the fair value.

▸ Loans and advances to customers

"Loans and facilities are net of provisions for impairment. The estimated fair value of loans and facilities represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

▸ Financial Investments:

Investments in financial securities in the previous table include only held to maturity bearing assets. Available for sale assets are assessed at fair value with the exception of equity instruments which the Bank has been unable to evaluate their fair value to a reliable extent. The fair value of financial assets held to maturity is determined based on market rates or prices obtained from brokers. If these data are unavailable then the fair value is assessed by applying the financial markets' rates for negotiable financial securities with similar credit features, maturity dates as well as similar rates.

▸ Due to other banks and customers:

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

3.5) Capital Management

The Bank's objectives when managing capital, which consists of another items in addition of owner's equity stated in balance sheet are:

- To comply with the capital requirements in Egypt.
- To safeguard the Bank's ability to continue as an ongoing concern so that it can continue to provide returns for shareholders and stakeholders.
- To maintain a strong capital base to support the development of its business.
- Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central Bank of Egypt, for supervisory purposes. The required information is filed with the authority on a quarterly basis

Central Bank of Egypt requires the following:

- Maintaining an amount of EGP 5 billion in accordance with the Central Bank of Egypt Law No. 194 of 2020 issued on September 15, 2020, and the Central Bank of Egypt granted banks a period not exceeding one year for those addressed to it to reconcile their positions in accordance with its provisions, and the Central Bank of Egypt permitted an extension of this period for another period or periods not exceeding two years.
- Maintaining a percentage between capital elements and asset and contingent liabilities elements weighted by risk equals to or exceeds 12.50%. The numerator of the capital adequacy ratio consists of the following two tiers:

Tier One: Represented in basic capital which consists of paid-in-capital (after deducting the book value of treasury shares), retained profits and reserves from profit appropriation with the exception of general banking risk reserve less any goodwill previously recognized or any carried over losses and 40% of intangible assets and deferred taxes.

The conservative buffer is formed from the Bank's annual profits as an additional independent pillar of the continuing base capital within the first tranche of the Bank's capital base and thus to the total standard, and the conservative buffer is originally configured from annual profits but is allowed to be configured if components with the base capital meet this.

Tier Two: Supplementary capital consists of equivalent of the general risks provision related to creditworthiness bases issued by the Central Bank Of Egypt and not exceeding 1.25% of the total risk weighted assets and contingent liabilities, subordinated loans / deposits' term which exceed 5 years (with amortization of 20%of their value each year of the last five years of their term) and 45% of the increase between fair value and book value of financial investments available for sale, held to maturity and associates and subsidiaries.

When calculating the total numerator of the capital adequacy ratio it should be taken into consideration that the supplementary capital does not exceed in any way the basic capital and that subordinated loans (deposits) do not exceed half of the basic capital.

Asset at risk are weighted ranging from zero up to 100% classified in accordance with the nature of the debit side of each asset, to reflect the related credit risks, while taking into consideration cash collaterals. Same treatment is applied on off-balance amounts after making adjustments to reflect the contingent nature and probable losses of these amounts.

The Bank has complied with all local capital requirements at Dec 31, 2021 the following table summarizes the components of basic and supplementary capital and capital adequacy ratios as at Dec 31,2021.

According to Basel II:	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Capital	6,732,766	6,229,982
Tier one (Basic capital):		
Paid up capital	3,273,600	2,728,000
Reserves	807,801	705,845
Retained Earnings	1,474,833	1,334,844
Total balance of accumulated OCI items after regulatory adjustments	164,952	257,404
Interim Profits	711,641	861,667
Uncontrollable interest	12,504	36
Total deductions from basic capital	(93,619)	(108,114)
Total basic capital	6,351,712	5,779,682
Tier two (Supplementary capital)		
45% of special reserve	10,098	10,098
Impairment provision for loans and regular contingent liabilities	370,956	445,551
Total deductions from supplementary capital	-	(8,197)
Total supplementary capital	381,054	447,452
Risk weighted assets and contingent liabilities:		
Total credit risk	43,463,370	39,248,242
Total market risk	43,613	330,497
Total operational risk	4,107,231	3,135,250
Total	47,614,214	42,713,989
Capital adequacy ratio (%) *Taking into consideration the effect of the top 50 customers	14.14%	14.59%

Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012

The decision of the Central Bank of Egypt has been implemented to take into consideration the impact of 50 largest clients on the capital adequacy ratio starting from January 2017.

3.6) Leverage Ratio

The measurement of financial leverage that supports the measurement of capital adequacy standard associated with the risk scale, simple and straightforward according does not account for the risk weights attributed its effectiveness to its ability to reduce the pressure on the banking system and indicate the leverage ratio to measure the adequacy of the first of its basic capital slide compared with total assets Bank, which is not less than 3%.

The following table summarizes the components of leverage ratios as at Dec 31, 2021:

Tier one (Basic capital)	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Paid up capital	3,273,600	2,728,000
Reserves	807,801	705,845
OCI items after regulatory adjustments	164,952	257,404
Retained profits	1,474,833	1,334,844
Interim Profits	711,641	861,667
Uncontrollable interest	12,504	36
Total deductions from basic capital	(93,619)	(108,114)
Total basic capital	6,351,712	5,779,682
Assets and contingent liabilities :		
Assets	76,756,077	57,122,936
Contingent liabilities	8,284,780	5,447,544
Total Assets and contingent liabilities	85,040,857	62,570,480
Leverage ratio (%)	7.47%	9.24%

4) The significant accounting estimates and assumptions

The Bank applies estimates and assumptions, which affect the amounts of assets and liabilities to be disclosed within the following financial year. Estimates and assumptions are continuously assessed based on historical experience and other factors as well, including the expectations of future events, which are considered reasonable in the light of available information and surrounding circumstances.

(A) The fair value of derivatives

The fair values of financial instruments, which are not listed in active markets, is identified by applying valuation methods. When such methods are used to identify fair value, they are tested and reviewed periodically by qualified personnel who are independent of the body that prepared them.

(B) Income taxes

The Bank records the liabilities of the expected results of tax examination according to estimates of the probability of the emergence of additional taxes. When there is, a variance between the final result of taxes and the amounts previously recorded then these variances will affect the income tax and deferred tax provision for the year in which the variance has been identified.

(C) Analysis by Geographical Segment

Dec 31,2021	CAIRO	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	7,673,920	1,501,729	173,511	9,349,160
Expenses according to geographical segment	(6,601,722)	(1,115,845)	(171,212)	(7,888,778)
Profit before tax	1,072,198	385,884	2,299	1,460,381
Tax	(433,650)	(156,071)	(930)	(590,650)
Profit for the period	638,548	229,814	1,369	869,731
June 30,2020				
Revenue according to geographical segment	4,390,945	1,530,991	143,667	6,065,603
Expenses according to geographical segment	(3,779,664)	(809,537)	(91,865)	(4,681,066)
Profit before tax	611,281	721,454	51,802	1,384,537
Tax	(163,724)	(193,232)	(13,874)	(370,830)
Profit for the period	447,557	528,222	37,928	1,013,707

Assets & liabilities by geographical segment

Dec 31,2021	CAIRO	Alex, Delta & Sinai	Upper Egypt	Total
Assets by Geographical Segment	74,390,614	1,493,024	289,700	76,173,338
Total Assets	74,390,614	1,493,024	289,700	76,173,338
Liabilities by Geographical Segment	61,661,388	12,835,790	1,676,160	76,173,338
Total liabilities	61,661,388	12,835,790	1,676,160	76,173,338
June 30,2020				
Assets by Geographical Segment	55,559,842	1,080,759	107,826	56,748,428
Total Assets	55,559,842	1,080,759	107,826	56,748,428
Liabilities by Geographical Segment	45,016,356	10,893,632	838,440	56,748,428
Total liabilities	45,016,356	10,893,632	838,440	56,748,428

5) Net Interest Income

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Interest From Loans and Similar Income:				
Loans and Facilities for Customers	970,452	5,430,415	740,848	3,213,913
Treasury Bills	147,857	830,176	194,193	884,279
Treasury Bonds	396,298	1,750,319	171,427	572,181
Corporate Bonds	6,528	30,664	-	-
Deposits and Current Accounts	71,535	235,790	24,050	785,718
Total	1,592,671	8,277,364	1,130,517	5,456,090
Cost of Deposit and Similar Costs:				
Deposits and Current Accounts:				
Banks	(45,026)	(372,613)	(54,226)	(326,311)
Customers	(1,035,101)	(5,096,998)	(641,023)	(3,268,036)
Other loans	(8,951)	(61,001)	(12,944)	(49,633)
REPO	(6,930)	(19,672)	(298)	(7,262)
Total	(1,096,008)	(5,550,285)	(708,491)	(3,651,243)
Net	496,663	2,727,079	422,026	1,804,847

6) Net Income from Fees and Commissions

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Fees and commissions income:				
Fees and commission related to credit	119,252	596,009	70,666	319,326
Custody Fees	315	2,462	470	1,849
Other Fees	10,633	53,581	6,589	27,491
Total	130,200	652,052	77,725	348,666
Fees and Commissions Expenses:				
Other fees paid	(31,631)	(124,017)	(8,025)	(35,363)
Total	(31,631)	(124,017)	(8,025)	(35,363)
Net	98,569	528,035	69,700	313,303

7) Dividend Income

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Financial Investments: at fair value through OCI	-	9,942	1,554	11,252
Associates and Subsidiary companies	-	3,178	-	28,574
Total	-	13,120	1,554	39,826

8) Net Trading Income

Net Trading Income	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Profit (losses) from foreign exchange	31,521	203,693	28,653	119,684
Profit (losses) from currencies swap contracts	-	205	155	(337)
Profit arising from sale of trading investments	982	17,816	5,001	16,444
Valuation differences of trading investments	19,092	45,133	-	(2,664)
Total	51,595	266,846	33,809	133,127

9) Administrative expenses

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Staff Costs				
- Salaries and Wages	(155,032)	(826,377)	(124,118)	(446,260)
- Social insurance	(6,415)	(36,341)	(5,194)	(19,721)
Pension costs				
- Defined contribution scheme	(8,364)	(49,093)	(7,546)	(27,731)
- Defined benefits scheme	(13,537)	(77,795)	(10,623)	(48,724)
Other Administrative expenses				
- Operations expenses	(31,234)	(200,815)	(47,759)	(147,903)
- Communications expenses	(8,913)	(37,548)	(533)	(17,565)
- Business expenses	(13,820)	(110,784)	(12,128)	(67,991)
- Stationary expenses	(1,836)	(11,118)	2,439	(5,647)
- Service expenses	(66,903)	(297,547)	(30,643)	(138,170)
- Depreciation expenses	(40,534)	(218,379)	(28,942)	(104,349)
Total	(346,589)	(1,865,799)	(265,048)	(1,024,061)

* Average monthly total salaries of the highest 20 employees for the period ended Dec. 31, 2021 were EGP 3,648 thousands

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10) Other operating income (expenses):

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Profit (loss) resulting from revaluation of foreign currency balances of assets and liabilities of monetary nature other than those held for trading or originally classified at fair value through profit and loss	(270)	13,475	(7,823)	20,696
Collected Telex, Swift, Postage, Printed matters & Photocopy	13,349	79,289	10,739	51,334
Legal service income	56	220	20	73
(Charges) release of other provisions	(16,630)	(60,032)	18,297	(23,882)
(Charges) release of retirement benefit obligations	5,820	(18,718)	(13,010)	(15,549)
Capital profits	(0)	8,059	-	119
Miscellaneous income	2,597	17,391	1,413	12,246
Miscellaneous expenses	(1,897)	(4,821)	130	(2,338)
Total	3,025	34,864	9,767	42,699

11) Impairment (charge) release for credit losses

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Expected of credit losses for loans and overdrafts for customers	(67,833)	(296,391)	(22,747)	74,941
Expected of credit losses for treasury bills	6,446	20,986	(0)	7,137
Expected of credit losses for treasury bonds	883	1,738	(4,057)	(9,649)
Expected of credit losses for loans and overdrafts for banks	159	420	(495)	(495)
Expected of credit losses for due from banks	249	10,087	(689)	(558)
Expected of credit losses for corporate bonds	24	(1,946)	-	-
Expected of credit losses for accrued revenues	-	-	-	(4)
	(60,072)	(265,107)	(27,989)	71,372

12) Income Tax expense

	Three Months Ended	**The Period Ended**	**Three Months Ended**	**The Year Ended**
	Dec 31,2021 EGP Thousands	**Dec 31,2021 (18 Months) EGP Thousands**	**June 30,2020 EGP Thousands**	**June 30,2020 EGP Thousands**
- Income tax	(94,419)	(586,087)	(83,663)	(360,739)
Deferred tax	(2,955)	(4,563)	(1,930)	(10,091)
Total	(97,374)	(590,650)	(85,593)	(370,830)

Adjustments for calculating effective tax rate

	The Period Ended	**The Year Ended**
	Dec 31,2021 (18 Months)	**June 30,2020**
- Accounting profite before tax	1,460,381	1,384,537
- Tax rate	22.5%	22.5%
- Income tax calculated on accounting profit	328,586	311,521
- Add / Deduct		
- Non-deducted expenses	380,482	138,557
- Tax exemption	(607,879)	(333,798)
- Impact of provision	18,421	(19,065)
- Impact of depreciations	(1,757)	(920)
- Income tax	117,853	96,294
- Tax on bills & bonds on income statement	590,650	370,830
- Effective tax rate (including teasury bills and bonds)	40.44%	26.78%

13) Earnings Per Share

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
- Net profit for the period	148,959	869,731	158,226	1,013,707
- Board member's bonus	2,979	26,019	3,386	19,600
- Staff Profit Sharing	14,896	152,660	18,987	115,000
- Shareholder's Share in Profit	131,084	691,052	135,853	879,107
- Average number of shares	290,987	290,987	272,800	272,800
- Earnings Per Share	0.45	2.37	0.50	3.22

14) Cash and due from Central Bank of Egypt

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
- Cash on hand	321,800	219,217
- Due from Central Bank of Egypt (mandatory reserve)	6,784,103	3,660,456
- Less: Expected of credit losses	(2,149)	(12,550)
Total	7,103,754	3,867,123
- Fixed bearing balances	1,047,443	1,135,714
- Non-interest bearing balances	6,056,310	2,731,409
	7,103,754	3,867,123

*Balances with the Central Bank of Egypt includes the dollar deposit under the reserve ratio (10%), which is settled on maturity 17 Feb. 2022.

*The Bank re-calculated the expected of credit losses for cash and due from Central Bank of Egypt, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and the Egyptian accounting standards.

15- Due from banks

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
- Current accounts	156,103	397,347
- Deposits	7,767,732	4,264,176
Total	7,923,835	4,661,523
- Central Bank of Egypt (other than obligatory reserve)	6,800,000	3,547,977
- Local banks	93,905	215,768
- Foreign banks	1,029,930	897,778
Total	7,923,835	4,661,523
- Non -interest bearing balances	156,103	397,347
- Fixed bearing balances	7,767,732	4,264,176
Total	7,923,835	4,661,523
- Current Balances	7,923,835	4,661,523

* The Bank re-calculated the expected of credit losses for due from banks, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and the Egyptian accounting standards.

Merghany Branch opening 2x1 first branch

16) Treasury bills and other governmental notes

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Treasury Bills And Other Governmental Notes	6,907,399	8,086,976
Treasury Bills (REPO)	(22,069)	(22,906)
Less: Expected credit losses	(13,681)	(35,475)
Total	6,871,650	8,028,595
Represented in:		
91 days Maturity	165,600	506,675
182 days Maturity	627,350	204,350
273 days Maturity	1,015,075	1,321,175
364 days Maturity	5,312,338	6,326,158
Total	7,120,363	8,358,358
Unearned income	(212,964)	(271,382)
Total	6,907,399	8,086,976
REPOS	(22,069)	(22,906)
Less: Expected credit losses	(13,681)	(35,475)
Total	6,871,650	8,028,595

- Within the item of treasury bills amount EGP 23,500 thousands owed to the Central Bank of Egypt against mortgage finance and amount EGP 193,575 thousands of small & medium enterprises 7% As of 31 Dec 2021.

* The Bank re-calculated the expected of credit losses for treasury bills and other governmental notes, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and the Egyptian accounting standards.

17) Loans and overdrafts for customers

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Individual:		
Overdraft	287,689	251,485
Credit cards	38,088	26,868
Personal loans	2,706,892	995,438
Mortgages	164,128	40,013
Corporate:		
Overdraft	19,326,720	18,465,255
Direct loans	8,025,704	7,346,500
Syndicated loans	5,801,262	5,195,661
Less: Expected of credit losses		
Total	36,350,484	32,321,220
Less: interest in suspense	(120,939)	(15,831)
Less: Expected credit losses	(1,328,672)	(1,044,075)
Net	34,900,873	31,261,314

Loans and overdrafts for banks

Loans and overdrafts for banks	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Discounted documents	72,227	29,607
Total	72,227	29,607
Less: Expected credit losses	(99)	(534)
Net	72,127	29,073

- The Bank re-calculated the expected of credit losses for loans and overdrafts for banks, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and the Egyptian accounting standards.

Loans Provisions Analysis for customers

Losses between the beginning and end of the period as a result of these factors

Dec 31, 2021				
	Stage 1	Stage 2	Stage 3	Total
	12 months EGP Thousands	Life time EGP Thousands	Life time EGP Thousands	EGP Thousands
Balance at the beginning of the year	240,013	183,990	620,071	1,044,075
Expected credit losses	-	181,557	137,451	319,008
Used provision during the period	-	-	(17,656)	(17,656)
Collections from loans previously written-off	18,836	-	-	18,836
Release of expected credit losses	(22,616)	-	-	(22,616)
Cumulative foreign currencies translation differences	(940)	(1,041)	(10,994)	(12,975)
Balance at the end of the period	235,293	364,507	728,872	1,328,672

Loans provisions analysis for banks

Losses between the beginning and end of the period as a result of these factors

	Stage 1	Stage 2	Stage 3	Total
	12 months EGP Thousands	Life time EGP Thousands	Life time EGP Thousands	EGP Thousands
Balance at the beginning of the year	-	534	-	534
Expected credit losses	-	(420)	-	(420)
Cumulative foreign currencies translation differences	-	(15)	-	(15)
Balance at the end of the period	-	99	-	99

June 30,2020				
	Stage 1	Stage 2	Stage 3	Total
	12 months EGP Thousands	Life time EGP Thousands	Life time EGP Thousands	EGP Thousands
Balance at the beginning of the year	242,807	401,223	621,391	1,265,420
Expected credit losses	21,684	-	-	21,684
Transfer from stage 1 to stage 2	(39,916)	39,916	-	-
Transfer from stage 2 to stage 3	-	(160,127)	160,127	-
Used provision during the period	(41)	-	(139,299)	(139,340)
Collections from loans previously written-off	16,730	-	-	16,730
Release of expected credit losses	-	(83,620)	(11,747)	(95,367)
Cumulative foreign currencies translation differences	(1,250)	(13,401)	(10,400)	(25,052)
Balance at the end of the year	240,014	183,990	620,071	1,044,075

	Stage 1	Stage 2	Stage 3	Total
	12 months EGP Thousands	Life time EGP Thousands	Life time EGP Thousands	EGP Thousands
Balance at the beginning of the year	913	-	-	913
Expected credit losses	(826)	492	-	(334)
Cumulative foreign currencies translation differences	(87)	42	-	(45)
Balance at the end of the year	-	534	-	534

18) Financial Derivatives

Currency Swap / yield contracts represent commitments to exchange a range of cash flows.These contracts result in currency exchange or rates

(Fixed rate with variable rate, for example) or (all with swap contracts and currencies)

The actual exchange of contract amounts is only in certain currency swap contracts. The Bank's credit risk is the potential cost of replacing the swap contracts if the other parties fail to perform their obligations.

This risk is monitored on an ongoing basis in comparison to the fair value and by contractual amount, and for credit risk control. The Bank evaluates the counterparty using the same techniques used in the lending activities.

	Dec 31,2021			June 30,2020		
	Contractual amount EGP Thousands	Fair Value Assets EGP Thousands	liabilities EGP Thousands	Contractual amount EGP Thousands	Fair Value Assets EGP Thousands	liabilities EGP Thousands
Currency swap contracts	-	-	-	40,346	-	205
Total Assets (liabilities) Financial Derivatives	-	-	-	40,346	-	205

19) Financial Investment

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Financial assets at fair value through OCI:		
- Debt instruments fair value		
- Listed in stock market	10,852,586	4,065,566
- Equity instruments fair value		
- Certificates of mutual funds issued according to determined percentages	37,191	29,341
- Unlisted in stock market	312,243	472,594
(1) Total financial assets at fair value through OCI (1)	11,202,020	4,567,500
(b) Amortized cost investment		
Debt instruments at amortized cost		
- Listed in stock market	910,574	1,087,740
(2) Total amortized cost investment (2)	910,574	1,087,740
(1+2) Total Financial Investments (1+2)	12,112,594	5,655,240
- Current balances	11,800,351	5,182,646
- Non-current balances	312,243	472,594
	12,112,594	5,655,240
- Fixed interest debt instruments	11,506,330	5,153,306
- Variable interest debt instruments	256,830	-
	11,763,160	5,153,306

* Financial investments were evaluated through OCI (company shares) and those not registered in the stock exchange, and there is no active dealing with them in one of the accepted technical methods in order to determine their fair value.

* "On 5/5/2016 the Bank reclassified debt instruments available for sale (government bonds) fair value at that date EGP 701,321,624 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date."

* "On 3/7/2016 the Bank reclassified debt instruments available for sale (government bonds) fair value at that date EGP 883,543,119 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date."

* “On 23/10/2016 the Bank reclassified debt instruments available for sale (government bonds) fair value at that date EGP 1,650,410,085 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date.“

* “On 3/11/2016 the Bank reclassified debt instruments available for sale (corporate bonds) fair value at that date EGP 54,458,133 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date.“

The following table shows book value and fair value as at 31 Dec. 2021 for reclassified government bonds :

	Book Value	Fair Value
Government Bonds	542,417	567,369

The fair value that would have been recognized in equity gains if government bonds had not been reclassified, an amount of EGP 24,952 Thousands.

CSR Day at the Bank Premises

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EGP Thousands			
	Financial investment at fair value through OCI	Financial investment amortized cost	Total
The balance after adjustment at 1 july 2019	1,614,278	1,726,882	3,341,159
Additions	2,930,562	-	2,930,562
Deductions (selling-redemptions)	(184,975)	(650,867)	(835,842)
Changes in zero copoun bonds' unearned income	5,074	-	5,074
Foreign Exchange revaluation differences	14,898	-	14,898
Profit (loss) from change in fair value	192,698	7,881	200,579
Amortization for discount and premium	4,760	3,844	8,604
Expected credit losses	(9,794)	-	(9,794)
Ending balance at 30 June 2020	4,567,500	1,087,740	5,655,240
The balance at 1 july 2020	4,567,500	1,087,740	5,655,240
Additions	7,616,230	374,042	7,990,271
Deductions (selling-redemptions)	(696,933)	(552,207)	(1,249,140)
Changes in zero copoun bonds' unearned income	(189,925)	(4,439)	(194,364)
Foreign exchange revaluation differences	(27,208)	60	(27,147)
Profit (loss) from change in fair value	(82,768)	4,198	(78,570)
Amortization for discount and premium	13,529	2,688	16,216
Expected credit losses	1,596	(1,508)	88
Ending balance	11,202,020	910,574	12,112,594

* The Bank re-calculated the expected of credit losses for financial investment at fair value through OCI, the Bank took into account the .remaining maturity date for financial instrument according to the IFRS9 and Egyptian accounting standards

Profit (losses) from financial investment	Three Months Ended Dec 31,2021 EGP Thousands	The Period Ended Dec 31,2021 (18 Months) EGP Thousands	Three Months Ended June 30,2020 EGP Thousands	The Year Ended June 30,2020 EGP Thousands
Profit from selling financial investments at fair value through OCI	-	4,971	-	-
Profit from selling treasury bills	2,870	16,101	-	-
Profit from selling treasury bonds	272	272	-	3,424
Total	3,142	21,343	-	3,424

20) Financial investment in subsidiaries and associated companies

a) Participations in subsidiaries companies' capital	Dec 31,2021 EGP Thousands	%	June 30,2020 EGP Thousands	%
Egypt capital holding company	410,979	99.995	410,979	99.995
The international holding for financial investments	5,000	99.990	5,000	99.990
BETA Financial holding	106,989	99.990	106,989	99.990
Egyptian company for exports guarantee	176,383	70.553	176,383	70.553
Egyptian company for real estate	11,850	39.500	11,850	39.500
A BETA for real estate investment	67,940	39.500	67,940	39.500
EBE Factors Companies	37,500	75.000	30,000	60.000
EGYPT CAPITAL FOR REAL ESTATE	3	0.050	3	0.050
Total	816,644		809,144	

Financial information's about subsidiaries companies' as at Dec 31, 2021:

	Total assets	Total liabilities excluding equity	Net profit before tax for 18 Months	Net income for 18 Months
Egypt Capital Holding Company	458,256	13,925	771	318
The International Holding for Financial Investments	28,986	113	1,235	904
BETA Financial Holding	109,314	88	314	237
Egyptian Company for Exports Guarantee	682,466	215,290	143,171	108,776
Egyptian Company for Real Estate	724,662	420,646	57,970	45,668
A BETA for Real Estate Investment	395,815	193,012	26,195	20,476
Egyptian Tourism Development Company	244,506	13,226	(4,569)	(4,590)
EGYPT CAPITAL FOR REAL ESTATE	8,680	173	1,093	831
The Tourism Investment Company in Sahl Hashish	175,837	14,745	15,387	14,131
EBE Factors Companies	150,832	118,321	(17,109)	(17,489)

Financial information's about subsidiaries companies' as at June 30, 2020

	Total assets	Total liabilities excluding equity	Net profit before tax	Net income
Egypt Capital Holding Company	454,401	10,167	4,860	4,610
The International Holding for Financial Investments	28,121	50	3,984	3,121
BETA Financial Holding	109,066	22	867	711
Egyptian Company for Exports Guarantee	510,392	124,599	64,351	48,741
Egyptian Company for Real Estate	712,607	454,259	71,246	56,024
A BETA for Real Estate Investment	283,284	100,957	9,319	7,217
Egyptian Tourism Development Company	237,907	45,036	966	621
EGYPT CAPITAL FOR REAL ESTATE	7,786	110	758	583

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21) Intangible assets

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Net book value at the beginning of the period	101,892	68,363
Additions	66,635	33,908
Deductions	-	(379)
Net book value at the end of the period	168,526	101,892
Accumulated depreciation at the beginning of the period	64,249	49,354
Amortization expense	55,046	15,274
Deductions Accumulative Amortization	-	(379)
Accumulated depreciation at the end of the period	119,295	64,249
Net intangible assets at the end of the period	49,232	37,643

22) Other Assets

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Accrued revenues*	737,410	662,171
Prepaid expenses	72,600	27,398
Advances for purchase of fixed assets	668,323	678,179
Acquired assets (Net)*	358,630	378,761
Insurances and trusts	10,776	7,770
Suspense assets	109,325	90,536
Purchase of financial rights	3,545,852	-
Total	5,502,916	1,844,815

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Accrued income for medium term loans	201,427	411,201
Accrued income for due from banks	38,520	31,814
Accrued income for financial investments	497,463	219,157
Total	737,410	662,171

* Valuation of the assets acquired by the Bank in settlement of debts is recorded in accordance with the related Central Bank of Egypt regulations. In case the assets' fair value falls below the value at which such assets have been acquired by the Bank on the balance sheet date, the difference is charged to other expenses in the income statement. In case of an increase in the fair value, such increase is recognized in the income statement to the extent of revaluation losses recognized in the income statement for previous financial periods.

23) FIXED ASSETS (NET)

EGP Thousands									
	Land	Premises	Computers	Vehicles	Fixture and improvements	Equipment	Furniture	Others	Total
Cost at the beginning of the period	57,392	306,078	146,821	10,468	333,945	31,180	24,028	7,871	917,783
Additions during the period	-	257,151	60,314	2,465	90,051	8,760	6,925	3,565	429,230
Disposals during the period	-	-	(170)	-	(2,569)	(47)	-	-	(2,785)
(Cost at the end of the period (1	57,392	563,228	206,965	12,933	421,427	39,893	30,953	11,437	1,344,227
Accumulated depreciation at the beginning of the period	-	52,520	97,744	6,653	187,213	10,404	9,194	1,697	365,425
Depreciation charged for the period	-	16,611	54,107	2,002	81,616	4,793	3,719	485	163,332
Accumulated depreciation for disposals	-	-	(166)	-	(2,569)	17	-	-	(2,718)
(Accumulated depreciation at the end of the period (2	-	69,131	151,685	8,655	266,260	15,213	12,913	2,182	526,040
(Net book value at the end of the period (1-2	57,392	494,098	55,279	4,278	155,167	24,679	18,040	9,255	818,188
Net book value at the beginning of the period	57,392	253,558	49,076	3,815	146,732	20,776	14,835	6,174	552,358

24) Investment property

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Book value at the beginning of the period	3,369	3,369
Book value at the end of the period	3,369	3,369
Accumulated depreciation at the beginning of the period	1,770	1,720
Depreciation	75	50
Accumulated depreciation at the end of the period	1,845	1,770
Net book value at the end of the period	1,525	1,600

25) Deferred Tax Assets

Deferred income tax was calculated based on the deferred tax differences according to the liability method using an effective tax rate for the current fiscal year. Deferred tax assets resulting from carried forward tax losses shall not be recognized unless future taxable profits, through which carried forward taxable losses can be utilized, are likely to be proven. Clearing between deferred tax assets and liabilities is made in case of there is a legal justification for offsetting between current tax on assets and liabilities and also when deferred income tax belong to the same tax authority, the following table represents deferred tax assets and liabilities:

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Deferred tax – other provisions	1,347	1,807	-	-
Tax effect of the difference between accounting depreciation and tax depreciation	-	-	6,480	2,377
Deferred Taxes - fair value differences resulting from the evaluation of financial investments at fair value through OCI in foreign currencies	-	-	93	2,210
Total Deferred Tax (Asset-Liability)	1,347	1,807	6,574	4,587
Net Deferred Tax			5,227	2,780

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
The beginning of the period	1,807	9,520	4,587	4,512
Additions during the period	-	1,063	4,103	2,377
Disposals during the period	(460)	(8,776)	(2,117)	(2,302)
The ending balance	1,347	1,807	6,574	4,587

26) Due to banks

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Current accounts	61,849	28
Deposits	2,481,848	3,931,363
	2,543,697	3,931,391
Local banks	2,486,983	3,689,315
Foreign banks	56,714	242,076
	2,543,697	3,931,391
Non - interest bearing balances	61,849	28
Fixed bearing balances	2,481,848	3,931,363
	2,543,697	3,931,391
Current Balances	2,543,697	3,931,391
	2,543,697	3,931,391


One of the export projects financed by the Bank

27) Customers Deposits

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Demand Deposits	28,520,710	21,496,009
Time Deposits	24,978,194	14,651,158
Saving deposits and certificates of deposit	9,795,014	7,103,638
Other Deposits	1,086,859	999,673
Total	64,380,777	44,250,478
Retail Deposits	12,799,200	9,952,253
Corporate Deposits	51,581,577	34,298,225
Total	64,380,777	44,250,478
Non-interest bearing balances	7,027,940	2,287,834
Fixed interest bearing balances	56,840,741	40,170,876
Floating interest bearing balances	512,096	1,791,768
Total	64,380,777	44,250,478
Current balances	29,607,569	23,515,495
Non-current balances	34,773,208	20,734,983
Total	64,380,777	44,250,478

28) Other loans

	Maturity date	Rate %	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Arab Trade Financing Program	Dec 27,2022	1.41%	471,501	381,139
Agricultural Sector Development Program (ADP)	Nov 15,2022	4.75%	26,111	299,478
European Investment Bank Loan	Sep 15,2023	0.80%	147,230	287,524
The environmental commitment agreement under the management of the National Bank of Egypt	Feb 09,2026	1.75%	14,765	7,000
Green for Growth Fund	June 15,2026	2.97%	357,198	161,384
Sanad	Jan 5,2026	3.23%	335,766	308,097
CBE for small & medium projects 7%	Jan 7,2025	3.00%	159,288	265,217
Projects Development Authority	Oct 1,2026	11.00%	3,214	3,000
Total			1,515,073	1,712,838
Current Balances			497,612	381,139
Non-Current Balances			1,017,461	1,331,699
Total			1,515,073	1,712,838

29) Other liabilities

Other liabilities	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Accrued Interest	243,668	190,353
Prepaid Revenues	18,886	11,479
Accrued Expenses	160,853	64,546
Accrued Taxes and Insurances	47,690	45,016
Suspense assets	375,169	282,896
Total	846,266	594,290

30) Other Provisions

Dec 31,2021	Balance at the beginning of the period EGP Thousands	Charges during the period EGP Thousands	Foreign currencies revaluation differences EGP Thousands	Reclassification between provisions EGP Thousands	Release (charge) provisions no longer required EGP Thousands	Provision used during the period EGP Thousands	Balance at the end of the period EGP Thousands
Provision for claims (Taxes)	101,207	49,300	-	-	-	(117,148)	33,359
Provision for legal claims	8,035	1,323	(36)	-	(365)	(2,970)	5,987
Provision for contingent liabilities - Stage 1	18,762	18,603	(175)	-	(5,853)	-	31,337
Provision for contingent liabilities - Stage 2	162	3,474	6	-	(3,591)	-	51
Provision for contingent liabilities - Stage 3	2,594	987	-	-	(609)	-	2,972
Provision for Commitment - Stage 1	83,009	16,555	-	-	(22,451)	-	77,113
Provision for Commitment - Stage 2	1,163	6,915	-	-	(4,265)	-	3,813
Total	214,933	97,157	(205)	-	(37,134)	(120,118)	154,634

	EGP Thousands						
June 30, 2020	Balance at the beginning of the year	Charges during the year	Foreign currencies revaluation differences	Reclassification between provisions	Release (charge) Provisions no longer required	Provision used during the year	Balance at the end of the year
Provision for claims (Taxes)	86,730	53,939	-	-	-	(39,462)	101,207
Provision for legal claims	3,304	4,731	-	-	-	-	8,035
Provision for contingent liabilities - Stage 1	14,389	29,113	28	(162)	(24,606)	-	18,762
Provision for contingent liabilities - Stage 2	70	224	-	162	(294)	-	162
Provision for contingent liabilities - Stage 3	3,096	249	-	-	(751)	-	2,594
Provision for commitment - Stage 1	100,108	23,315	-	(13)	(40,400)	-	83,009
Provision for commitment - Stage 2	22,787	499	-	-	(22,123)	-	1,163
Total	230,484	112,071	28	(13)	(88,176)	(39,462)	214,933

- A provision for contingent liabilities includes indirect contingent liabilities.

- Other provisions are reviewed in the financial position date and adjusted when necessary to show the best estimate of the situation.

31) Retirement benefit obligations

Obligations on balance sheet:	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Pension Benefits	44,831	33,991

Amounts recognized on income statement	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Pension Benefits	18,718	15,549

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
The movement on liabilities during the period is as follows:		
Estimating liabilities at the beginning of the year	33,991	21,800
Actuarial losses	10,861	11,896
Cost of investment	7,859	3,651
Benefits paid	(7,880)	(3,356)
Estimated liabilities at the end of the period	44,831	33,991
Key actuarial assumptions (core)		
The rate of return used in discount therapeutic benefits	12.00%	15.00%
Balance sheet adjustment		
Balance sheet obligations	33,991	21,800
Actuarial losses	10,861	11,896
Calculating recognized retirement benefits in the profit and loss account	7,859	3,651
Benefits paid	(7,880)	(3,356)
Estimating liabilities at the end of the period	44,831	33,991

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32) Capital and Reserves

32.1) Capital

- “The authorized capital amounted to EGP 10,000,000,000 The issued and paid up capital amounted to EGP 3,273,600,000 as of Dec 31, 2021, distributed over 327,360,000 common shares with a par value .of EGP 10 each”
- The Bank was established in 1983 and paid up capital amounted to EGP 50 Million Pounds.
- On January 9, 1988, the General Assembly agreed to increase the capital by an amount of EGP 7.5 million Pounds.
- On December 30, 1991, the General Assembly agreed to increase the capital by EGP 11.5 million Pounds.
- On May 16, 1996, the General Assembly agreed to increase the capital by an amount of EGP 181 million Pounds.
- On January 20, 2002, the General Assembly agreed to increase the capital by EGP 250 million Pounds.
- On September 29, 2003, the General Assembly agreed to increase the capital by EGP 100 million Pounds.
- On March 15, 2007 the General Assembly agreed to increase the capital by EGP 200 million Pounds.
- On May 22, 2008 the General Assembly agreed to increase the capital by EGP 200 million Pounds.
- On September 23, 2008 the General Assembly agreed to increase the capital by EGP 200 million Pounds.
- On December 23, 2010, the General Assembly agreed to increase the capital by EGP 240 million Pounds.
- On June 12, 2017, the General Assembly agreed to increase the capital by EGP 288 million Pounds.
- On April 3, 2018, the General Assembly agreed to increase the capital by EGP 1,000 million Pounds.
- On June 6, 2021, the General Assembly agreed to increase the capital by EGP 545.6 million Pounds.

33.2) Reserves

Reserves on Dec 31,2021 represented in the following

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
- General banking risk reserve (1)	123,259	909
- Banking risk reserve – acquired assets (2)	-	16,394
- Legal reserve (3)	433,929	332,570
- General reserve	172,517	172,517
- Reserve for financial assets at fair value through OCI (4)	160,290	238,394
- Deferred Taxes fair value differences resulting from the evaluation of financial assets at fair value through OCI in foreign currencies.	(93)	(2,210)
- Special reserve	22,440	22,440
- Capital reserve (5)	195,432	195,312
Total	1,107,773	976,327

1) General bank risk reserve

It represents the increase in the provisions calculated according to creditworthiness principles over the provision for impairment in accordance with the instructions of the Central Bank of Egypt issued on February 26, 2019 regarding the requirements for applying the IFRS9 standard, in addition to the remainder of the impact of the application of IFRS9 where the balance of the general banking risk reserve, IFRS9 reserve and the credit reserve were merged The largest part of this reserve was used to offset expected credit losses upon the initial application of the international standard (1 July 2019).

2) Banking risk reserve - acquired assets

If the assets acquired by the Bank are not disposed of in accordance with the provisions of Article 60 of Law 88 of 2003 the general bank risk reserve shall be increased by 10% of the value of these assets annually during the period of retention by the Bank.

3) Legal reserve

In accordance with the Bank's Articles of Association, an amount equal to 10% of the profits shall be deducted annually to form the statutory reserve. The General Assembly may stop this deduction when the reserve total equals 50% of the issued capital of the Bank.

4) Fair value reserve - at Fair value through OCI

Represents revaluation differences arising from changes in the fair value of financial investments available for sale

5) Capital reserve

Representing the Profit sale of fixed assets

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
A - General banking risk reserve		
Beginning balance	909	-
Transferred to retained earnings	122,348	0
Transferred from IFRS9 reserve	0	271,230
Transferred from special reserve	0	12,678
Effect of applying IFRS 9	0	(282,999)
The balance after adjasment	123,257	909
Ending balance	123,257	909
B - Banking risk reserve – acquired assets		
Beginning balance	16,394	20,661
Transferred to banking risk reserve – acquired assets	1,876	(4,267)
Transferred to retained earnings	(18,270)	-
Ending balance	-	16,394
C - Legal reserve		
Beginning balance	332,570	244,116
Transferred from retained earnings	101,359	88,454
Ending balance	433,929	332,570
D – General reserve		
Beginning balance	172,517	172,517
Ending balance	172,517	172,517
E - Special reserve		
Beginning balance	22,441	35,119
Transferred to general banking risk reserve	0	(12,678)
The balance after adjasment	22,441	22,441
Ending balance	22,441	22,441
F - Capital reserve		
Beginning balance	195,312	28,954
Strengthening to capital reserve	119	166,358
Ending balance	195,431	195,312
G - Fair value reserve - financial assets at through OCI		
Beginning balance	236,186	17,870
Effect of applying IFRS 9	-	16,321
The balance after adjasment	236,186	34,191

Net change in fair value	(78,570)	200,581
Deffered tax-fair value differencies for financial assets through OCI in foreign currencies	2,117	2,304
Transferred to retained earnings	466	(890)
Ending balance	160,199	236,186
Total reserves at the end of the period	1,107,774	976,330
Retained earnings		
Beginning balance	2,303,194	1,928,941
Net profit for the period	869,731	1,013,707
Previous year dividends	(680,200)	(389,799)
Transferred to reserves	(68,918)	(249,655)
Transferred to general banking risk reserve	(122,348)	-
Ending balance	2,301,460	2,303,195

33) Shareholders' Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration by deducting from the retained earnings about the end of the current fiscal year.

34) Cash and cash equivalent

For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from the date of acquisition.

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Cash and due from Central Bank of Egypt	321,800	219,217
Due from banks	7,923,835	4,661,523
Treasury bills and other governmental notes	165,600	506,675
	8,411,235	5,387,415

35) Contingent liabilities and commitments

(A) Legal claims

There are a number of existing cases filed against the Bank in 31 Dec 2021 and provision has been made for some of them and no provision has been made for certain cases as no losses are expected.

(B) Capital commitments

The capital commitments for the financial investment reached on the date of financial position 559,981 thousands as follows:

	Investment value	Paid	Remaining
Financial assets at fair value through OCI	503,359	375,598	127,761
Fixed asset capital commitment	-	-	400,122
Total	503,359	375,598	527,883

(B)/2) Commitment for operating leases

The total non-cancellable minimum operating leases payment are as follows:

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Not more than one year	552	499
More than a year and less than five years	-	-
More than five years	31,546	31,701
Total	32,098	32,200

(C) Loans, facilities and guarantees commitments

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Letter of guarantee	7,342,014	3,741,878
Letter of Credit (Import)	1,886,101	1,360,219
Letters of Credit (Export-confirmed)	608,135	293,604
Shipping documents (Export)	597,309	586,739
Less: Cash cover	(728,345)	(743,230)
Net	9,705,214	5,239,210
Irrevocable commitments to loans and credit facilities	2,671,184	3,896,989
Total	12,376,399	9,136,199

Signing the MOU for financing the project of the biggest vegetables and fruits cluster in Badr City Center in Beheira Governorate

36) Related party transactions

A number of banking transactions are entered into with related parties in the normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions are represented as follows:

(A) Subsidiary Companies:

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
- Assets:		
Loans and advances to customers	40,437	1,088
- Liabilities		
Customers' deposits	78,629	265,936

(B) Shareholders:

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Assets:		
Due from banks	264,328	195,773
Liabilities		
Due to banks	1,500,000	677,522
Customers' deposits	4,521,888	4,618,723

(C) Board of directors benefits

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Wages and short term benefits	82,999	46,520

37. Tax status

Corporate income Tax.

The beginning until 2007.

Tax examination and internal committees was done, also the dispute is ended with of the tax authority.

Years 2011-2007

Tax examination was done, the file has been transferred to appeal committees, the Bank appeal on committee's decision and currently the file is under inspection by the court.

Years 2016-2011.

Tax examination was done and internal committees were formed and paid any tax due.

Years 2020-2016

The Bank submits the annual tax return on legal deadline and pay any tax due.

Stamp Taxes

The beginning of the year till 30 June 2019

Tax examination was done and paid any tax due.

Years 2021-2020

The Bank pays the tax on legal deadline

Salaries tax

The beginning of the year till 2019

Tax examination was done and the differences were paid.

Year 2020-2021

The Bank pays the monthly tax on a regular basis.

* The Bank submits tax returns on a regular basis and on the scheduled dates in accordance with the provisions of the Unified Tax Procedures Law No. 206 of 2020.

38. Mutual Funds

A. Export Development Bank of Egypt first mutual fund (The Expert Fund).

The fund is one of the authorized banking activities under the capital market law no. 95 for the year 1992 and its executive regulations. HC for securities and investment is managing this fund, the fund certificates reached 1 million certificate at foundation worth of EGP 100 million, out of these, 50 thousand of the certificates were allocated to the Bank to undertake the funds' activity (with EGP 100 nominal value).

The number of the outstanding certificates on the date of balance sheet was 100,250 certificates as the number of owned certificates by the Bank reached 79191certificates. The redemption value per certificate as of Dec. 31, 2021 amounted to EGP 135,72 and according to the funds' management contract and its prospectus, the Bank shall obtain fees and commissions for supervision on the fund and other managerial services rendered by the Bank. Total commissions as at Dec.31, 2021 amounted to EGP 84,2 thousands presented under the item of "fees and commission income / other fees" in the income statement.

B. Export Development Bank of Egypt Fund -The Second - The Monetary:

The fund is one of the authorized banking activities under the capital market law no. 95 for the year 1992 and its executive regulations, Azimut for Funds and Securities Portfolios Management is managing this fund. The fund certificates reached 2,867,466 certificates at foundation worth of EGP 286,746,600 out of these 143,400 of the certificates were allocated to the Bank to undertake the funds' activity (with EGP 100 nominal value). The number of the outstanding certificates on the date of balance sheet was 1,690,775 as the number of owned certificates by the Bank reached 39,440 certificates. The redemption value per certificate as of Dec 31,2021 amounted to EGP 435.4267 total commissions amounted to EGP 3,836 thousands as at Dec 31,2021 presented under the item of "fees and commission income / other fees" in the income statement.

C. Export Development Bank of Egypt Fund - The Third - Fixed Income Instruments:

The fund is one of the authorized banking activities under the capital market law no. 95 for the year 1992 and its executive regulations; Prime Investments Asset Management is managing this fund. The fund certificates reached 612,501 certificates at foundation worth of EGP 61,250,100 out of these 50,000 of the certificates were allocated to the Bank to undertake the funds' activity (with L.E. 100 nominal value). The number of the outstanding certificates at the date of balance sheet was 52,181 certificates as the number of owned certificates by the Bank reached 50,000 certificates. The redemption value per certificate as of Dec 31,2021 amounted to EGP 185,3929 total commissions amounted to EGP 64,1 thousands as of Dec 31,2021 presented under the item of "fees and commission income / other fees" caption in the income statement.

39. Comparative figures

- Some comparative figures have been reclassified to conform to the current year's financial presentation.

- In light of the change of the Bank's financial year to start with the Gregorian year and end with its end in order to comply with the new Central Bank of Egypt law, the separate income statement and the related clarifications were presented, as well as the separate comprehensive income statement and the separate cash flow statement for a period of eighteen months from 1 July 2020 to Dec. 31, 2021 compared to for the fiscal year (twelve months) from 1 July 2019 to

June 30, 2020, the comparative figures for the financial statements are not comparable at all.

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40. Important events

- On 15 September 2020, the Central Bank of Egypt and banking system law no. 194 of 2020 was issued, which repeal the Central Bank of Egypt and banking system law issued no. 88 of 2003, and this law applies to the most important destinations which are the Central Bank of Egypt and the Egyptian banking system.

The concerned are bound by the provisions of the law to adjust their positions in accordance with the provisions and that with a period not exceeding one year from the date of its implementation.

The board of directors of the Central Bank of Egypt may extend this period for a period or for other periods exceed 2 years.

The bank is going to study the law articles and executive regulations when they are issued and taking necessary actions in light of that study.

- Corona virus pandemic has spread (covid-19 new epidemic) through the different geographical regions all around the world, which caused disturbances in the commercial and economic activities, which led to uncertainty in the local and global economic environment. Also the financial, monetary, local and global authorities all have announced about the different supporting measures all around the world to face the potential negative effects.

- The Bank is closely monitoring the situation as the Bank management studied the financial and economic effects that are caused by the corona epidemic, starting from analyzing the expected effects at the macroeconomic level, identifying the negatively affected sectors and its neutrality affect besides its impact on the financial position of the Bank and the results of the work.

- The Bank has done during Sep. 30, 2020, a review on the Banks' customer classification forms for calculating the expected credit losses, with verification of the validity of the methodology used, depending on the determinants in the assessment such as country risk, industry, liquidity, activity and any other variables that may be affected in a way direct calculation of expected credit losses.

- Within the framework of the Bank's efforts with the new Central Bank of Egypt law, the approval of the regulatory authorities has been issued to change the financial year begins in January and ends on 31 December.

41. Subsequent events:

- The General Assembly, in its session held on February 6 2022, agreed to increase the paid-in capital by 2 billion Egyptian Pounds.

Auditors' Report
Export Development Bank of Egypt
On the consolidated financial statements as at Dec. 31,2021
To the shareholders of Export Development Bank of Egypt
Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Export Development Bank of Egypt (S.A.E.), which comprise the consolidated balance sheet as at Dec 31, 2021 and the consolidated statements of income and other comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Bank's management.

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Central Bank of Egypt's rules, pertaining to the preparation, presentation and the financial statements issued on December 16, 2008, which is amended by the instructions issued on 26 Feb 2019, and in light of the prevailing Egyptian laws. Management responsibility includes, designing, implementing internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatements, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from significant and material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material and significant misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 entity'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 consolidated financial statements presentation.

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

Opinion

In our opinion, the consolidated financial statements, referred to above, present fairly, in all material respects. The consolidated financial position of Export Development Bank of Egypt (S.A.E) as of Dec 31, 2021 and of its financial performance and its cash flows for the financial period ending on that date (18 Months) in accordance with Central Bank of Egypt's rules pertaining to the preparation and presentation of financial statements issued on December 16,2008, which is amended by instructions issued on 26 Feb 2019 and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Pay attention Paragraph

Without considering that a reservation, and as stated in note no. (1) and note no. 39 of the notes supplementing the consolidated financial statements, on February 28, 2021 the extraordinary general assembly of the Bank approved the amendment of article no. (48) of the Bank's articles of association to start the Bank's financial year with the beginning of the Gregorian year is on the first of January and ends on December 31, provided that the period from July 1, 2020 to December 31, 2021 is a transitional period extended for eighteen months. The consolidated income statement and the related notes, as well as the consolidated comprehensive income statement, and the consolidated cash flow statement for the eighteen months period from July 1, 2020 to December 31, 2021, compared to the last financial statements approved by the Bank's Ordinary General Assembly for the fiscal year ending in June 30, 2020 have been presented. (Twelve months) and therefore the comparative figures in the financial statements are not comparable at all.

Report On Other Legal and Regulatory Requirements

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

The Consolidated financial information included in the Board of Director's report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Bank's Auditors

DR. Ahmed Moustafa Shawki	Salwa Younis Saied
MAZARS Moustafa Shawki	Sector Head
	Central Auditing Organization

Cairo, 24 February 2022

Consolidated Balance Sheet Dec 31, 2021

	Notes	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Assets			
Cash and due from Central Bank of Egypt	(12)	7,103,754	3,867,123
Due from banks	(13)	7,924,085	4,661,524
Treasury bills and other governmental notes	(14)	7,612,917	8,548,857
"Financial Assets at Fair value through P&L"	(15)	38,902	36,030
Loans and advances to customers	(16)	34,903,930	31,297,836
Loans and advances to banks	(16)	72,127	29,073
Financial Investments:			
-Financial assets at fair value through OCI	(18)	11,385,170	4,567,761
-Amortized cost	(18)	910,574	1,087,740
Financial investments in associated co.	(19)	6,875	6,875
Intangible assets	(20)	49,646	37,670
Other assets	(21)	5,948,352	2,100,633
Fixed assets	(22)	982,165	692,907
Inventory	(23)	302,387	302,387
Deferred tax	(24)	103	95
Total Assets		77,240,987	57,236,511
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(25)	2,543,697	3,931,391
Customers' deposits	(26)	64,302,148	43,947,042

Financial derivatives	(17)	-	205
Debt instruments	(27)	50,000	50,000
Other loans	(28)	1,577,518	1,712,838
Other liabilities	(29)	1,641,454	1,242,521
Other provisions	(30)	194,632	253,953
Deferred tax	(24)	6,696	12,513
Retirement benefit obligations	(31)	44,831	33,991
Total liabilities		70,360,976	51,184,454
Shareholders' equity			
Paid up capital	(32)	3,273,600	2,728,000
Reserves	(32)	973,148	819,001
Retained earnings		2,454,173	2,374,153
Non-Controlling interests		179,090	130,903
Total shareholders' equity		6,880,011	6,052,057
Total liabilities and shareholders' equity		77,240,987	57,236,511

The accompanying notes are an integral part of these financial statements.

Auditor's Report attached.

Consolidated income statement For The Period Ended Dec 31, 2021

	Notes	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
		Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Interest and similar income	(5)	1,645,745	8,472,953	1,141,391	5,552,545
Deposits and similar expenses	(5)	(1,084,654)	(5,535,985)	(745,915)	(3,587,187)
Net Interest Income		561,091	2,936,968	395,476	1,965,358
Fees and commissions income	(6)	175,485	762,112	91,744	377,119
Fees and commissions expenses	(6)	(35,752)	(132,599)	(5,244)	(37,563)
Net income from fees & commissions		139,733	629,513	86,500	339,556
Dividends Income	(7)	-	9,942	(7,368)	11,252
Net Trading Income	(8)	51,983	270,828	35,146	136,992
Profit (Loss) from Financial Investments	(18)	3,142	21,343	-	3,424
Impairment of credit losses	(9)	(61,173)	(266,208)	(27,990)	71,372
Administrative expenses	(10)	(377,911)	(1,952,958)	(279,774)	(1,055,477)
Other operating income (expense)	(11)	(16,474)	32,234	5,161	37,325
Net profit before tax		300,391	1,681,662	207,151	1,509,802
Income tax		(105,827)	(639,540)	(77,727)	(394,901)
Deferred tax		(9,190)	(6,306)	(4,176)	(11,351)
Net profit for the period		185,374	1,035,816	125,248	1,103,550
Represented in:					
Bank's shareholders		181,248	1,015,116	123,087	1,088,284
Non-controlling interests		4,126	20,700	2,161	15,266
		185,374	1,035,816	125,248	1,103,550

The accompanying notes are an integral part of these financial statements.

Industries financed by the Bank

One of the Factories of the Bank's customers

Financial Indicators Annual Report 2020 - 2021

Consolidated Changes in Shareholders' Equity Statement For The Period Dec 31, 2021

		Reserves									
The Year Ended at June 30, 2020	Capital	Legal Reserve	General Reserve	Special Reserves	Capital Reserves	General Banking Risk Reserve	General Banking Risk Reserve Acquired Assets	"Reserve of revaluation at fair value through OCI"	Retained Earnings	Non-controllable interests	Total
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Balance at the beginning of the period	2,728,000	221,183	22,881	26,226	28,954	909	20,661	34,191	1,874,472	142,139	5,099,616
Transferred to General Reserve	-	-	2,117	-	-	-	-	-	(2,117)	-	-
Transferred to Capital Reserve	-	-	-	-	166,358	-	-	-	(166,358)	-	-
Transferred to legal reserve	-	98,255	-	-	-	-	-	-	(99,215)	-	(960)
Transferred to Banking Risk Reserve - Acquired Assets	-	-	-	-	-	-	(4,267)	-	4,267	-	-
Net change in fair value through OCI	-	-	-	-	-	-	-	200,581	-	-	200,581
Deferred tax - fair value differences of fair value through OCI	-	-	-	-	-	-	-	2,302	-	-	2,302
Transferred to retained earnings	-	-	-	(460)	-	-	-	(890)	126,270	(26,502)	98,418
Net profit for the period	-	-	-	-	-	-	-	-	1,088,284	15,266	1,103,550
Dividends paid	-	-	-	-	-	-	-	-	(451,450)	-	(451,450)
Balance at 30 June 2020	2,728,000	319,438	24,998	25,766	195,312	909	16,394	236,184	2,374,153	130,903	6,052,057
Balance at the beginning of the period	2,728,000	319,438	24,998	25,766	195,312	909	16,394	236,186	2,374,153	130,903	6,052,057
Amounts paid under the capital increase account	545,600	-	-	-	-	-	-	-	(545,600)	-	-
Transferred to Capital Reserve	-	-	-	-	119	-	-	-	(119)	-	-
Transferred to General Reserve	-	-	4,232	-	-	-	-	-	(6,000)	1,768	-
Transferred to legal reserve	-	116,710	-	-	-	-	-	-	(120,563)	3,853	(0)
Transferred to General Banking Risk Reserve	-	-	-	-	-	122,350	-	-	(122,350)	-	-
Transferred to Banking Risk Reserve - Assets acquired	-	-	-	-	-	-	(16,394)	-	16,394	-	-
Net change in fair value through OCI	-	-	-	-	-	-	-	(78,232)	-	-	(78,232)
Deferred tax - fair value differences of Fair value through OCI	-	-	-	-	-	-	-	2,117	-	-	2,117
Net change in Special Reserves	-	-	-	2,778	-	-	-	-	(5,103)	-	(2,325)
Non-controllable interests for EBE Factor	-	-	-	-	-	-	-	-	-	12,500	12,500
Transferred to retained earnings	-	-	-	-	-	-	-	466	9,390	9,367	19,223
Dividends paid	-	-	-	-	-	-	-	-	(161,147)	-	(161,147)
Net profit for the period	-	-	-	-	-	-	-	-	1,015,116	20,700	1,035,816
Balance at the end of the period	3,273,600	436,148	29,230	28,544	195,431	123,259	-	160,537	2,454,172	179,090	6,880,011

The accompanying notes are an integral part of these financial statements.

Consolidated Cash flows Statement For The Period Ended Dec 31, 2021

	Notes	Dec 31, 2021 (18 Months)	June 30, 2020
		EGP Thousands	EGP Thousands
Cash flows from operating activities			
Net profit before income tax		1,681,662	1,509,802
Adjustments to reconcile net profit to cash provided from operating activities:			
Fixed Assets Depreciation	(22)	175,100	95,243
Intangible Assets Amortization	(20)	55,062	15,274
Expected of Credit losses for Loans and overdrafts for customers	(9)	296,391	(74,937)
Expected of Credit losses for Treasury bills	(9)	(20,986)	(7,138)
Expected of Credit losses for Treasury Bonds	(9)	(1,738)	9,649
Expected of Credit losses for Loans and overdrafts for Banks	(9)	(420)	491
Expected of Credit losses for Due from banks	(9)	(10,087)	558
Expected of Credit Losses for Corporate Bonds	(9)	1,946	-
Expected of Credit losses for Accrued revenues	(9)	1,098	4
Reversal - Expected of Credit Losses for other Provisions	(30)	62,138	28,276
Profit (Loss) Reserve Acquired Assets	(11)	(8,059)	(437)
Revaluation differences of Financial Investments at fair value through OCI FX		27,147	(14,898)
Retirement benefit obligations	(31)	18,718	15,547
"Foreign currencies revaluation differences of provisions (other than provision for loans)"	(30)	(1,626)	25
Dividends Income		(9,942)	(11,252)
Amortization for Discount and premium for Financial Investments		(16,216)	(8,602)

Operating profit before changes in assets and liabilities used in operating activities		2,250,190	1,557,605
Net decrease (increase) in Assets & Liabilities			
Due from banks	(12)	(3,123,647)	382,435
Treasury bills and other governmental notes	(14)	616,660	1,431,018
Financial Assets at Fair value through P&L	(15)	(2,871)	10,480
Loans and advances to customers and banks	(16)	(3,928,488)	(6,416,919)
Financial Derivatives (Net)	(17)	(205)	205
Other assets	(21)	(4,059,821)	(751,422)
Due to banks	(25)	(1,387,670)	1,597,193
Customers' deposits	(26)	20,355,106	3,874,454
Other liabilities	(29)	342,974	(16,389)
Income tax paid		(583,582)	(327,554)
Other provisions	(30)	(121,247)	(40,687)
Retirement benefit obligations	(31)	(7,880)	(3,358)
Net cash flows provided from operating activities		10,349,519	1,297,060
Cash flows from investing activities			
Purchase of fixed assets and branches improvements	(22)	(268,658)	(83,780)
Proceeds from sale of Acquired Assets		26,430	473
Purchase of intangible assets	(20)	(67,037)	(33,937)
Purchases of financial investments through OCI	(18)	(7,609,194)	(2,935,636)
Proceeds from redemption of OCI financial investments	(18)	696,933	186,889
Purchases of financial investments by amortized cost	(18)	(369,603)	-
Proceeds from redemption of financial investments by amortized cost	(18)	552,207	695,867
Dividends Income		9,942	11,252
Net cash flows (used in) investing activities		(7,028,980)	(2,158,871)

Consolidated Cash flows Statement For The Period Ended Dec 31, 2021

	Notes	Dec 31, 2021 (18 Months)	June 30, 2020
		EGP Thousands	EGP Thousands
Cash flows from financing activities			
Net proceeds (repayments) from debt instruments & other loans	(28)	(135,320)	85,467
Paid Dividends		(161,147)	(451,450)
Change in retained earnings-Shareholders' Equity		-	98,792
Net cash flows (used in) financing activities		(296,467)	(267,191)
Net increase in cash and cash equivalents during the period	(34)	3,024,070	(1,129,002)
Cash and cash equivalents at the beginning of the year		5,387,415	6,516,417
Cash and cash equivalents at the end of the period		8,411,485	5,387,415
Cash and cash equivalents are represented in:			
Cash and due from Central Bank of Egypt	(12)	7,103,754	3,867,123
Due from banks	(13)	7,924,085	4,661,523
Treasury bills and other governmental notes	(14)	7,612,917	8,548,857
Balances with Central Bank of Egypt (Mandatory reserve)	(12)	(6,781,954)	(3,647,906)
Treasury bills and other governmental notes with maturities more than three months	(14)	(7,447,317)	(8,042,182)
Cash and cash equivalents at the end of the period		8,411,485	5,387,415

Non-Cash transactions

* EGP 194,730 thousands value of fixed asset additions transferred from other assets to fixed assets during the year, the impact of which has been cancelled from the change in debit balances, fixed assets and intangible assets.

* EGP 75,987 thousands value of the revaluation of financial investments at fair value through OCI has been cancelled from the change equity reserve and financial investments at fair value through OCI and financial investments by amortized cost, deferred tax and retained earnings.

The accompanying notes are an integral part of these financial statements.

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Consolidated Statement of Other Comprehensive Income For The Period Ended Dec 31, 2021

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021	Dec 31,2021 (18 Months)	June 30,2020	June 30,2020
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Net profit for the period	185,374	1,035,816	125,248	1,103,550
Revaluation differences of equity instruments at fair value through OCI	(6,927)	(30,407)	(27,644)	101,620
Revaluation differences of debt instruments at fair value through OCI	(21,636)	(43,876)	125,807	110,283
Revaluation differences of mutual funds at fair value through OCI	2,974	5,926	2,165	(1,980)
Revaluation differences of foreign exchange rates for equity instruments at fair value through OCI	(758)	(9,409)	7,597	(10,231)
Income Taxes	170	2,117	(1,709)	2,302
Total other comprehensive income for the period	159,198	960,167	231,464	1,305,544

The accompanying notes are an integral part of these financial statements.

Notes to the consolidated financial statements

1) General information

Export Development Bank of Egypt (Egyptian Joint Stock Company) was established on July 30, 1983 under Law No. 95 of 1983 and its articles of association in the Arab Republic of Egypt, the head office located in New Cairo at 78, south tesseen, the Bank is listed in the Egyptian stock exchange (EGX). The objective of the Bank is to encourage, develop Egyptian export activities, and assist in developing agricultural, industrial, commercial and service exporting sectors, also to provide all banking services in local and foreign currencies through its head office and forty-three branches where the number of employees has reached 1505 employee on the date of financial statement.

The Extraordinary General Assembly of the Bank, held on 28/2/2021, approved the amendment of Article (48) of the Bank's Articles of Association so that the Bank's fiscal year begins at the beginning of the calendar year on January 1 and ends on December 31.

The period from July 1, 2020 to December 31, 2021 will be an eighteen-month transitional period.

These Financial statements have been approved by the board of directors in 24 February 2022.

2) Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1) Basis of preparation of the consolidated financial statements

The financial statements have been prepared, in accordance with Egyptian Accounting Standards issued in 2006 and its amendments, and in accordance with the instructions of the Central Bank of Egypt approved by the Board of Directors on December 16, 2008 consistent with the standards referred to, and have been prepared under the historical cost modified by the revaluation of trading, financial assets and liabilities held for trading, and assets and liabilities originally classified as at fair value through profit or loss, financial investments available for sale and all derivatives contracts.

The unconsolidated preparation of these financial statements was according to relevant domestic laws.

The Bank also prepared consolidated financial statements of the Bank and its subsidiaries, in accordance with Egyptian Accounting Standards, the subsidiaries companies are entirely included in the consolidated financial statements, and these companies are the companies that the Bank which - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies of an enterprise, regardless of the type of activity, the consolidated financial statements of the Bank can be obtained from the Bank's management. The investments in subsidiaries and associate companies are disclosed in the standalone financial statements of the Bank and its accounting treatment is at cost after deducting the impairment losses from it.

2.2) Basis of consolidation

(a) Subsidiaries

- Subsidiaries are all entities over which the Bank has owned directly or indirectly the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Bank has the ability to control the entity.
- The group fully consolidates its subsidiaries from the effective date in which control is obtained until such control ceases to exist.
- The subsidiary companies, which have been owned indirectly have been consolidated from June 30, 2013.
- Subsidiaries companies consolidated by the Bank (the holding co.) represented in the following as at Dec 31, 2021:

	Dec 31, 2021 EGP Thousands	%	June 30, 2020 EGP Thousands	%
Egypt Capital Holding Company	410,979	99.99	410,979	99.99
International Holding for Financial Investments	5,000	99.99	5,000	99.99
BETA Financial Holding	106,989	99.99	106,989	99.99
Export Credit Guarantee Company of Egypt	176,383	70.55	176,383	70.55
Egyptian Company for Real Estate Investments	11,850	39.5	11,850	39.5
A BETA for Real Estate Investment	67,940	39.5	67,940	39.5
Egypt Capital for Real Estate Investments	3	0.05	3	0.05
EBE FACTORS Company	37,500	75.00	30,000	60

The Touristic Investment Company (Sahl Hashish) and Egyptian Tourism Development Company, represents an indirect investment that has been consolidated.

A) brief description of the activities of the Group:

▪ Egypt Capital Holding Company:

It is an Egyptian joint stock company in accordance with the provisions of Law No. 95 of 1992 and its executive regulations (holding companies) of Export Development Bank of Egypt. The purpose of the company is to participate in establishing companies that issue their securities and increase their capital.

▪ International Holding for Development and Financial Investments:

It is an Egyptian joint stock company in accordance with the provisions of Law No. 95 of 1992 and its executive regulations (holding companies) of Export Development Bank of Egypt. The purpose of the company is to participate in the establishment of companies that issue their securities and increase their capital.

▪ Beta Financial Holding Company:

It is an Egyptian joint stock company pursuant to the provisions of Law No. 95 of 1992 and its executive regulations (Holding Companies) of Export Development Bank of Egypt. The purpose of the company is to participate in the establishment of companies that issue their securities and increase their capital.

▪ Export Credit Guarantee Company of Egypt:

Export Development Bank of Egypt stated that it is one of its main purposes, is to “develop and implement a system to secure the exporters of national goods against commercial and non-commercial risks, which they may be exposed to, for reasons not due to their faults. These risks could arise before the delivery of goods contracted for export or after, in accordance with the rules set by the Board of Directors of the Bank. The Bank created this task to establish the Egyptian Company for Export Guarantee in 1992 an Egyptian joint stock company.

▪ Egyptian Company for Real Estate Investments:

It is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to Export Development Bank of Egypt. The purpose of the company is to engage in real estate investment activity of all types throughout the Arab Republic of Egypt.

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▪ ABeta Company for Real Estate Investments:

It is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to Export Development Bank of Egypt. The purpose of the company is to engage in real estate investment activity of all types throughout the Arab Republic of Egypt.

▪ Egypt Capital Real Estate Investment Company:

Is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to the Egyptian Export Development Bank. The purpose of the company is to engage in real estate investment activity of all types throughout the Arab Republic of Egypt.

▪ Egyptian Tourism Development Company:

It is an Egyptian joint stock company in accordance with the provisions of Law No. 159 of 1981 and its executive regulations are subordinate to Export Development Bank of Egypt. The purpose of the company is to establish various tourism projects and establishments, such as tourist villages, hotels, motels, establishment and ownership of floating hotel establishments already existing, issuing licenses and restaurants, exploiting, managing, selling and leasing these units in whole or in part, providing all necessary and complementary services to these establishments and to direct all the tourism activities mentioned above both inside and outside the Arab Republic of Egypt and may have an interest or participate in any way with companies and other establishments that carry out works similar to their work or which may have cooperated to achieve their purpose in Egypt and abroad.

▪ Tourism Investment Company in Sahl Hashish:

The Tourism Investments Company was established in Sahl Hashish, “Oberoi Hurghada - previously - Egyptian Joint Stock Company” in accordance with the provisions of Law No. 230 of 1989 on the approval of the General Authority for Investment on 19 September 1994 under the Export Development Bank of Egypt. The purpose of the company is to establish a five-star touristic village.

▪ EBE FACTORS Company:

The EBE Factors Company was established in accordance with Law 159 of 1981 and is subject to the capital market law and has been registered in the commercial registry and obtained a license to practice the activity form financial supervisory authority.

b) Associates

Associates are all entities over which the Bank has significant influence directly or indirectly but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The accounting for subsidiaries and associates in the unconsolidated financial statements are recorded by cost method, investments are recognized by the cost of acquisition including any good will, deducting impairment losses in value.

2.3) Segment reporting

A business segment is a group of assets and operations related to providing products or services that are subject to risks and returns 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 risks and returns different from those of segments operating in other economic environments.

2.4) Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances in foreign currencies

- The Bank hold accounts in Egyptian pounds and prove transactions in other currencies during the financial year on the basis of prevailing exchange rates at the date of the transaction, and re-evaluation of balances of assets and liabilities of other monetary currencies at the end of the financial period on the basis of prevailing exchange rates at that date, and is recognized in the list gains and losses resulting from the settlement of such transactions and the differences resulting from the assessment within the following items:
- Net trading income or net income from financial instruments classified at fair value through profit and loss of assets / liabilities held for trading or those classified at fair value through profit and loss according to type.
- Shareholders' equity of financial derivatives, which are eligible qualified hedge for cash flows or eligible for qualified hedge for net investment.
- Other operating revenues (expenses) for the rest of the items.
- Changes in the fair value of monetary financial instruments denominated in foreign currencies and classified as Financial Investments at fair value through OCI (debt instruments) are analyzed into valuation differences resulting from changes in amortized cost of the instrument, translation differences arising from changes in foreign exchange rates and differences resulting from changes in the fair value of the instrument. Valuation differences are recognized in profit or loss to the extent they relate to changes in amortized cost and changes in exchange rates which are reported in the income statement under the line items' revenues from loans and similar activities' and 'other operating revenues (expenses)' respectively. The remaining differences resulting from changes in fair value of the instrument are carried to 'reserve for cumulative change in fair value of Financial Investments at fair value through OCI in the equity section.

- Valuation differences resulting from measuring the non-monetary financial instruments at fair value include gains and losses resulting from changes in fair value of those items. Revaluation differences

arising from the measurement of equity instruments classified as at fair value through profit or loss are recognized in the income statement, whereas the revaluation differences arising from the measurement of equity instruments classified as available for sale financial investments are carried to 'reserve for cumulative change in fair value of Financial Investments at fair value through OCI investments' in treasury bills section.

2.5) Financial assets

The Bank classifies its financial assets in the following categories:

Financial assets classified as at fair value through profits or loss, loans and receivables, Financial Investments by amortized cost, and Financial Investments at fair value through OCI. The Bank's classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Management determines the classification of its investments at initial recognition.

Financial assets and liabilities

1) Initial Recognition

All "regular" purchases and sales of financial assets are recognized on the trade date, the date on which the Bank commits to purchase or sell the asset. Regular purchases and sales are the purchases and sales of financial assets that require delivery of assets within the time frame generally provided by law or by market norms.

Financial assets or liabilities are measured initially at fair value plus, in the case of an item not carried at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

2) Measurement and Classification

On initial recognition, financial assets are classified as measured at cost, carried at fair value through other comprehensive income or at fair value through profit or loss. Financial assets are measured at amortized cost when each of the following conditions are met and is not classified as at fair value through profit or loss:

- Assets are retained in a business model that is intended to hold assets in order to collect contractual cash flows;
- The contractual terms of the financial assets on specific dates result in cash flows, which are only payments on the original amount and interest on the original amount outstanding.

Financial assets are measured at fair value through other comprehensive income only when both of the following conditions are met and are not classified as at fair value through profit or loss:

Assets are retained in the business model, which is intended to achieve both the collection of contractual cash flows and the sale of financial assets. The contractual terms of the financial assets on specific dates result in cash flows that are only payments on the original amount and interest on the original amount outstanding.

Upon initial recognition of equity investments that are not held for trading, the Bank may elect irrevocably to present changes in fair value in other comprehensive income. This choice is made on an investment-by-investment basis.

Expected credit losses (ECL)

The requirements in IFRS 9 represent a material change from the requirements of EAS number 26 Financial Instruments: Recognition and Measurement. The new standard leads to fundamental changes in the accounting of financial assets and some aspects of accounting of financial liabilities.

- The Bank applies a three-stage approach to measure expected credit losses for financial assets carried at amortized cost and debt instruments classified as at fair value through other comprehensive income. Assets are transferred through the following three stages on the basis of changes in the quality of credit ratings since the initial recognition of these assets:

- **Stage 1:** expected credit losses over 12 months

For exposures where there has been no significant increase in credit risk since initial recognition, the portion of expected long-term credit losses associated with the probability of default over the next 12 months is recognized.

- **Stage 2:** credit losses over life - non-credit impaired for credit exposures where there has been a significant increase in credit risk since initial recognition, but not credit default, expected credit losses are recognized over the life of the asset.

The Corporate Credit Customer Classification Form includes the assessment of customers based on quantitative and other qualitative criteria with different relative weights, leading to the customer's final evaluation, corresponding to probability of default at the level of the different classification categories, including the future outlook, which depends on the most important macroeconomic indicators to reflect the economic conditions, which in turn affect the customer's classification in the future, noting that credit customers are classified on an individual basis (individual). With regard to the retail banking portfolio, asset purchase receivables and loans granted to small projects through different products with similar characteristics, they are evaluated and the expected credit losses are calculated on a consolidated basis (collective) and based on the data in the market.

When calculating the expected credit losses, the credit rating model contracted with is based on the following equation:

(Probability of default rate X loss given default X Exposure at default). It is measured on an individual or collective basis, includes the corporate and small and medium-sized enterprise credit classification model to prepare a final evaluation of the customer corresponding to probability of default at the level of the different classification categories, including the outlook, which is based on the most important macroeconomic indicators to reflect the economic conditions that in turn, affects the customer's classification in the future with the calculation of the loss given default of each facility, in addition to the loss given default (LGD) representing the loss in the exposed portion after excluding the expected recovery rate (the present value of what can be recovered from the investment value in the financial asset, whether from guarantees or cash flows divided by the value at default 1- The recovery rate, this rate is calculated for each facility individually) and the basis for the calculation is based on the main axes explained as follows:

- Cash flow
- Corresponding collateral to facilitate
- Financial leverage
- Any obligations on the facility with priority in paying for our Bank debt.

Exposure at default (E.A.D) is represented in the balance used on the date of preparing the position in addition to the amounts that may be used in the future by the client.

The criteria of classifying credit customers in 3 stages:

It includes the basis of classification for the portfolio of credit customers according to the quantitative and qualitative standards specified by the Central Bank of Egypt and based on the experience of those in charge of management and accordingly, all customers have been classified according to the following criteria:

Stage 1: Includes all customers who are regular in payment with payment arrears and those customers do not meet any of the criteria mentioned in the second and third stages. For large companies and medium enterprises credit customers, customers classified as risky are listed (1-6).

Stage 2: This stage includes customers who have witnessed a significant increase in credit risk. The classification is done in this stage based on the following criteria:

Info.	Quantitative standards	Quality standards
Large and medium corporate loans	- If the borrower delays in paying his contractual obligations from 50 to 90 days from the due date. - All clients who have a credit score 7 (risks need special attention). - A decrease in the creditworthiness of the borrower by three degrees compared to the degree of creditworthiness of the customer at the beginning of dealing with the Bank	- A significant increase in the interest rate, which may negatively affect the borrower›s activity and lead to an increase in credit risk. - Negative material changes in the activity and financial or economic conditions in which the borrower operates. - Scheduling request due to difficulties facing the borrower. - Negative material 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 problems such as delays in servicing creditors, business loans.
Small and micro enterprise loans, retail bank loans and real estate loans	- The borrower's behavior exhibited a usual delay in repayment beyond the permissible time limit for repayment and with delay periods, up to a maximum of 50 days. - Previous arrears are frequent during the previous 12 months.	Negative future economic changes that affect the borrower›s future cash flows

• It decreases at a rate of 10 days annually to become 30 days in 3 years.

Stage 3: This stage includes loans and facilities that have experienced a decline in their value (NPL clients), which requires calculating the expected credit loss over the life of the asset on the basis of the difference between the book value and the present value of the expected future cash flows and is classified based on the following criteria:

Info.	Quantitative standards	Quality standards
Large and medium corporate loans	- Grades of credit rating 8,9,10, and, or delayed borrower more than 90 days in the payment of contractual installments	- The borrower has defaulted financially. - The disappearance of the active market for the financial asset or one of the borrower›s financial instruments due to financial difficulties. - The possibility that the borrower will enter the stage of bankruptcy and restructuring due to financial difficulties. - If the financial assets of the borrower are purchased at a significant discount that reflects the credit losses incurred.
Small, Micro and Infinitesimal Enterprise Loans	- Delayed borrower more than 90 days in the payment of contractual installments become in default case.	
Retail bank loans and real estate loans	- Delayed borrower more than 90 days in the payment of contractual installments become in default case.	Negative future economic changes that affect the borrower›s future cash flows

Defining the concept of default and amending the customer's classification and moving it to the third stage is an integral part of the risk management role, which includes quantitative criteria and other qualitative indicators, in accordance with the international standard for preparing financial statements no. 9 in paragraph no. (B5, 5, 37).

(3) Expected credit losses of NPL (non performing loans):

Any of the following principles are followed to compute the loss given default (LGD) rate in order to calculate the expected credit losses (ECL) for irregular customers:

- The present value of future cash flows according to the programmed settlement and scheduling agreements.
- The present value of the list guarantee after excluding judicial expenses related to implementation.
- Historical failure rates.

1) Business model

The Bank assesses the objective of the business model in which the asset is maintained at the business portfolio level. This method better reflects how business is managed and how information is presented to management. The following information is taken into consideration.

Specific policies and objectives of the business portfolio and practical application of these policies. In particular, whether the management strategy focuses on the achievement of contractual interest income and the realization of cash flows through the sale or retention of assets for liquidity purposes:

- The risks that affect the performance of the business model (and the financial assets that are retained within that business model), how these risks are managed; the frequency, value and timing of the sales in prior periods, the reasons for such sales, as well as their forecast for future sales activities. Information on sales activities cannot be taken into account alone from the rest of the activities. Rather, they are part of a comprehensive assessment of how the Bank achieves the objectives of managing the financial assets as well as how to achieve cash flows.

Financial assets held for trading or managed, whose performance is measured at fair value, are measured at fair value through profit or loss where they are not held to collect contractual cash flows and are not held for the purpose of collecting cash flows and the sale of financial assets.

Assess whether contractual cash flows are only payments of the original amount and interest on the original amount outstanding:

For the purposes of this valuation, the original amount is determined on the basis of the fair value of financial assets at initial recognition. Interest is determined on the basis of the time value of the money and the credit risk associated with the original principal over a given period of time or other basic lending risk and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

The Bank applies the following approved business models in the management of its debt instrument to achieve its goals and objectives.

Business Models	Primary objective
Hold to collect	Hold to collect contractual cash flows
Hold to collect and sell	Hold to collect and sell financial assets
Others	Hold for trading and / or manage on a fair value basis

Reclassification

Financial assets are not recognized after initial recognition, unless the Bank changes the business model to manage financial assets.

2) Disposal

Financial assets

The Bank derecognizes the financial assets at the end of the contractual rights of the cash flows from the financial asset or transfers its rights to receive the contractual cash flows, in accordance with the transactions, in which all significant risks and rewards of ownership relating to the transferred financial asset are transferred, or when the Bank has not transferred or retained all the risks, the fundamental benefits of ownership and did not retain control of financial assets.

When the financial asset is derecognized, the difference between the carrying amount of the financial asset (or the carrying amount allocated to the financial asset excluded) and the total of the consideration received (including any new acquired asset) in other comprehensive income is recognized in profit or loss.

Effective 1 July 2019, any gain / loss recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities.

If the terms of the financial assets are modified, the Bank assesses whether the cash flows of the financial assets are substantially different. If there are significant differences in cash flows, the contractual rights to the cash flows from the original financial assets are past due. In this case, the original financial assets are derecognized and the new financial assets are recognized at fair value.

The financial asset (in whole or in part) is derecognized when:

- Expiration of rights to receive cash flows from the original.

The Bank has transferred substantially all the risks and rewards of the asset or has not transferred or retained All the material risks and benefits of the assets but transferred control over the assets.

- The financial liability is excluded when the liability has been incorporated or cancel or its tribute.

2.6) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

And the clauses of agreements to buy treasury bills with a commitment to re-sale agreements and sale of treasury bills with a commitment to re-purchase on a net basis within the balance sheet item, treasury bills and other government papers.

2.7) Derivative financial instruments and hedge accounting

- Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.
- Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss as part of «net trading income». Embedded derivatives are not split if the Bank chooses to designate the entire hybrid contact as at fair value through profit or loss.
- The accounting treatment used to recognize changes in fair value of derivatives depends on whether or not the derivative is designated as a hedging instrument under hedge accounting rules and on the nature of the hedged item. The Bank designates certain derivatives as either:
    - Hedges of the fair value of recognized assets or liabilities or firm commitments (fair value hedge);
    - Hedging relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).
    - Hedging for net investment in foreign operations relating to future cash flows attributable to a recognized (net investment hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the criteria are met.

- The Bank documents, at the inception of the transaction, the relationship between hedged items and hedging instruments, as well as its risk management objective and strategy for undertaking various hedge transactions. The Bank also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair value of hedged items.

2.7.1) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income'. The effective portion of changes in the fair value of the currency swaps are recognized in the 'net trading income'. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument no longer qualified for hedge accounting, the adjustment to the book value of a hedged item is amortized which are accounted for using the amortized cost method, by charging to the profit and loss to the maturity. The adjustments made to the book value of the hedged equity instrument remains in the equity section until being excluded.

2.7.2) Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge shall be recognized in equity while changes in fair value relating to the ineffective portion shall be recognized in the income statement in «net trading income».

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in «net trading income».

When a hedged item becomes due or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and shall only be recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item that is measured at amortized cost is amortized to profit or loss over the period to maturity.

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2.7.3) Net investment hedge

Accounting for net investment hedge is the same for cash flows hedge. Profit or loss from hedging instrument related to the effective portion of the hedge to be recognized in equity, while it is recognized in the income statement directly for hedging instrument not related to the effective portion. Accumulated profit or loss in equity to be transferred to the income statement upon disposal of foreign transactions.

2.7.4) Derivatives that do not qualify for hedge accounting

Interest on and changes in fair value of any derivative instrument that does not qualify for hedge accounting is recognized immediately in the income statement in “net trading income” line item. However, gains or losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets or financial liabilities are included in “net income from financial instruments designated at fair value through profit or loss”.

2.8) Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated as at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest rate method. The effective interest rate method is a method of calculating the amortized cost of a financial asset or a financial liability and of 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, prepayment 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.

When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized as revenues on the cash basis as follows:

1) When collected and after recovery of all arrears for retail loans, personal loans, real estate loans for personal housing and loans to small business.

2) For corporate loans, interest income is also recognized on the cash basis, according to which interest earned during the periods subsequent to reschedule agreements

does not start to accrete on the loan principal until the Bank collects 25% of the rescheduled installments and after payments of the installments continue to be regular for at least one year. If the customer is always paying at his due dates the interest calculated is added to the loan balance which makes revenues (interest on rescheduling without deficits) without interests aside before rescheduling which is avoiding revenues except after paying all the loan balance in the balance sheet before rescheduling.

2.9) Fees and commissions income

Fees and commissions charged by the Bank for servicing a loan are recognized as revenue as the services are provided. Recognition of such fees and commission in profit or loss ceases when a loan becomes non-performing or is impaired in which case fees and commission income is rather marginalized and carried off the balance sheet. Recognition of such fees and commissions as revenues continues on the cash basis when the relevant interest income on the financial instrument is recognized since they are generally treated as an adjustment to the effective interest rate on the financial asset.

If it is probable that the Bank will enter into a specific lending arrangement, the commitment fee received is regarded as compensation for an ongoing involvement with the acquisition of a financial instrument and, together with the related transaction costs, is deferred and recognized as an adjustment to the effective interest rate. If the commitment expires without the Bank making the loan, the fee is recognized as revenue on expiry.

A syndication fee received by the Bank that arranges a loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants) is compensation for the service of syndication. Such a fee is recognized as revenue when the syndication has been completed.

Fees and commissions resulting from direct negotiations or participation in such negotiations for the benefit of or on behalf of another party, such as those earned on the allotment of shares or other financial assets to a client or acquisition or disposal of entities for a client, are recognized as revenue when the specific transaction has been completed.

Administrative and other services fees are recognized as income on a time proportionate basis over the lifetime of the service.

Fees charged for financial planning services and custodian services provided over long periods are recognized as income over the period during which the service is rendered.

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2.10) Dividend income

Dividends are recognized in the income statement when the Bank's right to receive payment is established.

2.11) Purchase and resale agreements, sale and repurchase agreements

The financial instruments sold, subject to repurchase agreements, are reported as additions to the balance of treasury bills and other governmental notes in the assets side at the balance sheet, whereas the liability (purchase and resale agreement) is reported in the balance sheet as a deduction therefrom.

Difference between the sale price and repurchase price is recognized as a return throughout the period of the arrangement using the effective interest rate method.

2.12) Impairment of financial assets

(a) Assets carried at amortized cost

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The criteria that the Bank uses to determine that there is objective evidence of an impairment loss include:

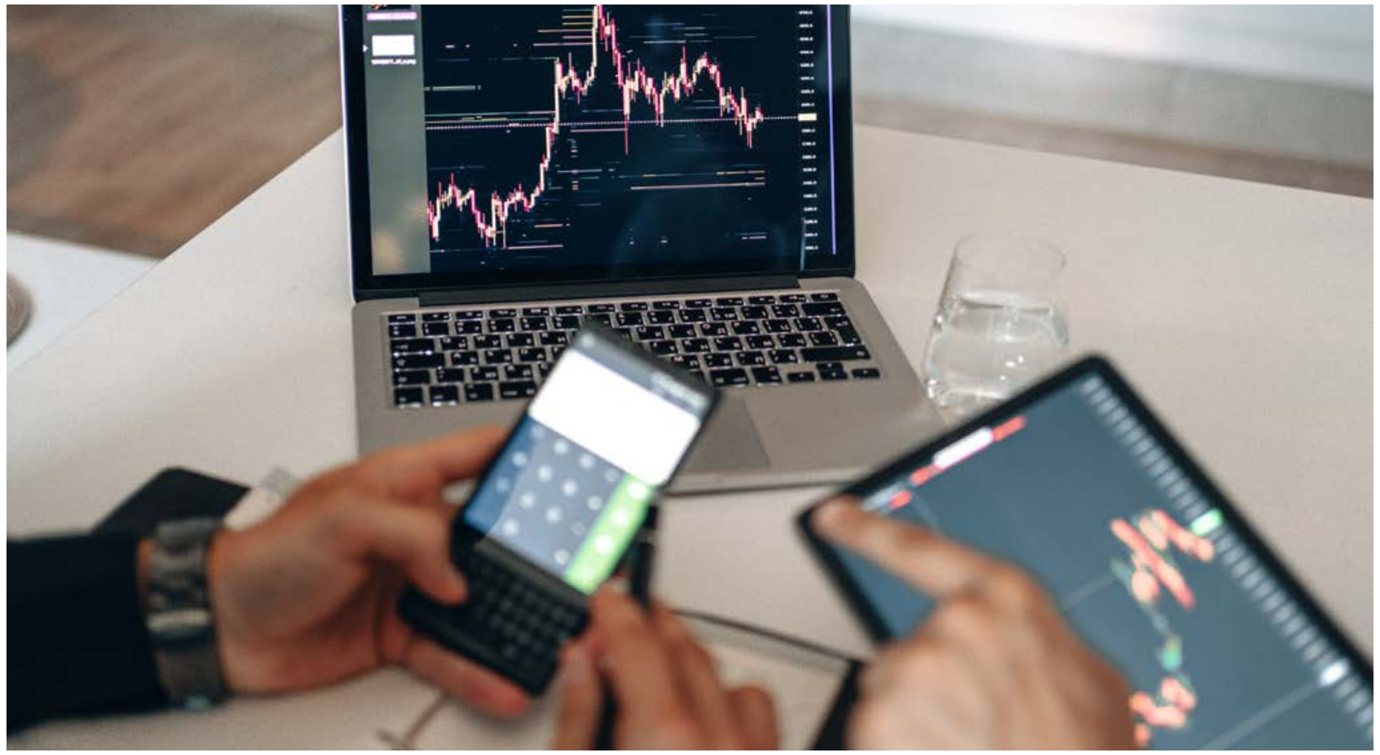
- Cash flow difficulties experienced by the borrower (for example, equity ratio, net income percentage of sales);
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- The Bank for reasons of economic or legal financial difficulties of the borrower by granting concessions may not agree with the Bank granted in normal circumstances;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The objective evidence of impairment loss for group of financial assets is the clear data indicate to a decline can be measured in future cash flows expected from this group since its initial recognition, although not possible to determine the decrease of each asset separately, for example increasing the number of failures in payment for one of the banking products.

The estimated period between losses occurring and its identification is determined by local management for each identified portfolio. In general, the periods used vary between three months and 12 months.

The Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant and in this field the following are considered.

- If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment according to historical default ratios.
- Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.
- If no impairment losses result from the previous assessment of impairment in this case the asset included in a collective assessment of impairment.



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The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the income statement.

If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract when there is objective evidence for asset impairment. As a practical expedient, the Bank may measure impairment on the basis of an instrument's fair value using an observable market price. The calculation of the present value of the estimated future cash flows of a collateralized financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

For the purposes of evaluation of impairment for a group of financial assets according to historical default ratios future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Bank and historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the Bank and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Bank.

The Bank assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets classify at fair value through OCI or by amortized cost is impaired. In the case of equity investments classified at fair value through OCI, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

2.13) Real Estate Investments

The real estate investments represent lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore does not include real estate assets, which the Bank exercised its work through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with fixed assets.

2.14) Intangible assets

2.14.1) Software

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the Bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs include the ones, which will generate future economic benefits that exceed its cost within more than one year. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads. Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification cost of computer software recognized, as an asset shall be amortized over the period of expected benefits, which shall not exceed three years.

2.14.2) Other intangible assets

Other intangible assets represent intangible assets other than software programs (they include but not limited to trademark, licenses, and benefits of rental contracts). The other intangible assets are recorded at their acquisition cost and are amortized on the straight-line method or based on economic benefits expected from these assets over their estimated useful life. Concerning the assets which do not have a finite useful life, they are not subject to amortization they are annually assessed for impairment, while value of impairment (if any) is charged to the income statement.

2.15) Fixed Assets

Lands and buildings are mainly represented in head office, branches and offices premises. All fixed assets are disclosed at historical cost less accumulated depreciation and impairment losses. The historical cost includes expenditures that are directly attributable to the acquisitions of the fixed assets› items.

Subsequent costs are included in the assets carrying amount or recognized separately, 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. Repairs and maintenance expenses are recognized in profit or loss within «other operating costs» line item during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other fixed assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Premises and constructions	40 years
Fixtures and air conditions	5 years
Safes	20 years
Copiers and faxes	8 years
Vehicles and means of transportation	5 years
Electric appliances	10 years
Mobile phones	3 years
Computers	3 years
Furniture	10 years

The residual value and useful lives of the fixed assets are reviewed on each balance sheet date and they are adjusted whenever it is necessary. Depreciated assets are reviewed for purposes of determining extent of impairment when an event or change in conditions occurs suggesting that the book value may not be recovered.

Consequently, the book value of the asset is reduced immediately to the asset›s net realizable value in case increasing the book value over the net realizable value.

The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. Gains and losses from the disposal of fixed assets are determined by comparing the net proceeds at book value. Gains (losses) are included within other operating income (expenses) in the income statement.

2.16) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. 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. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.17) Leases

(a) Being lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized in profit or loss on a straight-line basis over the term of the contract.

(b) Being lesser

Assets leased out under operating lease contracts are reported as part of the fixed assets in the balance sheet and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized net of any discounts granted to the lessee, using the straight line method over the contract term.

2.18) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, they include cash and balances due from Central Bank of Egypt (other than those under the mandatory reserve), balances due from banks, treasury bills and other governmental notes.

2.19) Other Provisions

Provisions for restructuring 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.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions, which negated the purpose of wholly or partly, repaid within the item other operating income (expense).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation, which become due after one year from the financial statement date using appropriate rate for the due date (without being affected by effective tax rate), which reflect time value of money. And if the due date is less than one year, we calculate the estimated value of obligation, but if it have significant impact then it is calculated using the present value.

2.20) Financial Guarantees

A financial guarantee contract is a contract issued by the Bank, as security for loans or debit current accounts, due from its clients to other entities that requires the Bank to make specified payments to reimburse the holder for a loss. It incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. These financial guarantees are presented to the banks, corporations and other entities on behalf of the Bank's clients. When a financial guarantee is recognized initially, the Bank shall measure it at its fair value that is directly attributable to the issue of such financial guarantee.

The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized in the income statement, using the straight-line method over the term of the guarantee and the best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the balance sheet date. Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment. Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (costs) in the income statement.

2.21) Employees' benefits

2.21.1) Pension obligations

The Bank has employees insurance fund, it was founded in 1 July 2000 under the law of 54 for the year 1975 and its executive regulations for the purpose of granting insurance and compensation benefits for the members. This fund rules and modifications are applied to all the Bank staff in the head office and its branches in Arab Republic of Egypt.

The Bank is committed to lead to the fund monthly and annual subscriptions in accordance with the rules of the fund and its amendments, and there are no obligations to the Bank following the payment of additional contributions. Contributions are recognized in expenses of employee benefits when due.

The recognition of contributions paid in advance as an asset to the extent that its payment to the reduction of future payments or cash refund.

2.21.2) Post-employment benefits – Health Care

The Bank provides the advantages of health care for retirees in after-service usually have entitlement to those benefits conditional on employee stay in service until retirement age, and completion of a minimum service period and are accounted for on the health care commitment as a defined benefit.

The health care system›s commitment to retirees annually account (the future cash flows expected to be paid) using an independent actuary using Projected Unit Credit Method. It is determined by the present value of the commitment of health care for retirees system, by discounting the future cash flows expected to be paid using price yield corporate bonds of high quality or rate of return on government bonds in the same currency repayment of benefits and have the same for the commitment of the benefits of the pension is almost on its maturity.

The expense of profits (losses), resulting from adjustments and changes in estimates and actuarial assumptions and deducted those profits (and added losses) on the income statement, if it did not exceed 10% of the value of the assets of the regulations, or 10% of the defined benefit obligations, whichever is higher, and in the case of increasing profits (losses) for this percentage will be deducted (added) and the increase in the statements of income over the average remaining working years. Is recognized past service costs directly in the income statement item administrative expenses, which were not changes made to the list of pension conditional on the survival of workers in the service for a specified period of time (vesting period maturity period), in this case, the past service costs of consumption using the straight-line method over the period of eligibility.

2.22) Income taxes

Income tax on the profit or loss for the year includes each year tax and deferred tax and is recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax. This is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets, with part of that will not come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.23) Borrowing

Borrowing is recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.24) Capital

2.24.1) Capital issuance cost

Cost of issuance of new shares, issuance of shares to effect an acquisition, or issue of share options, net of tax benefits, are reported a deduction from equity.

2.24.2) Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the Bank›s articles of association and the corporate law.

2.24.3) Treasury shares

In case of purchasing treasury stocks the purchased amount is deducted from shareholders' equity till its cancellation and in case of selling or reissuing these stocks all collected amounts will be added to shareholders' equity.

2.25) Trust activities

The Bank practices trust activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans. These assets and related income are excluded from the Bank's separate financial statements, as they are assets not owned by the Bank.

2.26) Comparatives figures

Comparative figures are reclassified, where necessary, to conform with changes in the current year presentation.

3) Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance. And the most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. In addition, market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyses those risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by a risk department under policies approved by the Board of Directors. Bank Treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1 Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team in the Bank Treasury and reported to the Board of Directors and head of each business unit regularly.

3.1.1) Credit risk measurement

(a) Loans and advances to banks and customers

To measure credit risk related to loans and advances extended to banks and customers, the Bank examines the following three components:

- Probability of default of the customer or others in fulfilling their contractual obligations.
- The current position and the likely expected future development from which the Bank can conclude the balance exposed to default (exposure at default).
- Loss given default.

The daily activities of the Bank›s business involves of measurement for credit risk which reflect the expected loss (The Expected Loss Model) required by the Basel Committee on Banking Supervision. The operating measures may interfere with the impairment charge according to the Egyptian Accounting Standard no. (26), which depends on losses realized at the balance sheet›s date (realized losses models) and not on expected losses.

The Bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally, combine statistical analysis with credit officer judgment, and are validated, where appropriate.

Clients of the Bank are segmented into four rating classes.

The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale:

Bank's internal ratings scale	Bank's rating description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Nonperforming loans

In addition, the loans expose to default depend on the banks expectation for the outstanding amounts when default occur.

Example, as for a loan position is the nominal value while for commitments the Bank

enlists all already drawn amounts besides these amounts expected to be withdrawn until the date of default, if it happens.

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

(b) Debt instruments and treasury bills and other governmental notes

For debt instruments and treasury bills and other governmental notes, external rating, and if this rating is not available, then other ways similar to those used with the credit customers are used. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2) Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

(a) Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties;
- Mortgage business assets such as premises, and inventory;
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

(b) Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets where their fair value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

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(c) Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

(d) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.3) Impairment and provisioning policies

The internal rating systems described in note 3.1.1 focus more on credit-quality mapping from the inception of the lending and investment activities.

In contrast, impairment provisions are recognized for financial reporting purposes, only for losses that have been incurred at the balance sheet date, based on objective evidence of impairment due to the different methodologies applied. The amounts of incurred credit losses provided for in the financial statements are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision shown in the balance sheet at the year-end is derived from each of the four internal rating grades. However, the majority of the impairment provision comes from the bottom two grades. The table below shows the percentage of the Bank's in balance sheet items relating to loans and advances and the associated impairment provision for each of the Bank's internal rating categories:

	Dec 31,2021		June 30,2020	
Bank›s rating	Loans and advances	ECL provisions	Loans and advances	ECL provisions
performing Loans	78.33%	13.66%	88.80%	19.69%
Regular watching	15.09%	10.03%	7.68%	9.98%
watch List	3.30%	21.45%	1.19%	9.88%
non-performing Loans	3.28%	54.86%	2.33%	60.45%
	100%	100%	100%	100%

The internal rating tools assists management to determine whether objective evidence of impairment exists under EAS 26, based on the following criteria set out by the Bank:

- Cash flow difficulties experienced by the borrower.
- Breach of loan covenants or conditions.
- Initiation of bankruptcy proceedings.
- Deterioration of the borrower's competitive position.

- Bank granted concessions may not be approved under normal circumstances, for economic, legal reasons, or financial difficulties facing the borrower.
- Deterioration in the value of collateral.
- Deterioration in the credit situation.

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when individual circumstances require. Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account.

Collectively assessed impairment allowances are provided portfolios of homogenous assets by using the available historical experience, experienced judgment and statistical techniques.

3.1.4) Pattern of measuring the general banking risk

In addition to the four categories of measuring credit worthiness discussed in disclosure 3.1.1.a the management makes small groups more detailed according to CBE rules. Assets facing credit risk are classified to detailed conditions relying greatly on customer›s information, activities, financial position and his regular payments to his debts.

The Bank calculates the provisions needed for assets impairment in addition to credit regulations according to special percentages determined by CBE.

In the case of increase of impairment loss provision needed according to CBE than that for purposes of making the financial statements, according to the EAS, the general banking risk reserve is included in owners› equity deducted from the retained earning with this increase. This reserve is modified with periodic basis with the increase and decrease, which equals the increase in provisions and this reserve is not distributed.

Moreover, this are categories of worthiness according to internal ratings compared with CBE ratings and rates of provisions needed for assets impairment related to credit risk.

First: institutional worthiness:

CBE Rating	Description	Provision %	Internal Rating	Internal Description
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 watching
7	Watch List	5%	3	Watch list
8	Substandard	20%	4	Non-performing loans
9	Doubtful	50%	4	Non-performing loans
10	Bad Debt	100%	4	Non-performing loans

Second: Classification of small loans according to economic activities:

Terms of classification	Performing loans	Non-performing loans		
		Substandard	Doubtful	Bad Debt
delayed Payment period	--------	6 Months	9 Months	12 Months
Provision	3%	20%	50%	100%

3.1.5) Maximum exposure to credit risk before collateral held

- Balance sheet items exposed to credit risks

	Dec 31, 2021 EGP Thousands	June 30,2020 EGP Thousands
Cash and due from Central Bank of Egypt	7,105,903	3,879,673
Less: Expected Credit Losses	(2,149)	(12,550)
Due from banks	7,924,085	4,661,524
Treasury bills and other governmental notes	7,626,598	8,584,332
Less: Expected Credit Losses	(13,681)	(35,475)
Loans and advances to customers:		
Individual:		
Overdraft	287,689	251,485
Credit cards	38,088	26,868
Personal loans	2,706,892	995,438
Mortgages	164,128	40,013
Corporate:		
Overdraft	19,329,777	18,501,778
Direct loans	8,025,704	7,346,500
Syndicated loans	5,801,262	5,195,661
Less: interest in suspense	(120,938)	(15,831)
Less: expected credit losses	(1,328,672)	(1,044,075)
Loans and advances to banks	72,226	29,607
Less: Expected credit losses	(99)	(534)
Financial Investments: at fair value through OCI & amortized cost	11,957,195	5,164,538
Less: expected credit losses	(11,145)	(11,233)
Other assets (accrued income)	779,701	722,459
Total	70,342,566	54,280,178

Off balance sheet items exposed to credit risk

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Letter of guarantee	7,342,014	3,741,878
Letter of Credit (Import)	1,886,101	1,360,219
Letters of credit (Export-confirmed)	608,135	293,604
Shipping documents (Export)	597,309	586,739
Less: Cash cover	(728,345)	(743,230)
Net	9,705,214	5,239,210
Irrevocable commitments for credit facilities	2,671,184	3,896,989
Total	12,376,398	9,136,199

3.1.6) Loans and advances

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Neither have arrears nor impaired	34,890,018	31,597,089
Have arrears but not impaired	269,215	5,159
Subject to impairment	1,194,307	755,494
Total	36,353,540	32,357,742
Less: interest in suspense	(120,938)	(15,831)
Less: Expected credit losses	(1,328,672)	(1,044,075)
Net	34,903,930	31,297,836

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Loans and advances neither have arrears nor impaired

The credit quality of loans and advances that do not have arrears and which are not subject to impairment is assessed by reference to the Bank's internal rating.

Dec 31, 2021					EGP Thousands			
		Retail				Corporate		
Rating	Debit current accounts	Credit cards	Personal loan	Mortgage	Debit current accounts	Direct loan	Syndicated loan	"Total loans and advances to customers"
1- Good	287,689	34,453	2,569,701	159,927	15,603,096	6,051,168	3,645,166	28,351,201
2- Regular follow up	-	-	-	-	-	1,585,685	1,866,513	6,538,817
Total	287,689	34,453	2,569,701	159,927	159,927	7,636,853	5,511,678	34,890,018

June 30, 2020					EGP Thousands			
		Retail				Corporate		
Rating	Debit current accounts	Credit cards	Personal loan	Mortgage	Debit current accounts	Direct loan	Syndicated loan	"Total loans and advances to customers"
1- Good	251,485	26,088	993,853	40,013	17,255,639	5,423,495	4,477,115	28,467,688
2- Regular follow up	-	-	-	-	941,816	1,691,775	495,810	3,129,401
Total	251,485	26,088	993,853	40,013	18,197,455	7,115,270	4,972,925	31,597,089

Loans and advances have arrears but are not subject to impairment

These are loans and facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and facilities to customers which have arrears but are not subject to impairment are analyzed below:

Dec 31, 2021			EGP Thousands			
	Retail			Corporate		
Rating	Credit cards	Personal loan	Mortgage	Direct loan	Syndicated loan	"Total loans and advances to customers"
Arrears up to 30 days	3,058	68,449	3,176	54,657	37,066	166,406
Arrears from 30 to 40 days	391	10,441	-	16,758	291	27,883
Arrears from 40 to 90 days	81	38,440	1,025	67	35,311	74,926
Total	3,530	117,331	4,201	71,483	72,668	269,215

June 30, 2020			EGP Thousands			
	Retail			Corporate		
Rating	Credit cards	Personal loan	Mortgage	Direct loan	Syndicated loan	"Total loans and advances to customers"
Arrears up to 30 days	-	-	-	5,159	-	5,159
Arrears from 30 to 60 days	-	-	-	-	-	-
Arrears from 60 to 90 days	-	-	-	-	-	-
Total	-	-	-	5,159	-	5,159

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Loans and Advances which are individually impaired

Loans and advances individually assessed without taking into consideration cash flows from guarantees are totaled EGP Thousands 1,194,307 on Dec 31, 2021 compared to EGP Thousands 755,494 on June 30, 2020 and total fair value of guarantees is 273,879

The breakdown of the gross amount of individually impaired loans and advances held by the Bank, are as follows:

Dec 31, 2021			EGP Thousands				
	Retail			Corporate			
Rating	Credit cards	Personal loan	Mortgage	Corporate Overdrafts	Direct loan	Syndicated loan	"Total loans and advances to customers"
Loans which are individually impaired	88	19,860	-	640,061	317,382	216,916	1,194,307
Total	88	19,860	-	640,061	317,382	216,916	1,194,307

June 30, 2020			EGP Thousands				
	Retail			Corporate			
Rating	Credit cards	Personal loan	Mortgage	Overdrafts	Direct loan	Syndicated loan	"Total loans and advances to customers"
Loans which are individually impaired	780	1,585	-	304,323	226,071	222,736	755,495
Total	780	1,585	-	304,323	226,071	222,736	755,495

Restructured loans and advances:

Restructuring activities include rescheduling arrangements, obligatory management programs, modification and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, indicate that payment will most likely continue.

Restructuring is commonly applied to term loans, especially customer loans. Renegotiated loans totaled at the end of the period

Renegotiated loans totaled at the end of Dec. 31, 2021:

Loans and advances to customers corporates	Dec 31,2021 EGP Thousands
Direct loans	172,044

3.1.7) Government debt instruments, treasury bills and other governmental notes

The table below presents an analysis of debt instruments, treasury bills and other governmental notes by rating agency at the end of the financial period:

EGP Thousands				
Financial investments	Dec 31,2021		June 30,2020	
	Treasury bills and other Gov. notes	Financial Investments Debt instruments	Treasury bills and other Gov. notes	Financial Investments Debt instruments
Rating B	7,612,917	11,689,219	8,548,857	5,153,305
Total	7,612,917	11,689,219	8,548,857	5,153,305

3.1.8) Concentration of risks of financial assets exposed to credit risks

3.1.8.1) Geographical segments

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the Bank is exposed at the end of the current reporting period.

The gross amount of all financial assets is segmented into the geographical regions of the Bank's clients:

EGP Thousands				
	Cairo	Alex, Delta and Sinai	Upper Egypt	Total
Cash and due from Central Bank of Egypt	6,966,544	118,729	20,630	7,105,903
Less: Expected credit losses	(2,149)	-	-	(2,149)
Due from banks	7,924,085	-	-	7,924,085
Treasury Bills and other governmental notes	7,626,598	-	-	7,626,598
Less: Expected credit losses	(13,681)	-	-	(13,681)
Loans and advances to customers:				
Individual :				
Overdraft	115,638	166,307	5,745	287,689
Credit Cards	28,462	8,187	1,440	38,088
Personal loans	1,645,770	874,331	186,791	2,706,892
Mortgages	144,588	17,730	1,809	164,128
Corporate :				
Overdraft	15,363,139	3,753,443	213,195	19,329,777
Direct loans	6,571,127	1,110,253	344,324	8,025,704
Syndicated loans	5,557,873	100,546	142,843	5,801,262
Less: interest in suspense	(119,080)	(1,858)	-	(120,938)
Less: Expected credit losses	(1,066,010)	(254,400)	(8,262)	(1,328,672)
Loans and advances to Banks	72,226	-	-	72,226
Less: Expected credit losses	(99)	-	-	(99)
Financial Investments: at fair value through OCI				
Debt instruments	11,045,113	-	-	11,045,113
Less: Expected credit losses	(9,637)	-	-	(9,637)
Financial Investments: Amortized cost				
Debt instruments	912,082	-	-	912,082
Less: Expected credit losses	(1,508)	-	-	(1,508)
Other assets (accrued income)	779,701	-	-	779,701
Total	63,540,781	5,893,269	908,515	70,342,566

3.1.8.2) Industry Segments

EGP Thousands					
	Government Sector	Private Sector	External Sector	Other Activities	Total
Cash and due from Central Bank of Egypt	7,105,903	-	-	-	7,105,903
Less: Expected credit losses	(2,149)	-	-	-	(2,149)
Due from banks	7,066,760	250	857,075	-	7,924,085
Treasury Bills and other governmental notes	7,626,598	-	-	-	7,626,598
Less: Expected credit losses	(13,681)	-	-	-	(13,681)
Loans and advances to customers:					
Individual:					
Overdraft	-	-	-	287,689	287,689
Credit Cards	-	-	-	38,088	38,088
Personal loans	-	169	-	2,706,723	2,706,892
Mortgages	-	-	-	164,128	164,128
Corporate:					
Overdraft	507,762	18,554,797	-	267,218	19,329,777
Direct loans	2,277	7,794,846	-	228,582	8,025,704
Syndicated loans	2,692,485	3,108,777	-	-	5,801,262
Less: interest in suspense	-	(120,938)	-	-	(120,938)
Less: Expected credit losses	(56,941)	(1,209,107)	-	(62,623)	(1,328,672)
Loans and advances to Banks	-	-	72,226	-	72,226
Less: Expected credit losses	-	-	(99)	-	(99)
Financial Investments: at fair value through OCI					
Debt instruments	10,786,337	258,776	-	-	11,045,113
Less: Expected credit losses	(7,691)	(1,946)	-	-	(9,637)
Financial Investments: Amortized cost					
Debt instruments	912,082	-	-	-	912,082
Less: Expected credit losses	(1,508)	-	-	-	(1,508)
Other assets (Accrued income)	-	7,114	-	772,588	779,701
Total	36,618,232	28,392,737	929,202	4,402,393	70,342,566

3.2) Market Risks

The Bank is exposed to market risk represented in volatility in fair value or future cash flows resulted from changes in market prices. Market risk arise from the open positions of interest rates, currency rates and the equity instruments, the management of market risk resulted from trading, non-trading activities are centralized in the market risk department in the Bank.

3.2.1) Foreign exchange rate volatility risk

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised.

The following table summarizes the Bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting period. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

3.2.2) Interest rate risk

The Bank is exposed to impact of fluctuations in the levels of interest rates prevailing in the market that is the cash flow risk of interest rate represented in the volatility of future cash flow of a financial instrument due to change in the interest rate of the mentioned instrument. Whereas the interest rate is 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 sets limits for the level of difference in the re-pricing of interest rate that the Bank can maintain and risk department in the Bank daily monitors this.

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 divided based on the price of re-pricing dates or maturity dates whichever is sooner:

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management Process

The processes of liquidity risk control carried by assets and liabilities management department in the Bank include the following:

The daily funding is managed by monitoring and controlling the future cash flows to ensure the ability to fulfill all obligations and requirements. This includes replenishment of funds as they mature or is borrowed by customers.

The Bank maintains an active presence in The global money markets to ensure achievement of this target.

- Monitoring liquidity ratios compared to the internal requirements of the Bank and the Central Bank of Egypt's requirements.

- Management of concentration and profile the debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week, and month respectively. The starting point for these projections is represented in the analysis of the contractual maturities of financial liabilities and expected collection dates of financial assets.

Assets and Liabilities management department controls the unmatched medium term assets management, the level and type of the unutilized portion of loans' commitments, the extent of utilizing debit current accounts advances and the impact of contingent liabilities such as letters of guarantees and letters of credit.

Financing approach

Liquidity resources are reviewed by a separate team from treasury department of the Bank to provide a wide variety of currencies, geographical regions, resources, products, and maturities.

Assets available to meet all liabilities and cover loan commitments include cash, balances with central banks, balances due from banks, treasury bills and other governmental notes, and loans and facilities to Banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the Bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

▸ Due from banks:

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

▸ Loans and advances to banks:

Loans and advances to banks are represented in loans other than deposits with banks. The expected fair value for loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted by adopting the current market rate to determine the fair value.

▸ Loans and advances to customers

"Loans and facilities are net of provisions for impairment. The estimated fair value of loans and facilities represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

▸ Financial Investments:

Investments in financial securities in the previous table include only held to maturity bearing assets. Available for sale assets are assessed at fair value with the exception of equity instruments which the Bank has been unable to evaluate their fair value to a reliable extent. The fair value of financial assets held to maturity is determined based on market rates or prices obtained from brokers. If these data are unavailable then the fair value is assessed by applying the financial markets' rates for negotiable financial securities with similar credit features, maturity dates as well as similar rates.

▸ Due to other banks and customers:

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity.

3.5) Capital Management

The Bank's objectives when managing capital, which consists of another items in addition of owner's equity stated in balance sheet are:

- To comply with the capital requirements in Egypt.
- To safeguard the Bank's ability to continue as an ongoing concern so that it can continue to provide returns for shareholders and stakeholders.
- To maintain a strong capital base to support the development of its business.
- Capital adequacy and the use of regulatory capital are monitored daily by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the Central Bank of Egypt, for supervisory purposes. The required information is filed with the authority on a quarterly basis

Central Bank of Egypt requires the following:

- Maintaining an amount of EGP 5 billion in accordance with the Central Bank of Egypt Law No. 194 of 2020 issued on September 15, 2020, and the Central Bank of Egypt granted banks a period not exceeding one year for those addressed to it to reconcile their positions in accordance with its provisions, and the Central Bank of Egypt permitted an extension of this period for another period or periods not exceeding two years.
- Maintaining a percentage between capital elements and asset and contingent liabilities elements weighted by risk equals to or exceeds 12.50%. The numerator of the capital adequacy ratio consists of the following two tiers:

Tier One: Represented in basic capital which consists of paid-in-capital (after deducting the book value of treasury shares), retained profits and reserves from profit appropriation with the exception of general banking risk reserve less any goodwill previously recognized or any carried over losses and 40% of intangible assets and deferred taxes.

The conservative buffer is formed from the Bank's annual profits as an additional independent pillar of the continuing base capital within the first tranche of the Bank's capital base and thus to the total standard, and the conservative buffer is originally configured from annual profits but is allowed to be configured if components with the base capital meet this.

Tier Two: Supplementary capital consists of equivalent of the general risks provision related to creditworthiness bases issued by the Central Bank Of Egypt and not exceeding 1.25% of the total risk weighted assets and contingent liabilities, subordinated loans / deposits' term which exceed 5 years (with amortization of 20%of their value each year of the last five years of their term) and 45% of the increase between fair value and book value of financial investments available for sale, held to maturity and associates and subsidiaries.

When calculating the total numerator of the capital adequacy ratio it should be taken into consideration that the supplementary capital does not exceed in any way the basic capital and that subordinated loans (deposits) do not exceed half of the basic capital.

Asset at risk are weighted ranging from zero up to 100% classified in accordance with the nature of the debit side of each asset, to reflect the related credit risks, while taking into consideration cash collaterals. Same treatment is applied on off-balance amounts after making adjustments to reflect the contingent nature and probable losses of these amounts.

The Bank has complied with all local capital requirements at Dec 31, 2021 the following table summarizes the components of basic and supplementary capital and capital adequacy ratios as at Dec 31,2021.

According to Basel II:

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Capital	6,732,766	6,229,982
Tier one (Basic capital):		
Paid up capital	3,273,600	2,728,000
Reserves	807,801	705,845
Retained Earnings	1,474,833	1,334,844
Total balance of accumulated OCI items after regulatory adjustments	164,952	257,404
Interim Profits	711,641	861,667
Un controllable interest	12,504	36
Total deductions from basic capital	(93,619)	(108,114)
Total basic capital	6,351,712	5,779,682
Tier two (Supplementary capital)		
45% of special reserve	10,098	10,098
Expected credit losses for loans and regular contingent liabilities	370,956	445,551
Total deductions from supplementary capital	-	(8,197)
Total supplementary capital	381,054	447,452
Risk weighted assets and contingent liabilities:		
Total credit risk	43,463,370	39,248,242
Total market risk	43,613	330,497
Total operational risk	4,107,231	3,135,250
Total	47,614,214	42,713,989
Capital adequacy ratio (%) *Taking into consideration the effect of Top 50 Customers	14.14%	14.59%

Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012

The decision of the Central Bank of Egypt has been implemented to take into consideration the impact of 50 largest clients on the capital adequacy ratio starting from January 2017.

3.6) Leverage Ratio

The measurement of financial leverage that supports the measurement of capital adequacy standard associated with the risk scale, simple and straightforward according does not account for the risk weights attributed its effectiveness to its ability to reduce the pressure on the banking system and indicate the leverage ratio to measure the adequacy of the first of its basic capital slide compared with total assets Bank, which is not less than 3%.

The following table summarizes the components of leverage ratios as at Dec 31, 2021:

Tier one (Basic capital)	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Paid up capital	3,273,600	2,728,000
Reserves	807,801	705,845
OCI items after regulatory adjustments	164,952	257,404
Retained profits	1,474,833	1,334,844
Interim Profits	711,641	861,667
Uncontrollable interest	12,504	36
Total deductions from basic capital	(93,619)	(108,114)
Total basic capital	6,351,712	5,779,682
Assets and contingent liabilities :		
Assets	76,756,077	57,122,936
Contingent liabilities	8,284,780	5,447,544
Total Assets and contingent liabilities	85,040,857	62,570,480
Leverage ratio (%)	7.47%	9.24%

4) The significant accounting estimates and assumptions

The Bank applies estimates and assumptions, which affect the amounts of assets and liabilities to be disclosed within the following financial year. Estimates and assumptions are continuously assessed based on historical experience and other factors as well, including the expectations of future events, which are considered reasonable in the light of available information and surrounding circumstances.

(A) The fair value of derivatives

The fair values of financial instruments, which are not listed in active markets, is identified by applying valuation methods. When such methods are used to identify fair value, they are tested and reviewed periodically by qualified personnel who are independent of the body that prepared them.

(B) Income taxes

The Bank records the liabilities of the expected results of tax examination according to estimates of the probability of the emergence of additional taxes. When there is, a variance between the final result of taxes and the amounts previously recorded then these variances will affect the income tax and deferred tax provision for the year in which the variance has been identified.

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5) Net Interest Income

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Interest From Loans and Similar Income:				
Loans and Facilities for Customers	971,125	5,434,266	737,733	3,210,787
Treasury Bills	166,317	943,667	220,162	978,113
Treasury Bonds	412,310	1,780,616	171,427	572,181
Corporate Bonds	6,528	30,664	-	-
Deposits and Current Accounts	71,535	235,790	22,325	787,044
Other	17,930	47,950	(10,256)	4,420
Total	1,645,745	8,472,953	1,141,391	5,552,545
Cost of Deposit and Similar Costs:				
Deposits and Current Accounts:	(45,026)	(372,613)	(54,226)	(326,311)
Banks	(1,024,802)	(5,077,782)	(678,622)	(3,201,481)
Customers	(8,941)	(64,751)	(10,864)	(50,228)
Other loans	(6,930)	(19,672)	(2,203)	(9,167)
REPO	1,044	(1,167)	-	-
Total	(1,084,654)	(5,535,985)	(745,915)	(3,587,187)
Net	561,091	2,936,968	395,476	1,965,358

6) Net Income from Fees and Commissions

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Fees and commission related to credit	119,252	596,009	69,148	316,458
Custody Fees	315	2,462	470	1,849
Other Fees	55,918	163,642	22,125	58,812
Total	175,485	762,112	91,744	377,119
Fees and Commissions Expenses:				
Other fees paid	(35,752)	(132,599)	(5,244)	(37,563)
Total	(35,752)	(132,599)	(5,244)	(37,563)
Net	139,733	629,513	86,500	339,556

7) Dividend Income

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Financial Investments: at fair value through OCI	-	9,942	(7,368)	11,252
Total	-	9,942	(7,368)	11,252

8) Net Trading Income

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Profit (losses) from foreign exchange	31,521	203,693	28,653	119,684
Profit (losses) from currencies swap contracts revaluation	-	205	155	(337)
Profit arising from sale of trading investments	1,628	18,835	4,874	16,535
Valuation differences of trading investments	18,834	48,095	1,463	1,110
Total	51,983	270,828	35,146	136,992

9) Impairment (charge) release for credit losses

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Expected of credit losses for loans and overdrafts for customers	(67,833)	(296,391)	(22,748)	74,941
Expected of credit losses for treasury bills	6,446	20,986	(0)	7,137
Expected of credit losses for treasury bonds	883	1,738	(4,057)	(9,649)
Expected of credit losses for loans and overdrafts for Banks	159	420	(495)	(495)
Expected of credit losses for due from banks	249	10,084	(689)	(558)
Expected of credit losses for Ccrporate bonds	24	(1,946)	-	-
Expected of credit losses for accrued revenues	(1,101)	(1,098)	-	(4)
	(61,173)	(266,208)	(27,990)	71,372

10) Administrative expenses

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Staff Costs				
- Salaries and Wages	(170,488)	(871,691)	(133,307)	(463,260)
- Social insurance	(6,731)	(37,221)	(5,139)	(19,845)
Pension costs				
- Defined contribution scheme	(8,167)	(50,276)	(8,182)	(28,425)
- Defined benefits scheme	(14,769)	(82,094)	(10,996)	(50,197)
Other Administrative expenses				
- Operations expenses	(34,027)	(207,714)	(49,122)	(149,881)
- Communications expenses	(8,920)	(37,651)	(560)	(17,631)
- Business expenses	(20,221)	(118,628)	(12,298)	(70,115)
- Stationary expenses	(1,820)	(11,255)	2,385	(5,744)
- Service expenses	(69,573)	(306,265)	(31,539)	(139,862)
- Depreciation expenses	(43,194)	(230,162)	(31,014)	(110,517)
Total	(377,911)	(1,952,958)	(279,774)	(1,055,477)

* Average monthly total salaries of the highest 20 employees for the period ended Dec. 31, 2021 were EGP 3,648 thousands

11) Other operating income (expenses):

	Three Months Ended	The Period Ended	Three Months Ended	The Year Ended
	Dec 31,2021 EGP Thousands	Dec 31,2021 (18 Months) EGP Thousands	June 30,2020 EGP Thousands	June 30,2020 EGP Thousands
Profit (loss) resulting from revaluation of foreign currency balances of assets and liabilities of monetary nature other than those held for trading or originally classified at fair value through profit and loss	604	14,179	(11,402)	20,757
Collected Telex, Swift, Postage, Printed matters & Photocopy	13,349	79,289	10,738	51,334
Legal service income	56	220	20	73
(Charges) release of other provisions	(35,540)	(62,138)	17,444	(28,276)
(Charges) release of retirement benefit obligations	5,820	(18,718)	(13,010)	(15,549)
Capital profits	(0)	8,976	45	436
Miscellaneous income	1,796	19,109	300	14,099
Miscellaneous expenses	(2,559)	(8,683)	1,026	(5,547)
Total	(16,474)	32,234	5,161	37,325

12) Cash and due from Central Bank of Egypt

	Dec 31,2021 EGP Thousands	June 30, 2020 EGP Thousands
Cash on hand	321,800	219,217
Due from Central Bank of Egypt (mandatory reserve)	6,784,103	3,660,456
Less: Expected credit losses	(2,149)	(12,550)
Total	7,103,754	3,867,123
Fixed bearing balances	1,047,443	1,135,714
Non-interest bearing balances	6,056,310	2,731,409
	7,103,754	3,867,123

* Balances with the Central Bank of Egypt includes the dollar deposit under the reserve ratio (10%), which is settled on maturity 17 Feb 2022

* The Bank re-calculated the expected of credit losses for cash and due from Central Bank of Egypt, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and Egyptian accounting standards.

13) Due from banks

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
- Current accounts	156,103	379,371
- Deposits	7,767,982	4,282,153
Total	7,924,085	4,661,524
- Central Bank of Egypt (other than obligatory reserve)	6,800,000	3,547,978
- Local banks	93,905	215,768
- Foreign banks	1,029,930	897,778
Total	7,923,835	4,661,524
- Non -interest bearing balances	156,103	379,371
- Fixed bearing balances	7,767,982	4,282,153
Total	7,924,085	4,661,524
- Current Balances	7,924,085	4,661,524

* The Bank re-calculated the expected of credit losses for due from banks, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and Egyptian accounting standards.

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14) Treasury bills and other governmental notes

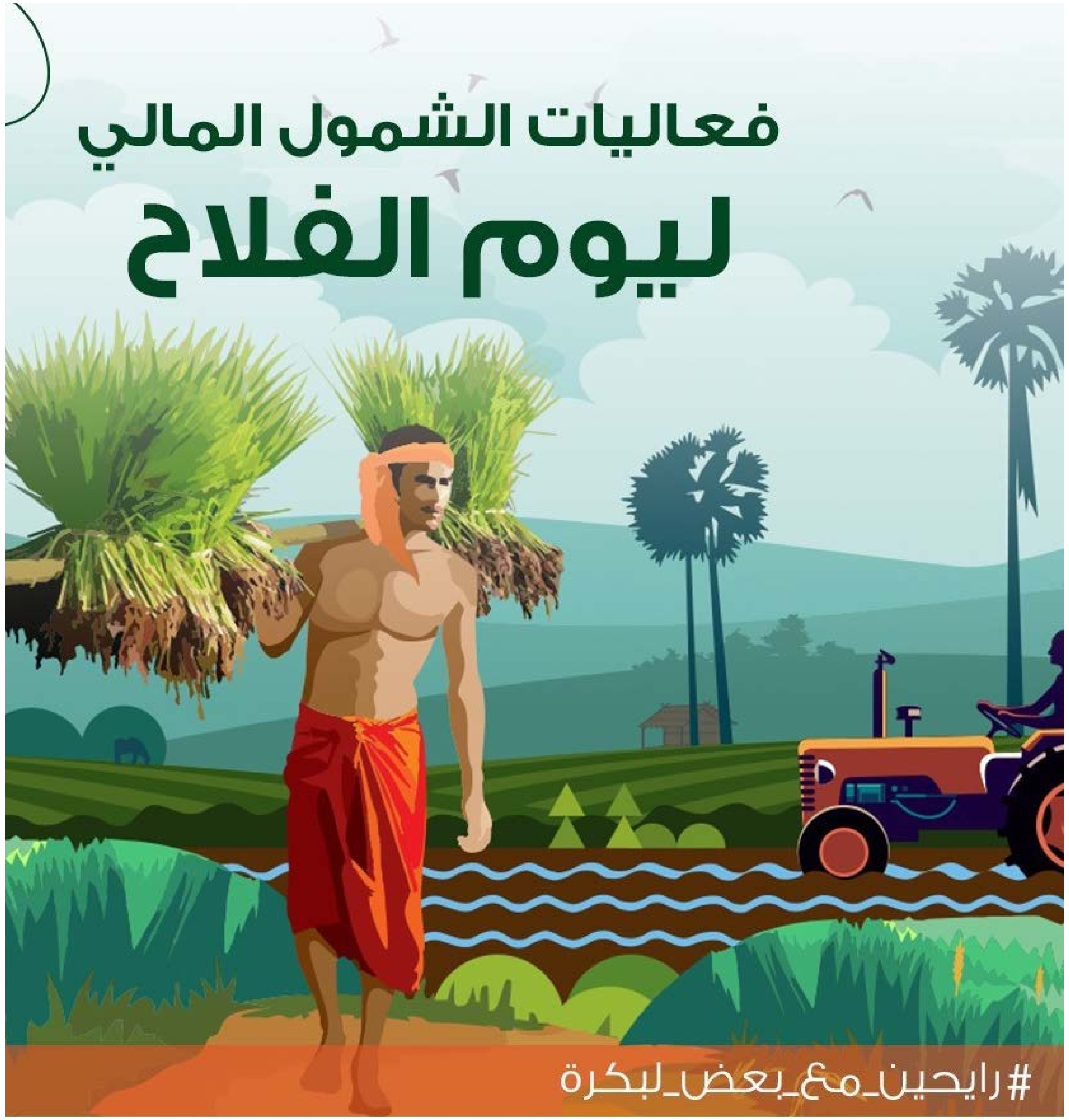
	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Treasury Bills And Other Governmental Notes	7,648,666	8,607,238
Treasury Bills (REPO)	(22,069)	(22,906)
Less: Expected Credit losses	(13,681)	(35,475)
Total	7,612,917	8,548,857
Represented in:		
91 days Maturity	165,600	506,675
182 days Maturity	765,750	294,650
273 days Maturity	1,038,000	4,511,075
364 days Maturity	5,920,213	3,595,783
Total	7,889,563	8,908,183
Unearned income	(240,897)	(300,945)
Total	7,648,666	8,607,238
REPOS	(22,069)	(22,906)
Less: Expected credit losses	(13,681)	(35,475)
Total	7,612,917	8,548,857

* The Bank re-calculated the expected of credit losses for treasury bills and other governmental notes, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and Egyptian accounting standards.

- Within the item of treasury bills amount EGP 23,500 thousands owed to the Central Bank of Egypt against mortgage finance and amount EGP 193,575 thousands of small & medium enterprises 7% as of 31 Dec 2021.

15) Financial assets at fair value through P&L

Debt instruments: Mutual Funds:	Dec 31,2021 EGP Thousands	June 30, 2020 EGP Thousands
Export Development Bank of Egypt Fund -The Second - The Monetary	38,902	36,030
Total	38,902	36,030



16) Loans and overdrafts for customers

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Individual		
Overdraft	287,689	251,485
Credit cards	38,088	26,868
Personal loans	2,706,892	995,438
Mortgages	164,128	40,013
Corporate		
Overdraft	19,329,777	18,501,777
Direct loans	8,025,704	7,346,500
Syndicated loans	5,801,262	5,195,661
Total	36,353,540	32,357,742
Less: interest in suspense	(120,940)	(15,831)
Less: Expected credit losses	(1,328,672)	(1,044,075)
Net	34,903,930	31,297,836

Loans and overdrafts for banks

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Discounted documents	72,226	29,607
Total	72,226	29,607
Less: Expected credit losses	(99)	(534)
Net	72,127	29,073

* The Bank re-calculated the expected of credit losses for loans and overdrafts for banks notes, the Bank took into account the remaining maturity date for financial instrument according to the IFRS9 and Egyptian accounting standards.

Loans Provisions Analysis for customers

Losses between the beginning and end of the period as a result of these factors

Dec 31,2021				
	Stage 1 12 months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
Balance at the beginning of the period	240,013	183,990	620,071	1,044,075
Expected credit losses	-	181,557	137,451	319,008
Used provision during the period	-	-	(17,656)	(17,656)
Collections from loans previously written-off	18,836	-	-	18,836
Release of expected credit losses	(22,616)	-	-	(22,616)
Cumulative foreign currencies translation differences	(940)	(1,041)	(10,994)	(12,975)
Balance at the end of the period	235,293	364,507	728,872	1,328,672

Loans provisions analysis for banks

Losses between the beginning and end of the period as a result of these factors

	Stage 1 12 months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
Balance at the beginning of the period	-	534	-	534
Expected credit losses	-	(420)	-	(420)
Cumulative foreign currencies translation differences	-	(15)	-	(15)
Balance at the end of the period	-	99	-	99

June 30,2020				
	Stage 1 12 months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
Balance at the beginning of the year	242,807	401,223	621,391	1,265,420
Expected credit losses	21,684	-	-	21,684
Transfer from stage 1 to stage 2	(39,916)	39,916	-	-
Transfer from stage 2 to stage 3	-	(160,127)	160,127	-
Used provision during the period	(41)	-	(139,299)	(139,340)
Collections from loans previously written-off	16,730	-	-	16,730
Release of expected credit losses	-	(83,620)	(11,747)	(95,367)
Cumulative foreign currencies translation differences	(1,250)	(13,401)	(10,400)	(25,052)
Balance at the end of the year	240,014	183,990	620,071	1,044,075

	Stage 1 12 months EGP Thousands	Stage 2 Life time EGP Thousands	Stage 3 Life time EGP Thousands	Total EGP Thousands
Balance at the beginning of the year	913	-	-	913
Expected credit losses	(826)	491	-	(335)
Cumulative foreign currencies translation differences	(87)	43	-	(44)
Balance at the end of the year	-	534	-	534

17) Financial Derivatives

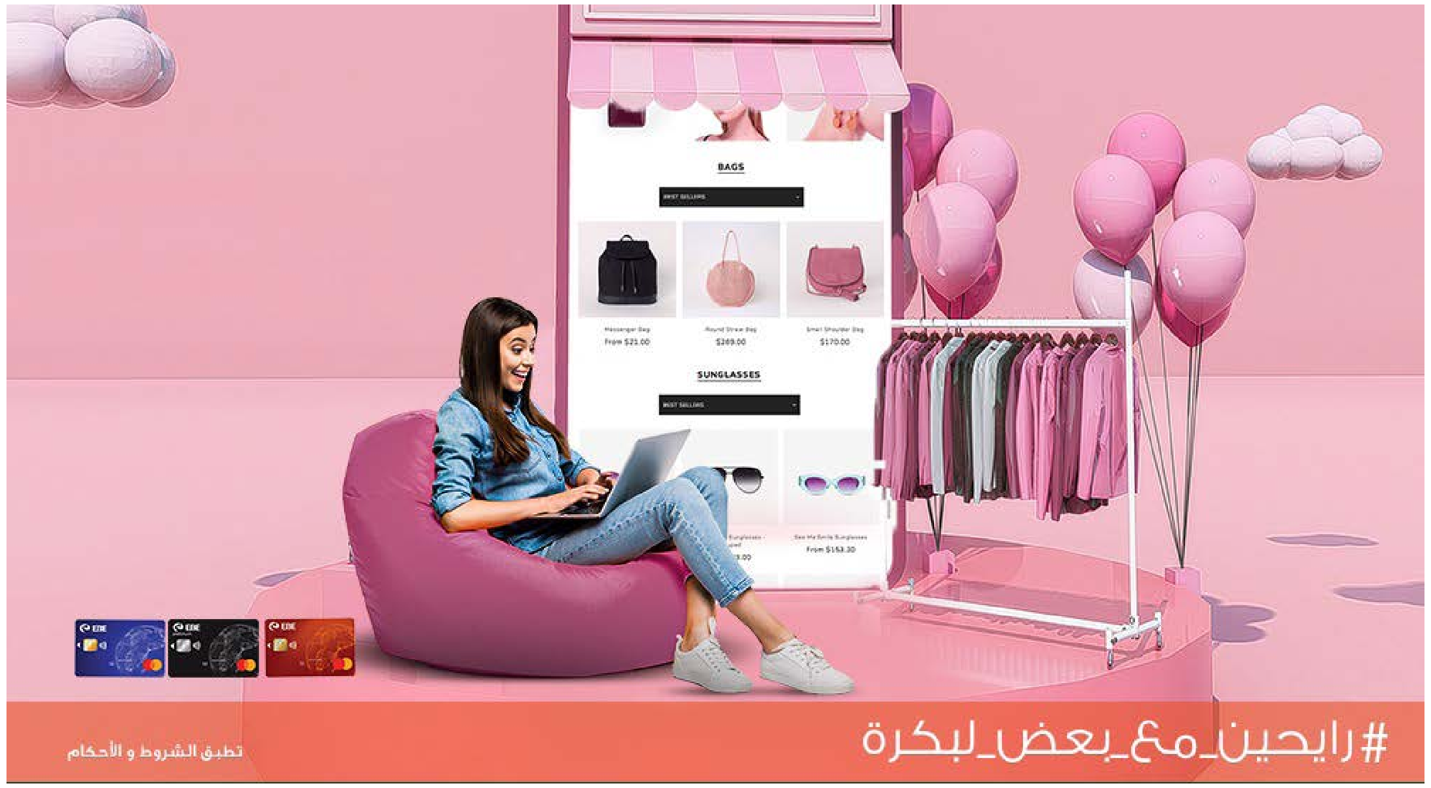
Currency Swap / yield contracts represent commitments to exchange a range of cash flows.These contracts result in currency exchange or rates

(Fixed rate with variable rate, for example) or (all with swap contracts and currencies)

The actual exchange of contract amounts is only in certain currency swap contracts. The Bank's credit risk is the potential cost of replacing the swap contracts if the other parties fail to perform their obligations.

This risk is monitored on an ongoing basis in comparison to the fair value and by contractual amount, and for credit risk control. The Bank evaluates the counterparty using the same techniques used in the lending activities.

	Dec 31,2021			June 30,2020		
	Contractual amount EGP Thousands	Fair Value Assets EGP Thousands	liabilities EGP Thousands	Contractual amount EGP Thousands	Fair Value Assets EGP Thousands	liabilities EGP Thousands
Currency swap contracts	-	-	-	40,346	-	205
Total Assets (liabilities) Financial Derivatives	-	-	-	40,346	-	205



18) Financial Investment

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
a) Financial assets at fair value through OCI:		
- Debt instruments fair value		
- Listed in stock market	11,035,475	4,065,566
- Equity instruments fair value		
- Certificates of mutual funds issued according to determined percentages	37,191	29,341
- Unlisted in stock market	312,504	472,854
(1) Total financial assets at fair value through OCI (1)	11,385,170	4,567,761
b) Amortized cost investment		
Debt instruments at amortized cost		
- Listed in stock market	910,574	1,087,740
(2) Total amortized cost investment (2)	910,574	1,087,740
(1+2) Total Financial Investments (1+2)	12,295,744	5,655,501
- Current balances	11,983,239	5,182,646
- Non-current balances	312,504	472,855
	12,295,743	5,655,501
- Fixed interest debt instruments	11,689,219	5,153,305
- Variable interest debt instruments	256,830	-
	11,946,049	5,153,305

* Financial investments were evaluated through OCI (company shares) and those not registered in the stock exchange, and there is no active dealing with them in one of the accepted technical methods in order to determine their fair value.

* "On 5/5/2016 the Bank reclassified debt instruments available for sale (government bonds) fair value at that date EGP 701,321,624 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date."

* "On 3/7/2016 the Bank reclassified debt instruments available for sale (government bonds) fair value at that date EGP 883,543,119 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date."

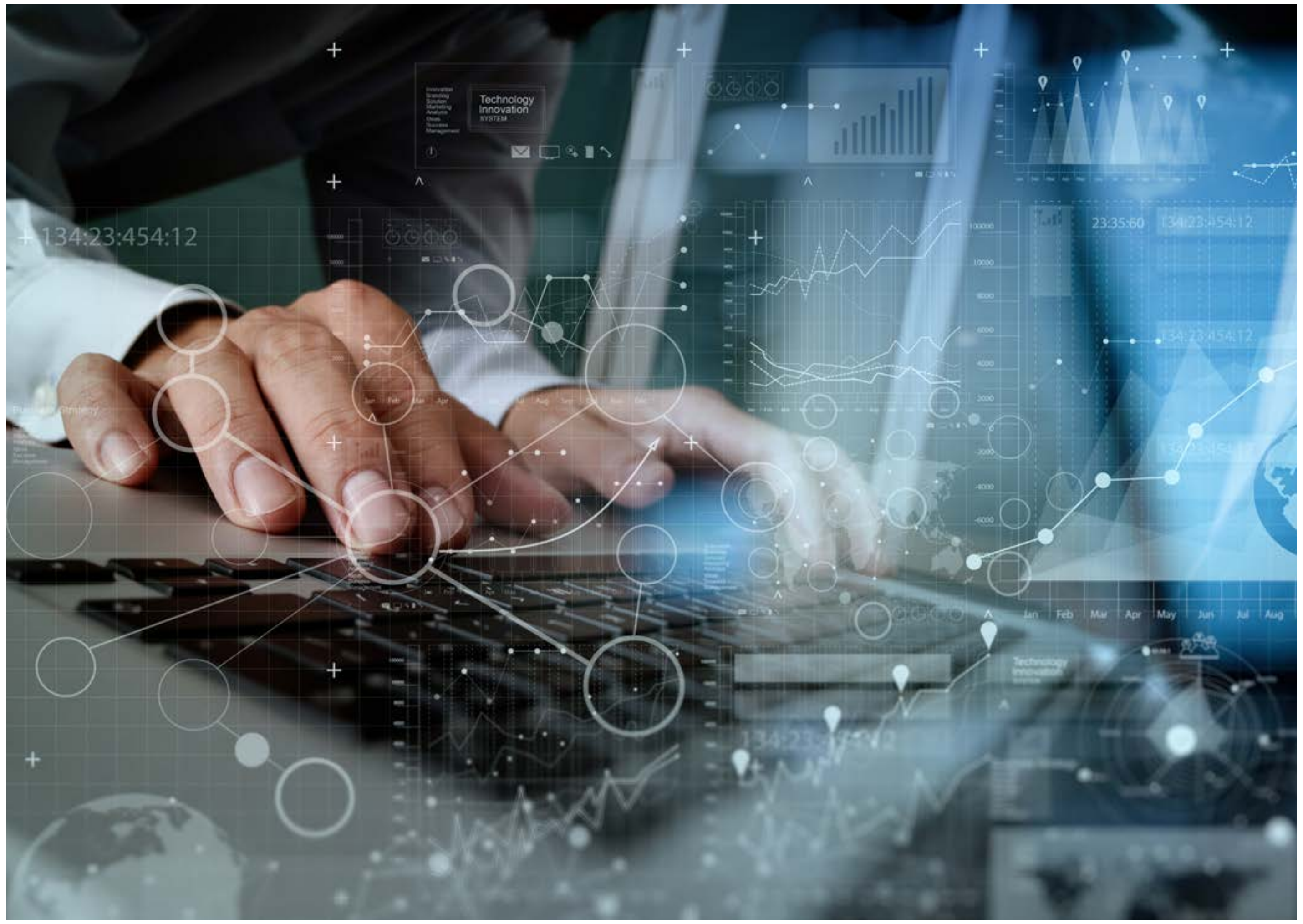
* “On 23/10/2016 the Bank reclassified debt instruments available for sale (government bonds) fair value at that date EGP 1,650,410,085 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date.“

* “On 3/11/2016 the Bank reclassified debt instruments available for sale (corporate bonds) fair value at that date EGP 54,458,133 from financial investment at fair value through OCI to amortized cost investment, as the Bank has the ability and intension to keep it till maturity date.“

The following table shows book value and fair value as at 31 Dec. 2021 for reclassified government bonds :

	Book Value	Fair Value
Government Bonds	542,417	567,369

The fair value that would have been recognized in equity gains if government bonds had not been reclassified, an amount of EGP 24,952 Thousands.



EGP Thousands			
	Financial investment at fair value through OCI	Financial investment amortized cost	Total
The balance after adjustment at 1 july 2019	1,616,452	1,771,882	3,388,334
Additions	2,930,562	-	2,930,562
Deductions (selling-redemptions)	(186,889)	(695,867)	(882,756)
Changes in zero copoun bonds' unearned income	5,074	-	5,074
Foreign Exchange revaluation differences	14,898	-	14,898
Profit (loss) from change in fair value	192,698	7,881	200,579
Amortization for discount and premium	4,760	3,843	8,603
Expected credit losses	(9,794)	-	(9,794)
Ending balance at 30 June 2020	4,567,761	1,087,740	5,655,501
The balance at 1 july 2020	4,567,761	1,087,740	5,655,501
Additions	7,799,119	374,042	8,173,161
Deductions (selling-redemptions)	(696,933)	(552,207)	(1,249,140)
Changes in zero copoun bonds' unearned income	(189,925)	(4,439)	(194,364)
Foreign exchange revaluation differences	(27,208)	60	(27,147)
Profit (loss) from change in fair value	(82,768)	4,198	(78,569)
Amortization for discount and premium	13,529	2,688	16,216
Expected credit losses	1,596	(1,508)	88
Ending balance	11,385,170	910,574	12,295,744

* The Bank re-calculated the expected of credit losses for financial investment at fair value through OCI, the Bank took into account the .remaining maturity date for financial instrument according to the IFRS9 and Egyptian accounting standards

Profit (losses) from financial investment	Three Months Ended Dec 31,2021 EGP Thousands	The Period Ended Dec 31,2021 (18 Months) EGP Thousands	Three Months Ended June 30,2020 EGP Thousands	The Year Ended June 30,2020 EGP Thousands
Profit from selling financial investments at fair value through OCI	-	4,971	-	-
Profit from selling treasury bills	2,870	16,101	-	-
Profit from selling treasury bonds	272	272	-	3,424
Total	3,142	21,343	-	3,424

19) Financial investment in subsidiaries and associated companies

	Dec 31,2021 EGP Thousands	Ratio %	June 30,2020 EGP Thousands	Ratio %
Philae Cruisers Company	6,875	28.94%	6,875	28.94%
	6,875	28.94%	6,875	28.94%

20) Intangible assets

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Net book value at the beginning of the period	101,919	68,363
Additions	67,037	33,935
Deductions	-	(379)
Net book value at the end of the period	168,956	101,919
Accumulated depreciation at the beginning of the period	64,249	49,354
Amortization expense	55,062	15,274
Deductions Accumulative Amortization	-	(379)
Accumulated depreciation at the end of the period	119,311	64,249
Net intangible assets at the end of the period	49,646	37,670

21) Other Assets

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Accrued revenues*	779,701	722,457
Prepaid expenses	73,296	27,901
Advances for purchase of fixed assets	809,477	835,187
Acquired assets (Net)*	358,630	378,761
Insurances and trusts	11,345	7,842
Suspense assets	370,052	128,485
Purchase of financial rights	3,545,852	-
Total	5,948,352	2,100,633

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Accrued income for medium term loans	243,718	471,490
Accrued income for due from banks	38,520	31,810
Accrued income for financial investments	497,463	219,157
Total	779,701	722,457

Advances for ourchase of fixed assets is as follows

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Book value at the beginning of the period	835,187	533,856
Additions during the period	169,019	350,285
Transferred to fixed assets	(194,729)	(48,954)
Balance at the end of the period	809,477	835,187

* Valuation of the assets acquired by the Bank in settlement of debts is recorded in accordance with the related Central Bank of Egypt regulations. In case the assets' fair value falls below the value at which such assets have been acquired by the Bank on the balance sheet date, the difference is charged to other expenses in the income statement. In case of an increase in the fair value, such increase is recognized in the income statement to the extent of revaluation losses recognized in the income statement for previous financial periods.

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22) FIXED ASSETS (NET)

EGP Thousands									
	Land	Premises	Computers	Vehicles	Fixture and improvements	Equipment	Furniture	Others	Total
Cost at the beginning of the period	113,333	399,253	149,626	15,340	337,223	66,163	43,491	41,564	1,165,993
Additions during the period	20,479	257,535	61,835	5,237	91,638	13,581	10,085	4,374	464,764
Disposals during the period	-	(121)	(170)	(737)	(3,210)	(359)	(580)	(3)	(5,179)
(Cost at the end of the period (1	133,812	656,667	211,292	19,840	425,652	79,385	52,995	45,935	1,625,578
Accumulated depreciation at the beginning of the period	-	84,542	100,042	9,515	189,540	38,605	22,551	28,292	473,087
Depreciation charged for the period	-	19,869	54,521	3,414	82,702	7,026	5,672	3,679	176,882
Accumulated depreciation for disposals	-	(580)	(174)	(883)	(3,233)	(418)	(571)	(697)	(6,556)
(Accumulated depreciation at the end of the period (2	-	103,831	154,388	12,046	269,009	45,213	27,652	31,273	643,413
(Net book value at the end of the period (1-2	133,812	552,836	56,903	7,794	156,642	34,172	25,343	14,662	982,165
Net book value at the beginning of the period	113,333	314,711	49,585	5,825	147,683	27,559	20,939	13,272	692,906

23) Inventory

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Book value at the beginning of the period	302,387	302,387
Book value at the end of the period	302,387	302,387
Accumulated depreciation at the beginning of the period	-	-
Accumulated depreciation at the end of the period	-	-
Net book value at the end of the period	302,387	302,387

- The value of the land owned by Al-Masry Real Estate Investments Company, one of the subsidiary companies of the Bank in Nozha Street which was transferred from real estate investments to inventory item, based on what was stated in Egyptian Accounting standards in standard No.34 for real estate investment paragraph no.57B

-The value of the land owned by A BETA for Real Estate Investment Company, one of the subsidiary companies of the Bank In Ismailia Governorate, which was transferred from real estate investments to inventory item, based on what was stated in Egyptian Accounting standards in standard No.34 for real estate investment paragraph no.57B

24) Deferred Tax Assets / Uabluties

Deferred income tax was calculated based on the deferred tax differences according to the liability method using an effective tax rate for the current fiscal year. Deferred tax assets resulting from carried forward tax losses shall not be recognized unless future taxable profits, through which carried forward taxable losses can be utilized, are likely to be proven. Clearing between deferred tax assets and liabilities is made in case of there is a legal justification for offsetting between current tax on assets and liabilities and also when deferred income tax belong to the same tax authority, the following table represents deferred tax assets and liabilities:

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Deferred tax – other provisions	1,347	1,806	-	-
Tax effect of the difference between accounting depreciation and tax depreciation	-	-	6,480	2,377
Deferred Taxes - fair value differences resulting from the evaluation of financial investments at fair value through OCI in foreign currencies	-	-	93	2,210
Total Deferred Tax (Asset-Liabilities)	1,347	1,806	6,574	4,587
Net Deferred Tax			5,227	2,781
Companies				
Deferred Tax Assets / Liabilities	103	95	1,469	9,732
Net Tax	103	95	6,696	12,513

	Deferred Tax Assets		Deferred Tax Liabilities	
	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
The beginning of the period	1,807	9,520	4,587	4,512
Additions during the period	-	1,063	4,103	2,377
Disposals during the period	(460)	(8,776)	(2,117)	(2,302)
The ending balance	1,347	1,807	6,574	4,587
Companies				
The beginning of the period	95	262	(9,732)	(10,382)
Additions during the period	8	-	8,263	650
Disposals during the period	-	(167)	-	-
The ending balance	103	95	(1,469)	(9,732)

25) Due to banks

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Current accounts	9,591	28
Deposits	2,534,105	3,931,363
	2,543,697	3,931,391
Local banks	2,486,983	3,689,315
Foreign banks	56,714	242,076
	2,543,697	3,931,391
Non - interest bearing balances	61,849	28
Fixed bearing balances	2,481,848	3,931,363
	2,543,697	3,931,391
Current Balances	2,543,697	3,931,391

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26) Customers Deposits

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Demand Deposits	28,502,262	21,320,737
Time Deposits	24,918,012	14,560,494
Saving deposits and certificates of deposit	9,795,014	7,103,638
Other Deposits	1,086,859	962,173
Total	64,302,148	43,947,042
Retail Deposits	12,799,200	9,952,253
Corporate Deposits	51,502,948	33,994,789
Total	64,302,148	43,947,042
Non-interest bearing balances	7,009,493	2,287,834
Fixed interest bearing balances	56,780,559	39,867,440
Floating interest bearing balances	512,096	1,791,768
Total	64,302,148	43,947,042

27) Debt Instruments

Export Credit Guarantee Company of Egypt issued bonds by EGP 50 million with 5% annually interest rate, and this bonds will be amortized at the end of the company.

28) Other loans

	Maturity date	Rate %	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Arab Trade Financing Program	Dec 27,2022	1.41%	471,501	381,139
Agricultural Sector Development Program (ADP)	Nov 15,2022	4.75%	26,111	299,478
European Investment Bank loan	Sep 15,2023	0.80%	147,230	287,524
The environmental commitment agreement under the management of the National Bank of Egypt	Feb 09,2026	1.75%	14,765	7,000
Green for Growth Fund	June 15,2026	2.97%	357,198	161,384
Sanad fund	Jan 5,2026	3.23%	335,766	308,097
CBE for small & medium projects 7%	Jan 7,2025	3.00%	159,288	265,216
Projects Development Authority	Oct 1,2026	11.00%	3,214	3,000
EBE Factory Loan			62,445	-
Total			1,577,518	1,712,838
Current Balances			497,612	381,139
Non-current Balances			1,079,906	1,331,699
Total			1,577,518	1,712,838

Signing a CSR protocol with El Orman Foundation

29) Other liabilities

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Accrued Interest	294,373	250,824
Prepaid Revenues	22,126	11,484
Accrued Expenses	161,137	65,506
Accrued Taxes and Insurances	47,690	61,965
Sundry Credit Balances	250	200
Suspense assets	1,115,878	852,542
Total	1,641,454	1,242,521

30) Other Provisions

Dec 31,2021	Balance at the beginning of the period	Charges during the period	Foreign currencies revaluation differences	Reclassification between provisions	Release (charge) Provisions no longer required	Transferred from (to) other sources	Provision used during the period	Balance at the end of the period
EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Provision for claims (Taxes)	104,479	51,528	-	-	(2,037)	1,500	(118,277)	37,193
Provision for legal claims	7,873	1,323	(36)	-	(365)	-	(2,970)	5,825
Provision for contingent liabilities-Stage 1	18,924	18,603	(175)	-	(5,853)	-	-	31499
Provision for contingent liabilities-Stage 2	162	3,474	6	-	(3,591)	-	-	51
Provision for contingent liabilities-Stage 3	2,594	987	-	-	(609)	-	-	2972
Provision for commitment -Stage 1	83,007	16,555	-	-	(22,451)	-	-	77113
Provision for commitment -Stage 2	1,162	6,915	-	-	(4,265)	-	-	3,812
Technical provisions for property and casualty insurance	35,749	55,042	-	-	(54,628)	-	-	36,163
Total	253,953	154,427	(205)	-	(93,799)	1,500	(121,247)	194,632

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June 30, 2020	Balance at the beginning of the year	Charges during the year	Foreign currencies revaluation differences	Reclassification between provisions	Release (charge) Provisions no longer required	Transferred from (to) other sources	Provision used during the year	Balance at the end of the year
EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Provision for claims (Taxes)	90,858	54,308	-	-	-	-	(40,687)	104,479
Provision for legal claims	3,304	4,731	-	(162)	-	-	-	7,873
Provision for contingent liabilities-Stage 1	14,389	29,112	28	0	(24,605)	-	-	18,924
Provision for contingent liabilities-Stage 2	70	223	-	162	(293)	-	-	162
Provision for contingent liabilities-Stage 3	3,096	249	-	0	(751)	-	-	2,594
Provision for commitment -Stage 1	100,108	23,315	-	(13)	(40,400)	-	-	83,009
Provision for Commitment -Stage 2	22,787	499	-	0	(22,123)	-	-	1,162
Technical provisions for property and casualty insurance	31,743	10,164	(3)	-	(6,155)	-	-	35,749
Total	266,354	122,602	25	(13)	(94,328)	-	(40,687)	253,953

- A provision for contingent liabilities includes indirect contingent liabilities
- Other provisions are reviewed in the financial position date and adjusted when necessary to show the best estimate of the situation

31) Retirement benefit obligations

Obligations on balance sheet:	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Pension Benefits	44,831	33,991

Amounts recognized on income statement	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Pension Benefits	18,718	15,549

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
The movement on liabilities during the period is as follows:		
Estimating liabilities at the beginning of the year	33,991	21,800
Actuarial losses	10,861	11,896
Cost of investment	7,859	3,651
Benefits paid	(7,880)	(3,356)
Estimated liabilities at the end of the period	44,831	33,991
Key actuarial assumptions (core)		
The rate of return used in discount therapeutic benefits	15.00%	15.00%
Balance sheet obligations	33,991	21,800
Actuarial losses	10,861	11,896
Calculating recognized retirement benefits in the profit and loss account	7,859	3,651
Benefits paid	(7,880)	(3,356)
Estimating liabilities at the end of the period	44,831	33,991

32) Capital and Reserves

32.1) Capital

- "The authorized capital amounted to EGP 10,000,000,000 The issued and paid up capital amounted to EGP 3,273,600,000 as of Dec 31, 2021, distributed over 327,360,000 common shares with a par value .of EGP 10 each"
- The Bank was established in 1983 and paid up capital amounted to EGP 50 Million Pounds.
- On January 9, 1988, the General Assembly agreed to increase the capital by an amount of EGP 7.5 million Pounds.
- On December 30, 1991, the General Assembly agreed to increase the capital by EGP 11.5 million Pounds.
- On May 16, 1996, the General Assembly agreed to increase the capital by an amount of EGP 181 million Pounds.
- On January 20, 2002, the General Assembly agreed to increase the capital by EGP 250 million Pounds.
- On September 29, 2003, the General Assembly agreed to increase the capital by EGP 100 million Pounds.
- On March 15, 2007 the General Assembly agreed to increase the capital by EGP 200 million Pounds.
- On May 22, 2008 the General Assembly agreed to increase the capital by EGP 200 million Pounds.
- On September 23, 2008 the General Assembly agreed to increase the capital by EGP 200 million Pounds.
- On December 23, 2010, the General Assembly agreed to increase the capital by EGP 240 million Pounds.
- On June 12, 2017, the General Assembly agreed to increase the capital by EGP 288 million Pounds.
- On April 3, 2018, the General Assembly agreed to increase the capital by EGP 1,000 million Pounds.
- On June 6, 2021, the General Assembly agreed to increase the capital by EGP 545.6 million Pounds.

32.2) Reserves

Reserves on Dec 31,2021 represented in the following

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
- General banking risk reserve (1)	123,259	909
- Banking risk reserve – acquired assets (2)	-	16,394
- Legal reserve (3)	436,148	319,438
- General reserve	29,231	24,998
- Reserve for financial assets at fair value through OCI (4)	160,628	238,394
- Deferred Taxes fair value differences resulting from the evaluation of financial assets at fair value through OCI in foreign currencies.	(93)	(2,210)
- Special reserve	28,543	25,766
- Capital reserve (5)	195,432	195,312
Total	973,148	819,001

1) General bank risk reserve

Represents the increase in the provision for impairment losses calculated on the basis of determining the creditworthiness and composition of allocations issued by the Central Bank of Egypt and the provision for impairment losses on loans carried in the financial statements.

2) Banking risk reserve - acquired assets

If the assets acquired by the Bank are not disposed of in accordance with the provisions of Article 60 of Law 88 of 2003 the general bank risk reserve shall be increased by 10% of the value of these assets annually during the period of retention by the Bank.

3) Legal reserve

In accordance with the Bank's Articles of Association, an amount equal to 10% of the profits shall be deducted annually to form the statutory reserve. The General Assembly may stop this deduction when the reserve total equals 50% of the issued capital of the Bank.

4) Fair value reserve - at Fair value through OCI

Represents revaluation differences arising from changes in the fair value of financial investments available for sale

5) Capital reserve

Representing the Profit sale of fixed assets

33) Shareholders' Dividends

Dividends are recognized when the general assembly of shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration by deducting from the retained earnings about the end of the current fiscal year.

34) Cash and cash equivalent

For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from the date of acquisition.

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Cash and due from Central Bank of Egypt	321,800	219,216
Due from banks	7,924,085	4,661,523
Treasury bills and other governmental notes	165,600	506,675
	8,411,485	5,387,415

35) Contingent liabilities and commitments

(A) Legal claims

There are a number of existing cases filed against the Bank in 31 Dec 2021 and provision has been made for some of them and no provision has been made for certain cases as no losses are expected.

(B) Capital commitments

The capital commitments for the financial investment reached on the date of financial position 559,981 thousands as follows:

	Investment value	Paid	Remaining
Financial assets at fair value through OCI	503,359	375,598	127,761
Fixed asset capital commitment	-	-	400,122
Total	503,359	375,598	527,883

(B)/2) Commitment for operating leases

The total non-cancellable minimum operating leases payment are as follows:

	Dec 31,2021 EGP Thousands	June 30,2020 EGP Thousands
Not more than one year	552	499
More than a year and less than five years	-	-
More than five years	31,546	31,701
Total	32,098	32,200

(C) Loans, facilities and guarantees commitments

	Dec 31, 2021	June 30, 2020
	EGP Thousands	EGP Thousands
Letter of guarantee	7,342,014	3,741,878
Letter of Credit (Import)	1,886,101	1,360,219
Letters of credit (Export-confirmed)	608,135	293,604
Shipping documents (Export)	597,309	586,739
Less: Cash cover	(728,345)	(743,230)
Net	9,705,214	5,239,210
Irrevocable commitments for credit facilities	2,671,184	3,896,989
Total	12,376,399	9,136,199

36) Tax status

- Corporate income Tax.

• The beginning of the years till 2007.

Tax examination and internal committees was done also ended the dispute with of the tax authority.

• 2007-2011 years

Tax examination was done, the file has been transferred to appeal committees, the bank appeal on committee’s decision and currently the file is under inspection by the court.

• 2011-2016 years

Tax examination was done and internal committees were formed and pay any tax due.

• 2016-2020 years

The bank submits the annual tax return on legal deadline and pay any tax due.

- Stamp Taxes

• The beginning of the years till 30/6/2019

Tax examination was done and pay any tax due.

• 2020-2021 years

The bank pays the tax on legal deadline

- Salaries tax

• The beginning of the years till 2019

Tax examination was done and the differences were paid.

• 2020-2021 year

The bank pays the monthly tax on a regular basis

* The bank submits tax returns on a regular basis and on the scheduled dates in accordance with the provisions of the Unified Tax Procedures Law No. 206 of 2020

- Export credit guarantee company tax status:

• Salaries tax was examined and paid for 2010-2011 years according to the claim,

• The Company received Form 19 from the Tax Authority for the year 2015 and the company was appealed on the legal date, and the appeal procedures are being followed.

• Stamp tax was examined and paid till 2006

• Corporate income tax was examined and paid till 2011, the years 2015 to 2018 are being examined

• Real estate tax has been paid till 31/12/2019, and a decision was issued in the appeal submitted by the company to reduce the rental value, and it resulted in a debit balance in favor of the company with the tax authority and this balance consumed on August 2020.

• The company has submitted the tax return and paid the due tax for the FY 2019/2020 on November 2020

• Regarding the years from 1994/1995 till 1998/1999 the judgment of appeal was issued for the company at 15/3/2009 and the claim was issued by the tax authority based on the appeal ruling and the due taxes have been paid

- Egypt Capital Holding company tax status:

- Corporate income Tax:

• Years from 2010/2014

The company appeal for the tax examination, the file was transferred to the specialized internal committees, and the legal affairs sector was assigned to take all measures towards filling a lawsuit and indeed a lawsuit number 35756 was filed and the due taxes have been paid.

- salaries tax

• Years from 2010/2014

Tax examination was done and pay any tax due.

• Years from 2015/2017

Tax examination in progress.

- Stamp tax

• Years from 2010/2017

Tax examination was done and pay the tax due.

- Withholding tax

Form no. 41 was submitted regularly, and the due tax was paid, knowing that the last date of paying was 10/2021 and we were not notified of any notification by the tax authority.

- Egyptian Tourism Development Company tax status:

- Corporate income Tax

• 1999/2003 years

Tax examination was done and pay the tax due.

• 2004

Tax examination was done and the file transferred to appeal committees, no date has been set yet.

• 2005/2009 years

The company was not included in the examination sample for the 2005/2009 years and the tax returns were approved in accordance to the law number 91 for 2005

• 2010/2014

Examination was done and the file transferred to internal committees, no date has been set yet

• 2015

The company received a 9-tax form, where the estimated tax on the company amounted to 889.2 thousand pounds, and the appeal was submitted on March 21, 2021, and a session has not been set to date.

• 2015/2020

The company submitted the annual tax return on a regular basis for the years 2015/2020 according to law number 91, 2005 and its executive regulations

- salaries tax

• From the beginning of the activity till 2012

The examination and differences due were settled during that period

• Years from 2013/2017

The company was notified for examination request and the examination requirements have been prepared, the examination is in progress and company has not been notified of the results yet.

- Stamp tax

• From the beginning of activity until 31 December 2013

Examination was done and the differences were paid during that period and the company didn't notify any claims from January 2014

- Al-Masri company for real estate investments tax status:

- The company submitted tax return in a regular basis according to law number 91 2005, and it hasn't been examined from the beginning of the activity

- The company has been examined (estimated) for the period from 2013/2014 and the tax amount is EGP 582 thousand, and the company paid with the declaration 377 thousand EGP, as well as the 2015/2016 has been examined (estimated). The actual examination was requested and awaiting it.

- A claim was received to the company on 11/4/2021 for (estimated) examination of the company for the year 2015 and the tax amount is EGP 5,785,506, and the appeal was submitted within the legal deadlines.

- salaries tax

The salaries tax hasn't been examined from the beginning of the activity

- Stamp tax

A claim was received to the company on 11/5/2021 for the company's for (estimated) examination for the period from 2012 to 2019 with the amount of 820 thousand pounds, and the appeal was submitted within the legal deadlines.

- A BETA for real estate investment tax status :

The company submitted tax return in a regular basis according to law number 91 2005, and it hasn't been examined from the beginning of the activity

The company asked the Tax Office to examine the company and didnt wait for any (estimated)

examination. Indeed, the actual examination took place until 2018 and is awaiting the result of the examination.

- salaries tax

A claim was received to the company on 25/2/2021 for the company's estimation (estimated examination) for the period from 26/09/2013 to 31/12/2016, amounting to 240 thousand Egyptian pounds.

The appeal was submitted on 4/3/2021 (on the legal dates) and the actual examination was requested, and all the requested documents were submitted for that.

- Stamp tax

A claim was received to the company on 14/03/2021 for the company's estimated examination for the period from 26/09/2013 to 31/12/2019, amounting to 1.4 million Egyptian pounds.

The appeal was submitted on 24/03/2021 (on the legal dates) and the actual examination was requested, and all the requested documents were submitted for that.

- Egypt Capital for real estate investments tax status:

The company submitted tax return in a regular basis according to law number 91 2005 and the last one submitted on 30 June 2020, and it hasn't been examined from the beginning of the activity.

The company received Form 19 from the Tax Authority amounted to 63 million for the years 2013-2014. The company appealed that form on the legal dates, and the company is being re-examined for those years

The company received Form 31 to prepare the company's examination for the years 2015 to 2017

The company received form 19 for the year 2015 and the company appealed that form on the legal dates.

- salaries tax

The tax authority was examined (estimated) tax for the years 2012 to 2019, and the company appealed that form on the legal dates and the examination is in progress.

- Stamp tax

- The tax authority was examined (estimated) tax for the years 2012 to 2019, and the company appealed that form on the legal dates.

- Withholding tax

Form no. 41 was submitted regularly, and the due tax was paid, moreover we were not notified of any notification by the tax authority

- Beta Financial Holding's tax status:

The company submitted tax return in a regular basis according to law number 91 2005, and it hasn't been examined from the beginning of the activity

- salaries tax

A claim was received to the company on 8/2020 for the company's estimated examination for the period from 1/1/2013 to 31/12/2018 in the amount of 395 thousand pounds.

The appeal was submitted on 05/08/2020 (on the legal dates) and the actual examination was requested, and all the necessary documents were submitted for that.

- Stamp tax

The stamp tax hasn't been examined from the beginning of the activity

- The International Holding Company for Development and Financial Investments tax status:

The company submitted tax return in a regular basis according to law number 91 2005, and it hasn't been examined from the beginning of the activity

The company was examined (estimated) for the years 2013 and 2017, and no official letter was received regarding this, and the actual examination is being requested for these years.

- salaries tax

The company was examined (estimated) for the period from 1/1/2012 to 31/12/2018 and a tax estimate of 1.9 million pounds, and the company did not receive any official letter regarding this.

The actual examination of the company is being requested.

- Stamp tax

The stamp tax hasn't been examined from the beginning of the activity

- The tourism investment company in Sahl Hashish tax status:

- Corporate income Tax:

The company enjoys a tax exemption for hotel activity until 31 December 2011

- The beginning of the activity until 31 December 2008.

Tax examination was done and the differences were paid.

• 2009

The company file was examined and notified about tax differences also got appealed on legal dates

• 2010-2018

Examination was done and waiting for the result

- salaries tax

The beginning of the activity until 31 December 2016

Tax examination was done and the differences were paid.

• 2017-2020

The company examined and the result and the appeal was submitted on the legal dates

- Stamp tax

The beginning of the activity until 2020

Tax examination was done and the differences were paid.

37)Mutual Funds

A. Export Development Bank of Egypt first mutual fund (The Expert fund).

The fund is one of the authorized banking activities under the capital market law No. 95 for the year 1992 and its executive regulations, HC for securities and investment is managing this fund, the fund certificates reached 1million certificate at foundation worth of L.E.100 million, out of these, 50 thousand of the certificates were allocated to the bank to undertake the funds' activity (with EGP 100 nominal value).

The number of the outstanding certificates on the date of balance sheet was 100,250 certificates as the number of owned certificates by the bank reached 79191certificates. The redemption value per certificate as of Dec 31,2021 amounted to EGP 135,72 and according to the funds' management contract and its prospectus, the bank shall obtain fee and commission for supervision on the fund and other managerial services rendered by the bank, total commissions as at Dec 31,2021 amounted to EGP 84,2 thousands presented under the item of "fees and commission income/ other fees" in the income statement.

B. Export Development Bank of Egypt Fund -The Second - The Monetary:

The fund is one of the authorized banking activities under the capital market law No. 95 for the year 1992 and its executive regulations, Azimut for funds and securities portfolios management is managing this fund, the fund certificates Reached 2,867,466 certificates at foundation worth of EGP 286,746,600 out of these 143,400 of the certificates were allocated to the bank to undertake the funds' activity (with L.E. 100 nominal value). The number of the outstanding certificates on the date of balance sheet was 1,690,775 as the number of owned certificates by the bank reached 39,440 certificates. The redemption value per certificate as of Dec 31,2021 amounted to EGP 435.4267 total commissions amounted to EGP 3,836 thousands as at Dec 31,2021 Presented under the item of "fees and commission income/other fees" in the income statement.

C. Export Development Bank of Egypt Fund - The Third - Fixed Income Instruments:

The fund is one of the authorized banking activities under the capital market law No. 95 for the year 1992 and its executive regulations; Prime Investments Asset Management is managing this fund, the fund certificates Reached 612,501 certificates at foundation worth of EGP 61,250,100

out of these 50,000 of the certificates were allocated to the bank to undertake the funds' activity (with L.E. 100 nominal value). The number of the outstanding certificates at the date of balance sheet was 52,181 certificates as the number of owned certificates by the bank reached 50,000 certificates. The redemption value per certificate as of Dec 31,2021 amounted to EGP 185,3929 total commissions amounted to EGP 64,1 thousands as of Dec 31,2021 Presented under the item of "fees and commission income/other fees" caption in the income statement.

38) Comparative figures

- Some comparative figures have been reclassified to conform to the current year's financial presentation.
- In light of the change of the bank's financial year to start with the Gregorian year and end with its end in order to comply with the new Central Bank law, the Consolidated income statement and the related clarifications were presented, as well as the Consolidated comprehensive income statement and the Consolidated cash flow statement for a period of eighteen months from July 1, 2020 to December 31, 2021 compared to For the fiscal year (twelve months) from July 1, 2019 to June 30, 2020, the comparative figures for the financial statements are not comparable at all.

39) Important events

- On 15 September 2020, the central bank of Egypt and banking system law No. 194 of 2020 was issued, which repeal the central bank and banking system law issued No.88 of 2003, And this law applies to the most important destinations which are the central bank and the Egyptian banking system.

the concerned are bound by the provisions of the law to adjust their positions in accordance with the provisions and that with a period not exceeding one year from the date of its implementation

the board of directors of the central bank may extend this period for a period or for other periods exceed 2 years.

The bank is going to study the law articles and executive regulations when they are issued and taking necessary actions in light of that study.

- Corona virus pandemic has spread (covid-19 new epidemic) throw the different geographical regions all around the world , which caused a disturbing in the commercial activities & economic,which leaded to uncertainty in the local and global economic environment , Also the financial, monetary, local & global authorities all have announced about the different supporting measures all around the world to face the potential negative effects.

- The bank is closely monitoring the situation as the bank management studied the financial and economic effects that are caused by the corona epidemic, starting from analyzing the expected effects at the macroeconomic level, identifying the negatively affected sectors and its neutrality affect besides its impact on the financial position of the bank and the results of the work.

- And the bank has done during the first quarter of the current fiscal year, the bank reviewed the Banks's customer classification forms for calculating expected credit losses, with verification of the validity of the methodology used, depending on the determinants in the assessment such as country risk, industry, liquidity, activity and any other variables that may be affected in a way direct calculation of expected credit losses.

- Within the framework of bank's efforts with the new central bank law, the approval of the regulatory authorities has been issued to change the financial year begins on January and ends on December 31

40) sub Sequent events:

• The General Assembly, in its session held on February 6, 2022, agreed to increase the paid-in capital by 2 billion Egyptian pounds.