National Bank of Egypt
(S.A.E)
The Separate Financial Statements
And The Limited Review Report
For the financial period ended
30 June 2022

(The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)

Content		Page

Translation of the report
Originally issued in Arabic

Ehab Morad Azer
Allied for Accounting and Auditing - EY

Sameh Samy Mohamed Kamal
Accountability State Authority

Limited Review Report for the separate interim financial statement
For the period ended June 30, 2022

To the Board of Directors of National Bank of Egypt
(S.A.E)

Introduction

We have performed a limited review for the accompanying separate interim financial position of National Bank of Egypt (S.A.E) as of 30 June 2022 which comprises of the separate statement of income, separate comprehensive income, separate changes in equity and separate cash flows for the six-months ended at that date and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with the basis of recognition and measurement in accordance with the Central Bank of Egypt's rules issued on 16 December, 2008 as amended by the regulations issued on 26 February 2019 and the prevailing Egyptian laws. Our responsibility is to express a conclusion on these separate interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the separate financial position of the Bank as of 30 June 2022, and its separate financial performance and its separate cash flows for the six-months ended at that date, in accordance with the Central Bank of Egypt's rules issued on December 16, 2008 as amended by the regulations issued on 26 February 2019 and the prevailing Egyptian laws.

Emphasis of matter

Without qualifying our opinion, we draw attention to note (2) of the accompanying notes to the separate interim financial statements, whereas the General Assembly decided on 13 October 2020 to approve the amendment of the Bank's Articles of Association to start the Bank's financial year from the first of January and end at the end of December of each year, starting from 1 January 2022, while considering that the extended period of eighteen months starting from 1 July 2020 till 31 December 2021 as a transitional period , in order to comply with the provisions of the Law of the Central Bank of Egypt and the Banking System No. 194 of 2020, taking into account the transitional period in accordance with the provisions of the Law. Accordingly, the separate profit or loss statement and the related disclosure, as well as the separate comprehensive income statement , the separate cash flow statement and separate changes in equity, were presented for a period of six months from 1 January 2022 to 30 June 2022 compared to the fiscal year (twelve months) from 1 July 2020 to 30 June 2021, and accordingly the comparative figures disclosed in the financial statements are entirely not comparable.

Cairo on: November 20,2022

Allied For Accounting & Auditing
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Cairo Festival City (CFC) Podium 1 - Building No. P4

Ehab Morad Azer
Allied for Accounting and Auditing - EY

Auditors

Sameh Samy

Sameh Samy Mohamed Kamal
Accountability State Authority

NATIONAL BANK OF EGYPT البنك الأهلي المصري

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National Bank of Egypt

Separate Statement of Financial Position as at 30 June 2022

All Figures are in EGP Millions

	Note No.	30-Jun 2022	31-Dec 2021
Assets			
Cash and balances with Central Banks	(15)	99,367	71,176
Due from banks, net	(16)	366,347	530,889
Financial investments at fair value through profit/loss	(17)	1,681	1,440
Loans and advances to banks, net	(18)	2,657	2,723
Loans and advances to customers, net	(19)	1,338,852	1,127,422
Financial derivatives	(20)	1,537	1,056
Financial investments			
Financial investments at fair value through other comprehensive income	(21)	415,341	614,822
Financial investments at amortized cost	(22)	1,167,160	738,691
Investments in subsidiaries and associates	(23)	8,872	8,444
Fixed assets, net (after accumulated depreciation)	(24)	8,618	8,467
Investment property	(25)	1	1
Other assets	(26)	247,251	128,632
Total assets		**3,657,684**	**3,233,763**
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(27)	218,141	342,817
Repurchase agreements-treasury bills		21,505	21,404
Customers' deposits	(28)	2,760,811	2,386,450
Financial derivatives	(20)	88	24
Other loans	(29)	268,946	230,501
Other liabilities	(30)	161,324	52,214
Other provisions	(31)	15,969	13,410
Pension benefits' liabilities	(32)	4,971	4,775
Total liabilities		**3,451,755**	**3,051,595**
Shareholders' equity			
Paid-up capital	(33)	50,000	50,000
Reserves	(34)	24,143	23,942
CBE subordinate-loan differences between nominal and present value		81,807	66,167
Fair value reserves for investments through other comprehensive income		3,837	10,727
Net profit for the period		14,103	29,698
Retained earnings		32,039	1,634
Total shareholders' equity		**205,929**	**182,168**
Total liabilities and shareholders' equity		**3,657,684**	**3,233,763**
Contingent liabilities and commitments			
Letters of Credit, Guarantee and other commitments	(35)	272,388	231,263

-The attached notes from page (10) to page (60) are an integral part of these separate financial statements.

Wael Abou Ali

Chief Financial Officer
Wael Abou-Ali

Deputy Chairman
Dalia El Baz

Deputy Chairman
Yehia Abu El Fotuh

Chairman
Hisham Ahmed Okasha

Auditors

Allied For Accounting & Auditing
A Member of Ernst & Young Global
Cairo Festival City (CFC) Podium 1 - Building No. P4

Mr. Ehab Morad Azeb
(Allied For Accounting & Auditing)
EY

Sameh Samy

Mr. Sameh Samy Mohamed Kamal
(Accountability State Authority)

البنك الأهلي المصري
NATIONAL BANK OF EGYPT

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(The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)

Separate Income Statement (Profit / Loss) for the financial period ended 30 June 2022

All Figures are in EGP Millions

	Note No.	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Interest income on loans and similar income		156,566	214,981	80,969	59,002
Interest expense on deposits and similar expense		(110,683)	(163,040)	(64,641)	(43,499)
Net interest income	(6)	**45,883**	**51,941**	**16,328**	**15,503**
Fees and commissions income		5,356	8,126	3,234	2,207
Fees and commissions expense		(212)	(716)	(39)	(288)
Net fees and commissions income	(7)	**5,144**	**7,410**	**3,195**	**1,919**
Dividends income	(8)	834	642	562	160
Net trading income	(9)	247	3,938	716	781
Profits / (losses) from financial investments	(22.2)	468	(1,308)	177	59
Charge of expected credit losses	(10)	(8,885)	(223)	(2,472)	(1,033)
Administrative expenses	(11)	(18,784)	(25,289)	(8,035)	(6,586)
Other operating income	(12)	5,371	665	467	468
Profit before income tax		**30,278**	**37,776**	**10,938**	**11,271**
Income tax expenses	(13)	(16,175)	(22,773)	(8,490)	(5,841)
Net profit for the financial period		**14,103**	**15,003**	**2,448**	**5,430**
Basic earnings per share/ Diluted EGP	(14)	**0.24**	**0.21**	**0.03**	**0.09**

-The attached notes from page (10) to page (60) are an integral part of these separate financial statements.

Chief Financial Officer	Deputy Chairman	Deputy Chairman	Chairman
Wael Abou-Ali	Dalia El Baz	Yehia Abu El Fotuh	Hisham Ahmed Okasha

National Bank of Egypt **(The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)**

Separate Statement of Other Comperhinsive Income for the financial period ended 30 June 2022

All Figures are in EGP Millions

	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Net profit for the financial period after tax	**14,103**	**15,003**	**2,448**	**5,430**
Items that may not be recycled to Profit / Loss:-				
Net change in fair value of equity instruments	(3,117)	(761)	(1,177)	(596)
Items that may be recycled to Profit / Loss:-				
Net change in fair value of debt instruments	(4,001)	(807)	(2,304)	439
Net change in ECL of debt instruments	228	-	228	-
Net change in cash flow hedge reserve	-	(66)	-	(51)
	(6,890)	**(1,634)**	**(3,253)**	**(208)**
Total comprehensive income for the period	**7,213**	**13,369**	**(805)**	**5,222**

-The attached notes from page (10) to page (60) are an integral part of these separate financial statements.

National Bank of Egypt (The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)

Separate Statement of Cash Flows for the period ended 30 June 2022

All Figures are in EGP Millions

	Note No.	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021
Cash flows from operating activities			
Net profit for the financial period before tax		**30,278**	**37,776**
Adjustments to reconcile net profit to cash flows from operating activities:			
Fixed assets depreciation	(24)	831	1,448
Pension benefits' liabilities	(32)	321	791
Amortization of financial investments at FVOCI (Bonds and equity instruments)		28	(24,553)
Profits / (losses) from financial investments at fair value through OCI		(167)	(55)
Reversal / charge of expected credit losses-Financial investments at fair value through OCI		(146)	253
Foreign currencies valuation differences (+/-)- Financial investments		(46,992)	767
Amortization of financial investments at amortized cost		(14,240)	(477)
Charge / reversal of expected credit losses- investments at amortized cost		118	(9)
Charge of expected credit losses charge-Customers' loans		9,233	442
Charge / reversal of charge of expected credit losses-banks' loans		2	(31)
Charge / reversal of expected credit losses-Due from banks		138	(8)
Charge of expected credit losses - other provisions		2,559	219
Foreign currency translation differences for overseas branches		201	(30)
Foreign currencies valuation differences for expected credit losses charged to customers' loans		834	(132)
Foreign currencies valuation differences for expected credit losses charged to banks' loans		(2)	-
Foreign currencies valuation differences for other provisions		249	(9)
Taxes paid		(6,713)	(17,461)
Impairment losses on subsidiaries and associate companies	(23)	-	1,699
Gain on sale of fixed assets		(20)	(107)
Operating (losses) / profits before changes in assets and liabilities (used in) operating activities		**(23,488)**	**524**
Net decrease (increase) in assets			
Obligatory reserve balances with Central Banks		(22,154)	(22,051)
Due from banks		(26,844)	39,060
Financial investment at fair value through other comprehensive income (Treasury bills with maturity more than three months)		(93,348)	110,653
Financial investment at fair value through profit/loss		(241)	(130)
Loans and advances to banks		66	69
Loans and advances to customers		(221,178)	(357,745)
Financial derivatives, net		(417)	(512)
Other assets		(118,939)	(51,160)
Net increase (decrease) in liabilities			
Due to banks		(124,677)	55,397
Pension benefits' liabilities		(125)	(217)
Customers' deposits		374,361	506,356
Other liabilities		99,648	5,711
Other provision		(249)	(40)
Net cash flows (used in) / from operating activities		**(157,585)**	**285,916**

National Bank of Egypt (The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)

Separate Statement of Cash Flows for the period ended 30 June 2022

All Figures are in EGP Millions

	Note No.	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021
Net cash flows (used in) / from operating activities		**(157,585)**	**285,916**
Cash flows from Investing activities			
Payments to acquire fixed assets and fixtures of branches	(24)	(984)	(1,217)
Payments to acquire financial investment at amortized cost	(22/1)	(84,450)	(115,911)
Proceeds from sale of financial investment at amortized cost	(22/1)	21,557	25,200
Payments to acquire investment at fair value through other comprehensive income	(21/5)	(6,821)	(127,751)
Proceeds from sale of investment at fair value through other comprehensive income	(21/5)	25,117	57,089
Payments for acquisition of subsidiaries and associates companies	(23)	(428)	(2,324)
Proceeds form sale of subsidiaries and associates companies	(23)	-	185
Proceeds from sale of fixed assets		22	110
Net cash flows (used in) investing activities		**(45,987)**	**(164,620)**
Cash flows from Financing activities			
Other loans	(29)	54,085	23,836
Repurchase agreements-treasury bills		101	(473)
Dividends' paid		-	(5,603)
Net cash flows from financing activities		**54,186**	**17,760**
Net (decrease) / increase in cash and cash equivalents during the period		(149,386)	139,056
Cash and cash equivalent at the beginning of the period		527,944	294,909
Cash and cash equivalent at the end of the period		**378,558**	**433,965**
Cash and cash equivalents represented in the following-			
Cash and balances with Central Banks	(15)	99,367	70,407
Due from banks	(16)	366,347	395,335
Financial investment at fair value through other comprehensive income (Treasury bills)	(21)	392,238	298,702
Obligatory reserve balances with Central Banks		(75,670)	(53,052)
Due from banks with maturity more than three months		(48,289)	(19,258)
Financial investment at fair value through other comprehensive income (Treasury bills with maturity more than three months)		(355,435)	(258,169)
Total cash and cash equivalent		**378,558**	**433,965**

-The attached notes from page (10) to page (60) are an integral part of these separate financial statements.

National Bank of Egypt
Separate statement of changes in shareholders' equity for the period ended 30 June 2022

(The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)
All Figures are in EGP Millions

	Paid-up capital	Legal reserve	General reserve	Capital reserve	Supportive reserve	Special reserve	General banking risks reserve	General risk reserve	Difference between the nominal and present value *	Fair value reserve**	Cash flow hedge reserve	Foreign currency translation differences for overseas branches	Net profit of the financial period	Retained earnings	Total
Beginning balance as at 01 Jul,2020	**50,000**	**7,927**	**2,400**	**60**	**-**	**107**	**1,275**	**3,793**	**36,084**	**6,213**	**66**	**350**	**13,067**	**723**	**122,065**
Net profit of the year ended 30 Jun,2020, transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	(13,067)	13,067	-
Transferred to reserves	-	1,302	1,149	51	-	-	221	-	-	-	-	-	-	(2,723)	-
Transferred to supportive reserve- Shareholders dividends	-	-	-	-	5,334	-	-	-	-	-	-	-	-	(5,334)	-
Shareholders' dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,430)	**(1,430)**
Employees' dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,173)	**(4,173)**
Transferred to the Banking system Support and Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	(130)	**(130)**
Difference between the nominal and present value	-	-	-	-	-	-	-	-	(1,294)	-	-	-	-	-	**(1,294)**
Net changed in other comprehensive income items'	-	-	-	-	-	-	-	-	-	(1,568)	-	-	-	-	**(1,568)**
Net changes in cash flow hedge reserve	-	-	-	-	-	-	-	-	-	-	(66)	-	-	-	**(66)**
Foreign currency translation differences for overseas branches	-	-	-	-	-	-	-	-	-	-	-	(30)	-	-	**(30)**
Net profit of the year	-	-	-	-	-	-	-	-	-	-	-	-	15,003	-	**15,003**
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	656	**656**
Ending balance as at 30 June,2021	**50,000**	**9,229**	**3,549**	**111**	**5,334**	**107**	**1,496**	**3,793**	**34,790**	**4,645**	**-**	**320**	**15,003**	**656**	**129,033**
Beginning balance as at 01 Jan,2022	**50,000**	**9,229**	**3,549**	**111**	**5,334**	**107**	**1,496**	**3,793**	**66,167**	**10,727**	**-**	**323**	**-**	**31,332**	**182,168**
Difference between the nominal and present value	-	-	-	-	-	-	-	-	15,640	-	-	-	-	-	**15,640**
Net changed in other comprehensive income items'	-	-	-	-	-	-	-	-	-	(6,890)	-	-	-	-	**(6,890)**
Foreign currency translation differences for overseas branches	-	-	-	-	-	-	-	-	-	-	-	201	-	-	**201**
Net profit for the financial period	-	-	-	-	-	-	-	-	-	-	-	-	14,103	-	**14,103**
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	707	**707**
Ending balance as at 30 Jun,2022	**50,000**	**9,229**	**3,549**	**111**	**5,334**	**107**	**1,496**	**3,793**	**81,807**	**3,837**	**-**	**524**	**14,103**	**32,039**	**205,929**

* For Central Bank of Egypt subordinated loans
**For Financial investment through other comprehensive income

-The attached notes from page (10) to page (60) are an integral part of these separate financial statements.

1. General

National Bank of Egypt (S.A.E) was established as a commercial bank on 25/6/1898 and operates in conformity in accorance with the central bank of Egypt and banking sector Law No.194 for 2020 in Arab Republic of Egypt, and the head office is located in Cairo.

National Bank of Egypt (S.A.E) provides retail, corporate and investment banking services in Arab Republic of Egypt through its head office in Cairo and (613) branches, domestic financial units, representative offices in Johannesburg (South Africa), Dubai (United Arab of Emirates) and Addis Ababa (Ethiopia) and through branches in New York (United States), Shanghai (China). The bank has (24825) employees at June 30, 2022.

2-Presentation of the separate financial statements

On October 13, 2020, the General Assembly had approved the amendment of Article (25) of the Bank's Articles of Association to start the financial year from the first of January and end on the end of December of each year, starting from January 1,2022.
The separate income statement (profit or loss) and the related disclosures, as well as the separate comprehensive income statement and the separate cash flow statement, were presented for a period of six months' period starting from 1st Jan 2022 to 30th June 2022, compared to the financial period (twelve months) started from 1st July 2020 to 30th June 2021, consequently comparative figures presented in the financial statements are entirely incomparable.

3. Summary of significant accounting policies

3.1- Basis of preparation of the separate financial statements

These separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

Accordingly, management amended the accounting policies to comply with the adoption of mentioned instructions, the following disclosure describes the changes in accounting policies:
The Bank initially applied IFRS 9 "Financial Instruments" issued on July 2014 starting from July 01, 2019. The standard requirement substantially differ from the previously applied standard in the classification , measurement and disclosers of some financial assets and liabilities.

Classification of financial assets and financial liabilities:

At initial recognition, financial assets have been classified and measured according to amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

- The financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics.
- The financial assets are measured at amortized cost if it is not measured at fair value through the profit or loss and if the following two conditions met:
  a) The management's intention is to maintain the asset in the business model to collect contractual cash flows and;
  b) The contractual conditions of the financial assets will build cash flows in certain dates which are limited only on payment of principal and interest (SPPI).
- The Bank may choose without recourse to measure equity investments which are not classified as a trading investment at fair value through other comprehensive income at initial recognition. This choice will be made per each investment.
- All other financial assets will be classified at fair value through profit or loss

In addition to that, the bank may choose without recourse a financial asset to be measured at amortized cost or fair value through other comprehensive income to be measured at fair value through the profit or loss in the initial recognition, and in such a case that this reclassification will lead to prevent an accounting mismatch.

3.1.1-Business model assessment:

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

a) The stated policies and objectives for the portfolio and the operation of those policies in practice, especially to know whether these management policies concentrate to gain the contractual interest or reconcile financial assets period with financial liabilities period which finance these assets or target cash flow from selling the assets;
b) How the performance of the portfolio is evaluated and reported to the Bank's management;
c) The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed;

The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. Meanwhile the bank did not rely only on information related to sales activity separately, but taking into consideration overall assessment on how achieving the goal that was announced by the bank to manage financial assets and how to achieve cash flow.

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

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

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

3.1.2 Impairment of financial assets

According to Central Bank of Egypt (CBE) instructions dated February 26, 2019 to implement IFRS 9 is to replace the "impairment loss model recognized" according to previous instructions dated December 16, 2008 with expected credit loss (ECL).

Expected credit loss is applied on all financial assets in addition to some financial guarantees and loan commitments.
According to IFRS 9, a credit loss will be recognized much earlier than the current impairment loss model stated in the Central Bank of Egypt (CBE) instructions dated December 16, 2008.
The Bank apply three stages to measure expected credit loss on financial assets that are recognized at amortized cost and debt instruments that are recognized at fair value through other comprehensive income. The financial assets can transfer between three stages according to changes in credit quality since initial recognition.

Stage 12 months Expected Credit Loss:

Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, an expected credit loss is recognized over 12 months, and the interest is calculated on the gross carrying amount of the asset (without deducting ECL provision), ECL for 12 months is the expected credit loss resulted from expected default within 12 months from the reporting date.

Stage 2: Lifetime Expected Credit Loss - not credit impaired:

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

Stage 3: Lifetime Expected Credit Loss - credit impaired

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, the lifetime expected credit loss are recognized, and the interest is marginalized in this stage.

According to CBE regulation issued on February 26, 2019, IFRS 9 had been applied starting from July 01, 2019, the bank had recognized the implementation impact according to the said instructions, special reserve (credit), general banking reserve and IFRS 9 risk reserve are merged together under general risk reserve amounting to 3793 million at 30 Jun 2022

3.2 Accounting for Investments in subsidiaries and associates

Investments in subsidiaries and associates are presented in the attached separate financial statements based on the cost method, which represents the bank's direct share of ownership, and not based on the investee's companies net operating and net assets value.

3.2.1 - Investments in subsidiaries

Subsidiaries are entities (including Special Purposes Entities / SPEs) which the bank exercises direct or indirect control over its financial and operating policies in order to get benefits from its activities and usually have an ownership share of more than half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing why ether the bank has the control over its investees.

3.2.2 Investments in associates

Associates are entities over which the bank exercises significant influence directly or indirectly, but without exercising control or joint control, where the bank holds 20% to 50% of voting rights in the associate.
The purchase method is used to account for the bank's purchases of subsidiaries and associates when they are initially recognized; the acquisition date is the date on which the acquirer obtains control or significant influence of acquire “subsidiary or associate”. According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.
In business combination achieved in stages, and business combination achieved through more than one transaction, is then dealing with every transaction of such transactions that separately on the basis of the acquisition consideration and fair value information at the date of each transition until the date where the control is achieved.
The investments in subsidiaries and associates are subsequently accounted for using the cost method on the separate financial statements. According to the cost method; investments are recognized at acquisition cost less any impairment losses in value, if any. Dividends are recognized as revenue in the separate income statement when declared and the bank ha a right to collect them.

3.3- Foreign currency translation
3.3.1 Functional and presentation currency

The separate financial statements of the bank are presented in the Egyptian pound which is the bank’ s functional and presentation currency.

3.3.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pounds. Transactions in foreign currencies during the period are translated into the Egyptian pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re- translated using the exchange rate at end of reporting period. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following items:-

- Net trading income from held for trading assets and liabilities.
- Other operating revenues (expenses) from the remaining assets and liabilities.
- Investments in equity instrument recognized at fair value through other comprehensive income in equity.
- Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as fair value through other comprehensive income assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement in "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the "Fair value reserve" in Other Comprehensive Income.
- Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as fair value through other comprehensive income are recognized directly in equity in the "Fair value revaluation reserve" in Other Comprehensive Income.

3.4- Financial assets

3.4.1 Financial Policies:

The Bank classifies its financial assets into the following categories Financial assets classified at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification generally based on the business model, in which the financial assets are managed, and its contractual cash flows.

USD Million 187

3.4.1.1 - Financial assets classified at amortized cost

The financial asset is held within a business model, which objective is to collect contractual cash flows.

The objective of that model is to collect a contractual cash flows which include both principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in the following:-

- A credit deterioration for the issuer of financial instrument.
- Lowest sales in terms of rotation and value.
- A clear and reliable documentation process for the justification of each sale transaction and its conformity with the requirements of the standard.

3.4.1.2- Financial assets classified as fair value through other comprehensive income

- The financial asset is held within a business model, which objective is to collect contractual cash flows and sale.
- The objective of the model is achieved by both collecting contractual cash flows and sale.
- Comparing to the business model which objective is to held contractual cash flows, sales are higher in turnover and value.

3.4.1.3- Financial assets classified as fair value through profit/ loss

- The financial asset is held within the other business models, including trading, asset management under fair value, maximizing contractual cash flows through selling transactions.
- The objective of the business model is neither to held contractual cash flows nor to held contractual cash flows and sale.
- Collecting contractual cash flows is an incidental event for the objective of the model.

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs.
- Represents a complete framework for a specific activity (inputs - activities - outputs).
- One business model can includes sub-business models.

3.5-Offsetting between financial instruments

A financial assets and a financial liabilities should only be offset when an entity has a legally enforceable right to set off and intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.6- Financial derivatives and hedge accounting

Derivatives are initially recognized at fair value on the commitment date and are subsequently measured at fair value. Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow models and options pricing models, as appropriate. Derivatives are recognized as an assets when their fair value is a positive, or as a liabilities when their fair value is a negative.

Embedded derivatives, such as the conversion option in a convertible bonds, 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 at fair value through profit or loss. These embedded derivatives are measured at fair value, changes in fair value are recognized in the income statement under "Net trading income", embodied derivative are not separated from the hybrid contract if the bank decided to classify the whole hybrid contract at fair value through profit or loss.

The recognition treatment in profit or loss, arising from changes in derivatives fair value, depends on whether the derivative designated as a hedging instrument and the nature of the hedged item. The bank then designates certain derivatives as follows:

- Fair value hedge, hedge of the exposure to changes in fair value of a recognized asset or liability, or an unrecognized firm commitment.
- Cash flow hedge is attributable to a particular risk associated with all, or a component of a recognized asset or a liability or a highly probable forecast transaction.

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met, at the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item.

3.6.1- Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedge are recognized immediately in the profit or loss, 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 forward exchange contracts and the changes in the fair value of the hedged item are recognized in "Net trading income" Additionally, any ineffective portion is recognized in "Net trading income".

3.6.2- Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and qualify for cash flow hedge is recognized in equity while changes in fair value relating to the ineffective portion is recognized immediately in the income statement under "Net trading income".
Amounts accumulated in equity are transferred to income statement (profit/loss) 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 matured or sold, or if the hedge is no longer qualify for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and are only 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 the income statement (profit /loss).

3.6.3- Non qualifying derivatives for hedge accounting

Where a derivative instrument does not qualify for hedge accounting, changes in fair value of that derivative are recognized in the income statement under "Net trading income"
Net income from the changes in the financial instruments designated at inception with fair value through profit or loss are recognized in the income statement under gains or losses arising from changes in fair value of derivatives that are managed in conjunction with financial assets or financial liabilities, designated upon initial recognition at fair value through profit or loss.

3.7- Interest income and expense

"Interest income on loans and similar income" or "Interest expense on deposits and similar expense" are recognized in the income statement under "Net interest income" using the effective interest rate method for all financial instruments.
The effective interest rate is a method of calculating The amortized cost of a debt instrument whether a financial asset or a financial liability and of allocating its 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 debt instrument or, when appropriate, a shorter period to The net carrying amount of The financial asset or financial liability on initial recognition. when calculating The effective interest rate, The bank estimates The future 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.
Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt.
Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off-balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis s as follows:

- For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.
- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments, provided these installments continue to be paid regularly for at least one year. If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues (interest on rescheduling performing loans) . except for Interest that is marginalized prior to the date when the loan becomes performing, which is not recognized in the profit or loss provided that the total balance of loan, prior to that date, is paid in full.

3.8 Fees and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue when the service is provided. Fees and commissions on non-performing or impaired loans or advances cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue on a cash basis.

Commitment fees and related direct costs for loans where draw down is probable are deferred, and is regarded as a compensation for the ongoing involvement with the acquisition of the financial instrument, thereafter recognized as an adjustment to the loan effective interest rate. If the commitment expires without the bank granting the loan, the fees are recognized as revenue on the maturity date.

Loan syndication fees received by the bank are recognized as revenue when the syndication has been completed, if only the bank arranges the 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).

Commission and fee arising from negotiating or participating in the negotiation of third party transaction, such as the arrangement of the acquisition of shares or other financial instrument and the purchase or sale of properties, are recognized in the income statement (profit/loss) upon completion of the underlying transaction.

Other management advisory and service fees are recognized based on a relative time –basis throughout the service performing term. Financial planning and custody services fees that are provided on long term are recognized over the year in which the service is provided.

3.9- Dividend Income

Dividends are recognized in the income statement for the bank's equity investments when the right to collect it is declared

3.10- Repurchase agreement and resale agreement.

Financial instruments sold under repurchase agreements are not derecognized from the statement of financial position, cash proceeds are shown in liability side in the statement of financial position.

3.11 Impairment of financial assets

3.11.1- Financial Policies:

The Bank reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

- **Stage 1:** Financial assets that have not experienced a substantial increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- **Stage 2**: Financial assets that have experienced a substantial increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.
- **Stage 3**: Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows

Credit losses and impairment losses of financial instruments' value are measured as follows:

- The lowest risk financial instrument is initially recognized at stage one, credit risks are monitored by the Bank's credit risk management on a regular basis.
- If there is a significant increase in the credit risk since initial recognition, the financial instrument will be transferred to stage two, as the financial instrument is not considered impaired at this stage.
- If there are an impairment indicators for the financial instrument, it will be transferred to the stage three.
- The financial assets developed or acquired by the Bank which include a higher credit risk rate than the bank's financial assets with the lowest credit risk rate are initially recognized at stage two directly, therefore the expected credit losses are measured over the life time expected credit loss.

3.11.2-Significant increase in credit risk

The Bank considers that the financial instrument has a significant increase in the credit risk when one or more of the quantitative and qualitative criteria, as well as the factors relating to default, have been met. Such as the deterioration in creditworthiness of the debtors, or there is a significant negative changes in the debtors behavior i.e.. installment default...etc.

Transition back between stages (1,2,3):

Transition backward from stage two to stage one :

The financial asset is not backward from stage2 to the stage1, unless all the quantitative and qualitative aspects of stage1 are met, and a full payment of all arrears and interest with up to date payment for the period of three months.

Transition backward from stage three to stage two :

The financial asset is not backward from stage3 to the stage 2 including reschedule transactions unless all the following conditions have been met:

- All the quantitative and qualitative aspects of stage2 are met.
- Payment of 25% from accrued outstanding balance including accrued suspended/marginalized interest.
- Up to date payment of interest and principle for the period of 12 months at least.

Referrence to Central Bank of Egypt dated 14 December 2021.

- Customers are included in stage 3, in case of not-complying with the contractual terms and if they have a past dues equal or more than 180 continuous days (instead of 90 days according to the current instructions).
- For customers previously listed in stage 3, due to the occurrence of a past dues equal or more than 90 days, they will be upgraded to stage 2, if their past dues are less than 180 days, however thier expected credit losses remains at stage 3.
- Customers backward from stage 3 to stage 2, if all of the quantitative and qualitative aspects for stage 2 are met, and a full payment of the accrued/ marginalized interest, in addition to a regular payment for a period of 90 days.

All of the above are applied for a period of 18 months from the date of this circular

3.12- Property investments

Property investments represents lands and buildings owned by the bank in order to obtain rental revenue or capital gains. Consequently, these investments do not include properties used by the bank for its operations and activities or the assets reverted to the bank as settlement of debts. The accounting treatment used for fixed asset is the same applied for property investment.

3.13- Intangible Assets

3.13.1-Computer programs

The expenses related to upgrading or maintenance of computer programs, are to be recognized as expenses in income statement, when incurred. The expenses directly related to a specific software program and subjected to the bank's control and expected to produce economic benefits exceeding its cost for more than one year, are to be recognized as an intangible asset. The direct expenses include cost of software upgrading staff and a suitable portion of respective overhead expenses. The expenses leading to an increase or expansion of computer software performance beyond their original specifications are recognized as an upgrading cost and are added to the original software cost.
The cost of computer software recognized as an asset shall be amortized over the expected useful life, but not exceeding three years.

3.13.2-Other Intangible Assets

Other intangible assets are intangible assets other than goodwill and computer software (for instance: trademarks, license, and benefits of rental agreement).Other intangible assets are recognized at acquisition cost and amortized over its estimated useful life using straight-line method or according to expected economic benefits. Other intangible assets with indefinite useful life are not subjected to amortization; however, it will be tested for impairment annually and charged to income statement (profit / loss) if any.

3.14- Fixed Assets

Lands and buildings comprise mainly in head office, branches and offices. All fixed assets are reported at historical cost less depreciation and impairment losses. The historical cost includes the expenditures directly related to the acquisition of fixed assets items. Subsequent costs are included in the asset's carrying value or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Maintenance and repair expenses are charged to other operating expenses during the year in which they are incurred. Leasehold improvements are charged as an expense on income statement. Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:-

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

3.14- Fixed Assets (Continued)

Type of Asset	Depreciation period
Buildings and constructions	20 years
Furniture	4 years
Fittings and fixtures	10 years
Vehicles	5 years
Integrated automated systems (computers)	4 years - (3 years for software)
Locked doors and rooms	10 years

3.15- Impairment of Non-Financial Assets

Assets with indefinite useful life other than goodwill are not amortized however, it will be tested for impairment annually. Depreciable assets shall be reviewed for impairment, whenever there are events or changes in circumstances indicating that the book value may not be recoverable.

An impairment loss is recognized and the asset`s value is reduced for the amount by which the asset`s carrying amount exceeding its recoverable amount. The recoverable amount is the higher of an asset`s net selling value or the value in use. For impairment test purposes, Assets are attributed to the lowest level of cash generating unit(s) and the recognized impairment of non-financial assets is reviewed to determine reversal of impairment to income statement on each balance sheet date.

3.16-Cash and Cash Equivalents

For the purposes of the cash flows statement, cash and cash equivalents comprise balances with maturity of three months from the date of acquisition, balances with Central banks over the obligatory reserve outline, due from banks and treasury bills and other governmental notes.

3.17- Other provisions

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the date of separate financial statements are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the reporting date. An appropriate pre-tax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the date of separate financial statements, provisions are calculated based on undiscounted expected cash outflows unless the time value of money is material, in which case provisions are measured at present value.

When a provision is wholly or partially no longer required, it is reversed through the profit or loss under "Other Operating Income (Expenses)" line item.

3.18- Financial Guarantees Contracts

The financial guarantees contracts are contracts issued by the bank as a guarantee for loans or overdrafts granted by other entities to the bank’s customers, which obligate the bank to pay certain compensation to the beneficiary for the loss incurred due to a default of the debtor on maturity date aligning with the debt instrument conditions. These financial guarantees are granted to the banks, corporations, financial institutions and other entities on behalf of the bank's customers.

It is initially recognized in the financial statement at fair value which reflects the guarantee fees on the date of granting. Subsequently, the Bank’s obligation shall be measured by the initially recognized value less guarantee fees amortization, which is reported in the income statement using the higher of a straight-line method over the guarantee useful life or the best estimate of the required payment settlement of any financial obligation resulted from the financial guarantee on the balance sheet date. These estimates are mainly based on management experience with similar transactions and historical losses. Any increase in the obligations resulted from the financial guarantee, is recognized in income statement under "other operating income (expenses)".

3.19- Employee's Benefits

Employee's benefits include all financial and nonfinancial benefits provided by the bank to its employees' for their services.

3.19.1-Short-term Employee's Benefits

Short-term employees' benefits include salaries and wages, social insurance subscription fees, paid annual leave, bonus (if accrued within 12 months from the financial period ends) and non-financial benefits (as healthcare, housing utilities, transportation, free and subsided services provided to current employees).

Short-term employees' benefits are charged to the income statement as an expense for the period in which the service was provided to the bank's employees who are entitled to receive these benefits.

3.19.2-Early termination-service's Benefits

Early termination-service's benefits include accrued benefits for the employees who were early terminated aligning with the approved regulations by board of directors'. The bank recognizes the cost of such benefits at the effective date of early termination according to the optional early termination scheme in which the expenses are charged to the income statement for the period in which these benefits are accrued.

3.19.3-Pension Benefits-specific subscription scheme

3.19.3.1-Social insurance

Pension benefits represent the bank's contribution of the social insurance paid to the social insurance authority on behalf of its employees according to the Law of the Social Insurance No. (79) for the year of 1975 and its amendments. As the bank pays its contribution in the social insurance authority for each period. This contribution is charged to the income statement in salaries and wages reported in the general and administrative expenses caption for the period in which the bank's employees provide their services. The bank's obligation regarding the settlement of pension benefits is considered as a specific subscription scheme therefore no additional obligation regarding employee's pension benefits is charged on the bank expect its contribution of social insurance that is accrued for the authority by the bank on behalf of its employees'.

3.19.3.2-Special Insurance Fund

The bank pays the fund's share (the special insurance fund) from the determined annual variable wages according to the fund's articles of association which enclose on paying the annual member's subscription fees which is equal to six months of the employees shares The fund provides the determined one-installment benefit in cases of (Retirement in 60's age, Death, Early termination and Resignation) in addition to post-retirement monthly pension for ten years varied according to the employee job ranking. The bank’s obligation of payment these benefits is considered as a specific subscription scheme.

3.19.4-Other Post-Service's Benefits-Healthcare

The bank provides healthcare benefits for pensioners after service ends. .The healthcare commitment is considered as a specific subscription scheme. The recognized liability in the balance sheet regarding the pensioner’s healthcare system is measured at the present value of the determined liabilities on balance sheet’s date after deducting the fair value of the related assets and subtracting (adding) unrealized actuarial reconciliations of profits (losses) as well as the cost of the additional benefits regarding prior service terms.

An independent actuary who applies the Projected Unit Credit Method calculates the liability of the annually determined benefits system (future cash flows expected to be paid). The present value of the determined benefits system liability is measured through deducting these expected future cash flows to be paid by applying the rate of return of high quality corporate bonds or the rate of return of government bonds in the same currency to be used in payment of benefits and which have almost the same maturity period as the pension benefit liabilities regarding these benefits.

Calculated gains (losses) resulting from changes and adjustments in actuarial estimates and assumptions are to be deducted from (the losses added to) the income statement if they do not exceed 10% of the determined benefit system’s assets value or 10% of the determined benefit system’s liability whichever is higher. In case gains (losses) rise above-mentioned percentage then the increase shall be deducted (added) in the income statement. The costs of previously mentioned-service are directly recognized in the income statement within administrative expenses caption unless the amendments of the retirements’ regulations are conditional to the remaining of the employee in services for a specific period of time.

3.19.5-Other Post-Employment Benefits

The bank provides benefits for pensioners after service ends. Generally, the accrual of these benefits are conditional to, the remaining of the employees in service till the retirement age and the completion of a minimum period of service. The expected costs of these benefits are to be accrued over the employment period of time by adopting an accounting method similar to the method adopted in the specific subscription scheme.

3.20- Income Tax

The income tax on year / period performance results' includes both the current and deferred taxes. Income tax is recognized in the income statement except for income taxes relating to equity items that are recognized directly in the equity.

The income tax is recognized based on the net taxable income, using the applicable tax rate on the balance sheet date, in addition to prior years' tax adjustments.

Deferred taxes arising from the temporary time differences between the book value of assets and liabilities allied with the accounting principle and the value allied with tax principles are recognized according to the expected manner to realize or settle the value of assets and liabilities using the applicable tax rate on the date of balance sheet.

3.20- Income Tax (Continued)

The bank's deferred tax assets are recognized when there is a weighted probability of realizing a taxable net profit in the future whereby this asset can be utilized. The deferred tax assets are reduced by the estimated amount of the unrealized taxable profit in the following years. However, in case of increasing in the estimated taxable profit, the deferred tax assets will increase to the extent of previous reduction.

The Bank is subject to income taxes in several tax districts regarding overseas branches that require using a significant estimate to determine the total provision of the income taxes. There are some accounts and operations that are hard to comprehensively determine the final tax assessment.

The Bank records obligations derived from the expected results of tax inspection based on estimates of the probability of determining additional taxes. When there is a variance between the final taxes' result and the amounts previously recorded, these variances will affect the income tax and the deferred tax provision for the year in which the variance is identified.

3.21-Borrowing

The obtained loans by the bank are recognized initially at fair value net of transaction costs incurred. Loan is subsequently reported at amortized cost. Any difference between the net proceeds and the settlement value is recognized in the income statement over the borrowing' period using the effective interest rate method.

3.22- Significant accounting estimates and assumptions

The Bank uses an estimates and assumptions that affect the disclosed amounts of assets and liabilities in the following year. These estimates and assumptions are evaluated based on the historical experience and other factors including the expectations of future events that are considered reasonable under the circumstances and available information.

When scheduling future cash flows, the management uses estimates based on previous experience of asset losses with credit risk characteristics in the presence of objective evidence indicating impairment similar to that in the portfolio. The method and assumptions used to estimate both the amount and timing of future cash flows are reviewed regularly to reduce Any differences between the estimated loss and the actual loss based on experience

3.22.1- Fair value of derivatives

The fair values of derivative financial instruments not quoted in active markets, are determined using valuation methods. When these methods (such as models) are used to measure the fair values, they are tested and reviewed periodically by qualified personnel who are independent of the method's drafters. All models are verified before being used and after being tested to ensure that their results reflect actual data and prices that can be compared to the market to the extent that is considered practical. Only reliable data are used in these models; however, areas such as credit risks corresponding to the bank, counterparties, volatility or correlations require management to use estimates. Changes in estimates of these factors may affect the fair value of the financial instrument reported at the date of the reporting date.

4-Financial Risk Management:

The bank, as a result of the exercised activities, is exposed to various financial risks. Since the basis of financial activity is to accept risks; some risks or risks grouped together are analyzed, evaluated and managed altogether. The bank intends to achieve a convenient balance between the risk and the return and to reduce the probable adverse effects on the bank's financial performance. The most important type of risk is credit risk, market risk, liquidity risk and other operating risks. The market risk comprises of foreign currency exchange rates risk, rate of return risk and other pricing risks.
The bank's risk management policies are designed to identify, analyze these risks, set limits to the risk and control them through reliable methods and up-to-date information systems. The bank regularly reviews its risk management policies and systems and amend them to reflect the changes in market, products and services and emerging best practice.
Those risks are managed by risk department in the light of policies approved by Board of Directors. The risk department determines, evaluates and hedge the financial risks, in close collaboration with the bank's various operating units, and the Board of Directors provides written principles for the overall risk management, in addition to a written policies covering specific risk areas, like credit risk, foreign currency exchange rate risk, rate of return risk, and the using of financial derivative and non–derivative instruments. Moreover, the risk department is independently responsible for a periodical review of risk management and control environment.

4.1-Credit risk

The bank is exposed to a credit risk, which is the risk arising from the default of one party. The credit risk is considered to be the most significant risk for the bank, therefore the risk department manages its risk exposure carefully. The credit risk is essentially represented in the lending activities which result in loans, advances and investing activities that leads to the arising of a debt instrument included in the bank's financial assets.
The credit risk is also found in off balance sheet financial instruments, such as loan commitment. The managing and monitoring process on credit risk is centralized at credit risk management team at credit risk department that reports to Board of Directors and Head units on a regular basis.

4.1.1- Credit risk measurement

Loans and advances to banks and customers

In measuring credit risk for loans and advances to customers and banks, the bank reflects three components:

- Probability of default by the customer or a third party on their contractual obligations.
- The current position and the future weighted evolution from which the bank derive the exposure at default.
- Loss given default.

The daily activities of the bank`s business involve measurement of credit risk which reflects the expected loss (the expected loss model) required by Basel committee on banking supervision, the operating measures may contradict with the impairment charge in accordance with the previous standards, which are based on the losses incurred on reporting date (the incurred losses model) rather than the expected losses, as will be explained later.

The Bank evaluates the probability of default for each customer using internal evaluation techniques in order to separately categorize the eligibility of different types customers. These techniques are updated by considering the statistical analysis and the personal judgment of the credit officer to reach a convenient eligibility rating.
The bank's customers are segmented into four eligibility rating. The bank's eligibility rating scale, which is shown as below, assesses the probability of default for each eligibility rating category, which essentially means that credit positions migrate between the mentioned categories as the assessment of their probability of default changes. The assessment techniques are reviewed and updated whenever it's necessary. Further, the bank periodically assesses the performance of the eligibility rating techniques and its predictability of the default cases.

The Bank's internal rating categories according to eligibility rating scale:

Rating	Grade description
1	Performing loans
2	Regular watching
3	Watch list
4	Non performing loans

The position exposed to default is based on the expected outstanding amounts when the default occurs; for example, as for a loan, the position is the nominal value while for commitments, the bank enlists the actual withdrawing amounts in addition to the expected amounts to be withdrawn until the date of default, if any.
Loss given default or loss severity represents the bank's expectations of the extent of loss when the debt is claimed in case of default. Expressed by the percentage of loss to the debt; this typically varies by the category of the debtor, the claim's priority and the availability of collaterals or other credit hedge items.

4.1.2-Risk Limit Control and Mitigation Policies

The Bank manages limits and controls the credit concentrations at the borrowers' level, groups of borrower's level, industries level and countries level. The Bank arranges the acceptable credit risk level by placing limits on the extent of risk accepted in relation to single borrower, or groups of borrowers, and to the geographical and economic segments. Such risks are monitored on a regular basis and subject to an annual or more frequent review, when considered necessary. Credit risk level limits for borrowers, groups of borrower, products, sectors and countries are approved by The Board of Directors on quarterly basis.

The credit limits for any borrower including banks is divided by sub-limits which includes the on and off-balance sheet amounts and the daily risk exposure limit regarding the trading items such as forward foreign exchange contracts. Actual amounts against limits are monitored daily. Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers' ability to settle their obligations and also through changing the lending limits, when appropriate.

The following are some tools used by the bank to mitigate the credit risk

Collaterals

The bank sets a various policies and regulations in order to mitigate its credit risk. One of these methods is accepting collaterals against granted money. The bank implements guidelines for a specified category of accepted collaterals. The major types of collateral for loans and advances are:

- Property mortgage
- Business assets mortgage such as machines and goods.
- Financial instruments mortgage such as debt and equity instruments.

Longer-term finance and lending to corporate and retail are often secured. To reduce credit loss to its minimum level, the bank intends to get additional collateral from the concerned parties as soon as an indication of impairment of loan or facility appears. Collateral held as a security against assets other than loans and facilities; determined by the nature of the instrument, and debt instruments and treasury bills are normally unsecured with the exception of asset-backed securities and the similar instruments backed by a financial instrument portfolio.

Derivatives

The bank maintains conservative control limits over net open derivatives positions, the difference between the purchase and sale contracts on both the value and term. At any time, the amount subject to credit risk is measured at the instrument's fair value which achieves benefit to the bank (i.e., assets that have positive fair value), which represent a small portion of the notional value or the notional values used to express the volume of the outstanding instruments. This credit risk is managed as a part of the overall lending limits granted to customers' together with expected risk exposure arising from market changes. Generally, no collateral obtained for credit risk related to these instruments, except for marginal deposits required by the bank from other parties.

Settlement risk arises when cash, equity instruments or other financial papers is used in the settlement process, or if there is expectation to receive cash, equity instruments or other financial papers. Daily settlement limits are established for each other party in order to cover the aggregated settlement risk arising from the daily Bank transactions.

Master Netting Arrangements:

The Bank further restricts its exposure to credit risks by entering into master netting arrangements with parties representing significant volume of transactions. Master netting arrangement do not generally result in netting between assets and liabilities at the balance sheet date as the settlement is a collectively based. However, the credit risk regarding the bank's favorable contracts is reduced by a master netting arrangement as if there is a default, all amounts with other parties using the master netting arrangement is terminated and settled. The value of the credit risk exposure arising from derivatives instrument subject to master netting agreement is changed in short term as it is affected by each transaction subject to this agreement.

Credit-related Commitments:

The primary purpose of credit-related commitments is to ensure that funds are available to customer when required. Guarantees and standby letters of credit carry the same credit risks as loans. Documentary and commercial letters of credit – which are issued by the Bank on behalf of its customer by which a third party grants the right to draw within a stipulated limit subjected to a specific terms and conditions that are collateralized by the goods under shipment. Therefore, a lower risk than a direct loan is carried.

Credit-related commitments represent the unused portion of the authorized granting for credit limit of loans, collaterals or letters of credit. With respect to credit risk arising from credit-related commitments, the Bank is exposed to a probable loss of an amount equal to the total unused commitment. However, the expected weighted amount of loss is less than the unused commitments, as the most of credit-related commitments are contingent liabilities for customers with specific credit criteria. The Bank monitors the maturity term of the credit-related commitments because the longer-term commitments generally have a greater degree of credit risk than the shorter-term commitments.

4.1.3-Expected credit losses policy

The Bank's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:-

The un-impaired financial asset is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the second stage and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the third stage. The Bank relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Sig EGP Million 21,497
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

The expected credit loss provision reported in the balance sheet at the end of the period / year is derived from the four internal rating grades. However, the majority of the impairment loss provision derived from the last two ratings.

Bank's rating	30-Jun 2022 Loans and advances-Corporate	30-Jun 2022 ECL provision-Corporate	31-Dec 2021 Loans and advances	31-Dec 2021 ECL provision
Performing loans	84.46%	21.36%	83.50%	15.50%
Regular watching	13.78%	41.61%	14.20%	42.29%
Watch list	0.83%	19.46%	1.15%	20.90%
Non-performing loans	0.93%	17.57%	1.15%	21.31%
	100%	**100%**	**100%**	**100%**

The management is confident in its ability to continue of controlling and maintaining the minimum credit risk limit derived from loans, advances portfolio as follows:

the loans and advances` portfolio which classified at the highest two categories

30-Jun 2022	31-Dec 2021
98.2%	97.7%

4.1.4-Pattern of measure banking general risk

In addition to the four categories of credit rating indicated in note (A/1) the management makes more categories in shape of more detailed subgroups in accordance with the CBE requirements, Assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on customer’s information about, his activities, financial position and his regularity of making payment.

The Bank calculates the provisions required for impairment of assets exposed to credit risk, including credit-related commitments on the basis of determined rates by CBE. In case, the provision required for impairment losses as per CBE regulations exceeds the provision required for financial statements preparation purposes, this increase shall be reduced from “the retained earnings” caption and carried forward to the "general Banking risk reserve" caption in equity. This reserve is amended in a regular basis by increasing or decreasing, as it always shall be equivalent to the amount of increase between the two provisions. This reserve is not available for distribution. The following are categories of institution worthiness according to internal ratings compared to CBE ratings and rates of required provision for impairment of assets exposed to credit risk:

CBE rating	Rating description	Provision%	Internal rating	Rating description
1	Low risks	0%	Performing loans	1
2	Moderate risks	1%	Performing loans	1
3	Satisfactory risks	1%	Performing loans	1
4	Appropriate risks	2%	Performing loans	1
5	Acceptable risk	2%	Performing loans	1
6	larginally acceptable ris	3%	Regular watch-list	2
7	Watch-list	5%	Special watch-list	3
8	Substandard	20%	Non performing loans	4
9	Doubtful	50%	Non performing loans	4
10	Bad	100%	Non performing loans	4

All Figures are in EGP Millions

4.1.5-Maximum limits for credit risk before collaterals:

Credit risky items' exposure in the statement of financial position:-	30-Jun 2022	31-Dec 2021
Obligatory reserve balances with Central Banks	75,670	53,516
Due from banks, net	366,347	530,889
Loans and advances to Banks, net	2,657	2,723
Loans and advances to customers		
Individual loans:-		
Credit cards	9,846	8,696
Overdrafts	7,525	4,715
Personal loans	154,579	131,912
Auto loans	2,749	1,943
Mortgage loans	13,751	12,045
Total individual loans	**188,450**	**159,311**
Corporate loans		
Overdrafts	444,432	321,307
Direct loans	531,279	478,601
Syndicated loans	229,146	212,976
Total Corporate loans	**1,204,857**	**1,012,884**
Total loans and advances to customers	**1,393,307**	**1,172,195**
Financial derivatives	1,537	1,056
Financial investment at fair value through other comprehensive income	415,341	614,822
Financial investment at amortized cost	1,167,160	738,691
Other assets*	67,349	46,005
Total risk limit	**3,489,368**	**3,159,897**

*Represent the amount of the current accrued revenues.

Credit risk exposure in off-balance sheet items'	30-Jun 2022	31-Dec 2021
Letters of credit	68,468	46,991
Letters of guarantee	163,114	147,040
Customer acceptances	37,058	34,674
Discounted bills	613	586
	269,253	**229,291**

As shown in the previous table:-		
Loans and advances (customers & banks) ratio to total risk limit	**40%**	**37%**
Debt investment	**45%**	**43%**

The Bank applied more conservative testing process when granting loans and advances during The period ended 30-Jun-2022

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

4.1.6-Financial assets quality

Quality of most significant financial assets'-gross amounts(on-balance sheet)

	30-Jun-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Due from banks	366,520	-	-	**366,520**	530,918	-	-	**530,918**
Loans and advances to Banks	2,661	-	-	**2,661**	2,727	-	-	**2,727**
Loans and advances to customers	1,307,536	73,760	12,011	**1,393,307**	1,099,094	60,709	12,392	**1,172,195**
Financial derivatives	1,537	-	-	**1,537**	1,056	-	-	**1,056**
Financial investment at fair value through other comprehensive income	415,341	-	-	**415,341**	614,822	-	-	**614,822**
Total	**2,093,595**	**73,760**	**12,011**	**2,179,366**	**2,248,617**	**60,709**	**12,392**	**2,321,718**

Credit risk exposure in off-balance sheet items' (excluding collaterals)

Letters of credit	67,619	849	-	**68,468**	46,582	409	-	**46,991**
Letters of guarantee	158,116	3,347	1,651	**163,114**	142,759	2,733	1,548	**147,040**
Customer acceptances	35,605	1,453	-	**37,058**	34,527	147	-	**34,674**
Discounted bills	613	-	-	**613**	586	-	-	**586**
	261,953	**5,649**	**1,651**	**269,253**	**224,454**	**3,289**	**1,548**	**229,291**

4.1.6.1-Customer loans

The following table provides information on the quality of loans and advances to customers' during the period-according to the bank's internal rating

Individual loans and advances to customers:

	30-Jun-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing loans	100,810	-	-	**100,810**	81,451	-	-	**81,451**
Regular watching	81,448	-	-	**81,448**	73,080	-	-	**73,080**
Watch list	-	5,314	-	**5,314**	-	3,997	-	**3,997**
Non-performing loans	-	-	878	**878**	-	-	783	**783**
Total Individuals	**182,258**	**5,314**	**878**	**188,450**	**154,531**	**3,997**	**783**	**159,311**
Corporate loans								
Performing loans	1,010,351	7,240	-	**1,017,591**	840,572	5,137	-	**845,709**
Regular watching	114,903	51,282	-	**166,185**	103,986	39,919	-	**143,905**
Watch list	24	9,924	-	**9,948**	5	11,656	-	**11,661**
Non-performing loans	-	-	11,133	**11,133**	-	-	11,609	**11,609**
Total Corporate loans	**1,125,278**	**68,446**	**11,133**	**1,204,857**	**944,563**	**56,712**	**11,609**	**1,012,884**
Total loans and advances to customers	**1,307,536**	**73,760**	**12,011**	**1,393,307**	**1,099,094**	**60,709**	**12,392**	**1,172,195**
Less: Expected credit losses and interest in suspense								
Individual loans and advances	(1,275)	(199)	(361)	**(1,835)**	(1,251)	(143)	(268)	**(1,662)**
Corporate loans and advances	(16,551)	(25,136)	(10,933)	**(52,620)**	(11,174)	(21,704)	(10,233)	**(43,111)**
Total expected credit losses	**(17,826)**	**(25,335)**	**(11,294)**	**(54,455)**	**(12,425)**	**(21,847)**	**(10,501)**	**(44,773)**
Net	**1,289,710**	**48,425**	**717**	**1,338,852**	**1,086,669**	**38,862**	**1,891**	**1,127,422**

The below table represents loans and advances to customers quality during the financial period -according to products

	30-Jun-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Individual loans:-								
Overdrafts	7,525	-	-	**7,525**	4,713	1	1	**4,715**
Credit cards	9,516	233	97	**9,846**	8,374	220	102	**8,696**
Personal loans	149,063	4,828	688	**154,579**	127,783	3,537	592	**131,912**
Mortgage loans	13,450	209	92	**13,751**	11,766	192	87	**12,045**
Auto loans	2,704	44	1	**2,749**	1,895	47	1	**1,943**
Total Individual loans	182,258	5,314	878	**188,450**	154,531	3,997	783	**159,311**
Corporate loans								
Overdrafts	419,805	20,696	3,931	**444,432**	300,281	16,517	4,509	**321,307**
Direct loans	490,113	34,591	6,575	**531,279**	443,790	28,239	6,572	**478,601**
Syndicated loans	215,360	13,159	627	**229,146**	200,492	11,956	528	**212,976**
Total Corporate loans	**1,125,278**	**68,446**	**11,133**	**1,204,857**	**944,563**	**56,712**	**11,609**	**1,012,884**
Total	**1,307,536**	**73,760**	**12,011**	**1,393,307**	**1,099,094**	**60,709**	**12,392**	**1,172,195**

All Figures are in EGP Millions

4.1.6-Financial assets quality (Continued)

4.1.6.1-Customer loans (Continued)

Individual Past dues individual loans and advances

Individual loans and advances

	30-Jun-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No Past Dues	163,749	-	-	**163,749**	139,940	-	-	**139,940**
up to 30 days	18,509	-	-	**18,509**	14,591	-	-	**14,591**
> 30 ≤ 60 days	-	3,597	-	**3,597**	-	2,760	-	**2,760**
> 60 < 90 days	-	1,717	-	**1,717**	-	1,237	-	**1,237**
> 90 days	-	-	878	**878**	-	-	783	**783**
Total individual	**182,258**	**5,314**	**878**	**188,450**	**154,531**	**3,997**	**783**	**159,311**

Corporate loans

	30-Jun-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
No Past Dues	826,173	46,863	-	**873,036**	805,184	42,483	-	**847,667**
up to 30 days	296,586	13,232	-	**309,818**	139,168	10,241	-	**149,409**
> 30 ≤ 60 days	366	2,125	-	**2,491**	204	1,415	-	**1,619**
> 60 < 90 days	2,113	2,977	-	**5,090**	2	1,313	-	**1,315**
> 90 days	40	3,249	11,133	**14,422**	5	1,260	11,609	**12,874**
Total corporate	**1,125,278**	**68,446**	**11,133**	**1,204,857**	**944,563**	**56,712**	**11,609**	**1,012,884**

Loans and advances collaterals

At loans and advances initial recognition, the fair value of collaterals are measured in accordance to the valuation methods used usually with similar assets, subsequently the fair value is measured according to market prices or similar assets prices.

	30-Jun-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Individual loans:-								
Overdrafts	7,454	-	-	**7,454**	4,621	-	-	**4,621**
Credit cards	5,618	197	73	**5,888**	4,856	192	85	**5,133**
Personal loans	86,999	4,685	-	**91,684**	71,121	3,446	-	**74,567**
Auto loans	695	42	-	**737**	827	44	-	**871**
Corporate loans								
Overdrafts	302,770	5,164	478	**308,412**	228,099	3,338	465	**231,902**
Direct loans	140,152	8,430	1,420	**150,002**	124,233	6,258	990	**131,481**
Syndicated loans	182,360	576	106	**183,042**	172,030	889	89	**173,008**
Total Corporate loans	**726,048**	**19,094**	**2,077**	**747,219**	**605,787**	**14,167**	**1,629**	**621,583**

Acquisition of collaterals during the period

Type of asset	Book value
Property investment	63

Acquired assets are classified in the balance sheet under “other assets”. The Bank, as practical, sells such assets.

All Figures are in EGP Millions

4.1.6.1-Customer loans (Cont.)

Restructured loans and advances

Restructuring activities include extension of payment arrangements, implementation of the obligatory management programs, adjustments and deferred payment. The implementation of restructuring policies depends on an indicators or criteria of a highly probability of continuous payment based on the management personal judgment. Such policies are reviewed on a regular basis. Restructuring is commonly applied to long-term loans, especially the loans for customers financing, the below table represents the renegotiated loans :-

	For the financial period (6 months) Ended 30-Jun	For the financial period (18 months) Ended 31-Dec
	2022	**2021**
Loans and advances.	549	3,474

4.1.6.2-Quality of financial assets (Debt instruments)

The following table represents the analysis of debt instruments, treasury bills, and other governmental notes at the end of the financial period, according to Moody `s rating with a negative future outlook.

	30-Jun-2022		31-Dec-2021	
	Rating	Balance	Rating	Balance
Financial investment at fair value through other comprehensive income				
Treasury bills -Egypt	B2	405,645	B2	272,217
Governmental bonds-Egypt	B2	636	B2	328,769
Financial investment at amortized cost				
Governmental bonds-Egypt	B2	1,169,362	B2	740,762

4.1.6.3-Expected credit losses' for financial assets

	Note No.	31-Dec 2021	(Charge) / Reverse	Revaluation	Amounts Written-off during the period / Re-classification	30-Jun 2022
Corporate	(19)	38,004	9,046	834	(1,197)	46,687
Individual	(19)	1,662	187	-	(14)	1,835
Contingent liabilities	(31)	5,260	(28)	246	-	5,478
Financial investments at amortized cost	(21)	2,103	117	5	-	2,225
Financial investment at fair value through OCI	(22)	349	(146)	25	(228)	-
Due from banks	(16)	29	138	6	-	173
Loans to Banks	(18)	4	2	(2)	-	4
Amounts recovered during the period	(10)	-	(431)	-	431	-
Total		**47,411**	**8,885**	**1,114**	**(1,008)**	**56,402**

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

4.1.7-Concentration of financial assets' risks exposed to credit risk -Geographical segments

The following table represents an analysis of book value related to the Bank's significant credit risks limits, distributed by geographical region at the end of the current period. The risk was distributed over the geographical areas in accordance to the connected areas with bank's customers.

Credit risky items' exposure in the statement of financial position:-

	Greater Cairo	Alexandria, Delta, Sinai and Canal	Upper Egypt	Other Countries	Total
Obligatory reserve balances with Central Banks	75,486	-	-	184	75,670
Due from banks, net	353,136	-	-	13,211	366,347
Loans and advances to Banks, net	2,630	-	-	27	2,657
Individual loans:-					
Credit cards	6,780	2,556	510	-	9,846
Overdrafts	4,765	2,447	313	-	7,525
Personal loans	81,644	50,447	22,488	-	154,579
Auto loans	2,086	611	52	-	2,749
Mortgage loans	9,917	1,870	1,964	-	13,751
					188,450
Corporate included SME's loans					
Overdrafts	400,496	37,402	6,534	-	444,432
Direct loans	472,827	33,882	24,570	-	531,279
Syndicated loans	219,885	9,261	-	-	229,146
					1,204,857
Financial derivatives	1,537	-	-	-	1,537
Financial investment at fair value through other comprehensive income	415,228	-	-	113	415,341
Financial investment at amortized cost	1,167,160	-	-	-	1,167,160
Other assets*	66,663	470	214	2	67,349
Total at the end of the current period	**3,280,240**	**138,946**	**56,645**	**13,537**	**3,489,368**
Total at the end of the comparative year	**2,979,020**	**117,749**	**48,204**	**14,924**	**3,159,897**

*Represented in current accrued revenue.

4.2- Market risks

The Bank is exposed to market risks embodied in the fair value fluctuations or the future cash flows arising from the changes in market rates. Market risks are derived from the open positions of interest rate, currency rates and the equity products, as each of them is exposed to a general and special market movements as well as to changes in the sensitivity level of market rates or prices such as interest rates, exchange rates and equity instrument rates. The Bank separates its exposure to market risk, either for trading or non-trading portfolios.

The management of market risks arising from trading or non-trading activities is centralized in the Bank's Market Risk management department which is monitored by two separate teams. periodical reports on market risks are submitted to the Board of Directors and the heads of business unit on a regular basis.
Trading portfolios include position derived from the Bank's direct dealing with customers or market, while non-trading portfolios are primly derived from interest rate management of assets and liabilities related to retail transactions. These portfolios include foreign currency risks and equity instruments arising from investments at amortized cost and fair value through other comprehensive income investments'.

4.2.1-Market risk measurement techniques

As part of market risk management, the Bank perform several hedging strategies and enters into interest rate swaps in order to balance the inherent risks of debt instruments and fixed-rates long term loans, if the fair value option is applied. The following are the most important measurement methodologies applied to control the market risks.

Value at Risk

The Bank applies "Value at Risk" methodology for trading and non-trading portfolios in order to estimate the market risks of the current positions and the maximum limit of expected loss, based on a number of assumptions for various changes in market conditions. The Board of Directors sets a limits for the value at risk that the Bank can tolerate for trading and non-trading separately. Such limits are daily monitored by the Bank's Market Risks Department.

Value at risk is a statistical prospect for the expected loss of the current portfolio arising from the market's adverse circumstances. It states the maximum value the Bank may lose using a specific confidence coefficient (99%). Consequently, the statistical probability of (1%) indicates that the actual loss may be greater than the expected value at risk.

The value at risk model assumes a defined retention period (one day) before closing the open positions. The model also assumes that the market's move will follow, during the retention period, the same pattern of movement that occurred during the previous day. The Bank estimates the previous movement on the basis of the information for the past five years.

The Bank applies such historical changes in the rates, prices and indicators to the current positions directly – this method known as the historical simulation. Actual outputs should also be monitored on a regular basis to measure the correctness of assumptions and the factors used to calculate the value at risk. Usage of this method does not prevent the losses to exceed these limits in case of larger movement within the market.

Since value at risk is considered a basic component of the Bank's monitoring system on market risk, the Board of Directors' sets the limits of the value at risk for each of trading and non-trading transactions to be divided on the units of activity. The actual values at risk are compared with the limits set by the Bank and daily reviewed by the Bank's Market Risk Department.

The quality of the value at risk model is persistently monitored through reinforcement testing for results of the value at risk of trading portfolio. Results of these tests are reported to senior management and Board of Directors.

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

Stress Testing

Stress testing provide an indication of the potential size of losses that could arise under the severe adverse circumstances. Stress testing is designed to be appropriate to the business activities using standard analyses for specific scenarios.

Stress testing performed by the Bank's Market Risk Department includes testing for the stress of risk factors whereby a groups of severe movements are applied to each risk type and the developing market' stress is tested. Developing markets are subject to severe movements and special stress tests including potential events that affect specific positions or areas, such as the results from floating a currency in a specific region. The senior management and Board of Directors review stress testing outputs.

Total value at risk according to risk type

	30-Jun-2022			31-Dec-2021		
	Average	Higher	Lower	Average	Higher	Lower
Exchange rates risk	754	1,885	7	448	1,689	1
Equity at fair value through profit / loss risk	55	63	47	48	56	34
Fund certificates' risk	5	6	3	5	6	5
Equity at fair value through other comprehensive income risk	679	937	274	674	937	544
Interest rate risk	27,626	61,128	19,101	44,672	61,128	19,530

Value at risk for portfolios at fair value through profit / loss-according to the risk type

	30-Jun-2022			31-Dec-2021		
	Average	Higher	Lower	Average	Higher	Lower
Exchange rates risk	754	1,885	7	448	1,689	1
Equity at fair value through profit / loss risk	55	63	47	48	56	34
Fund certificates' risk	5	6	3	5	6	5

Value at risk for portfolios at fair value through other comprehensive income-according to the risk type

	30-Jun-2022			31-Dec-2021		
	Average	Higher	Lower	Average	Higher	Lower
Interest rate risk	27,626	61,128	19,101	44,672	61,128	19,530
Equity at fair value through other comprehensive income risk	679	937	274	674	937	544

The increase in value at risk, especially the interest rate risk, is related to the increase in the sensitivity of interest rates in the international financial markets. The three previous results of value at risk are calculated separately from the specific positions and the markets' historical movements. Total values at risk for trading and non-trading do not form the Bank's value at risk, due to the correlation between the types of risks and types of portfolios and its subsequent various impacts.

All Figures are in EGP Millions

4.2.2-Foreign exchange rate volatility risk

The Bank is exposed to volatility in the foreign currency exchange rates in terms of the bank's financial position and cash flows. The Board of Directors has set limits for foreign currencies based on the total value of each position at the end of the day and also during the day for the monitored on spot positions. The following table summarizes the bank's exposure to the risks of volatility in foreign exchange rates at the end of the period. This table includes the carrying value of the financial instruments categorized by its component currencies:

30-Jun-2022	EGP	USD*	EUR	GBP	SAR	Others	Total
Obligatory reserve balances with Central Banks	95,501	3,045	335	72	313	101	99,367
Due from banks, net	286,715	77,510	186	1,066	448	422	366,347
Financial investments at fair value through profit / loss	1,681	-	-	-	-	-	1,681
Loans and advances to banks, net	1,639	939	79	-	-	-	2,657
Loans and advances to customers, net	968,352	368,933	1,567	-	-	-	1,338,852
Financial derivatives	1,537	-	-	-	-	-	1,537
Financial investments							
Financial investments at fair value through other comprehensive income	357,550	48,401	9,390	-	-	-	415,341
Financial investments at amortized cost	931,056	236,104	-	-	-	-	1,167,160
Investments in subsidiaries and associates	7,249	540	-	1,083	-	-	8,872
Other assets	233,794	8,590	4,316	3	13	535	247,250
Total financial assets	**2,885,074**	**744,061**	**15,873**	**2,223**	**774**	**1,058**	**3,649,063**
Financial liabilities							
Due to banks	1,458	216,288	127	(129)	403	(6)	218,141
Repurchase agreement-treasury bills	21,505	-	-	-	-	-	21,505
Customers` deposits	2,509,603	238,532	10,777	1,256	241	402	2,760,811
Financial derivatives	-	88	-	-	-	-	88
Other loans	45,931	217,908	4,595	-	-	512	268,946
Other liabilities	70,137	90,804	289	16	31	47	161,323
Total financial liabilities	**2,648,634**	**763,619**	**15,788**	**1,142**	**675**	**955**	**3,430,814**
Net of financial positions	**236,439**	**(19,558)**	**85**	**1,081**	**99**	**103**	**218,249**
Credit commitments**	69,009	152,450	44,157	254	1,384	5,134	272,388

At the end of the comparative year

	EGP	USD*	EUR	GBP	SAR	Others	Total
Total financial assets	2,537,332	667,273	15,948	2,418	538	1,786	**3,225,295**
Total financial liabilities	2,335,172	678,981	15,781	1,335	447	1,694	**3,033,410**
	202,160	**(11,708)**	**167**	**1,083**	**91**	**92**	**191,885**
Credit commitments**	63,517	121,246	40,991	273	1,002	4,234	**231,263**

*Overseas branches included in USD column.

**This item does not include other contingent liabilities, as well as it is distributed based on the balances only of each currency.

All Figures are in EGP Millions

4.2.3-Interest rate risk

The Bank is exposed to the effects of fluctuations in the levels of the prevailing market's interest rates which is the interest rate risk for cash flows represented in the volatility of future cash flows of a financial instrument due to changes in the instrument's interest rate. The interest rate risk for fair value is the risk of fluctuations in the instrument's value due to the changes in market's interest rates. The interest margin may increase due to these changes, while the profits may decrease, in case of unexpected movements occur. The Board of Directors sets limits for the level of difference when re-pricing the interest rate held by the bank; whereby monitored by Assets & Liabilities Department collaborated with Treasury Department on a daily basis.

The following table summarizes the Bank's exposure to the risk of fluctuations in interest rates including the carrying value of financial instruments distributed based on the price of re-pricing dates or maturity dates whichever is earlier.

30-Jun-2022	Up to 1 month	More than 1 - 3 months	More than 3 Months - 1 year	More than 1 - 5 years	More than 5 years	Total
Balances with Central Bank of Egypt -interest bearing	300,371	22,405	5,659	-	-	328,435
Due from banks	21,673	9,369	272	954	-	32,268
Treasury bills	41,585	118,086	247,327	-	-	406,998
Bonds and other financial instruments	138,668	47,555	263,070	730,291	138,060	1,317,644
Performing loans and advances	484,844	411,706	102,743	297,200	332,581	1,629,074
Performing loans guaranteed by a residential property-Variable interest	-	569	-	-	-	569
Performing loans with a fixed interest rate guaranteed by a residential property-Fixed interest	97	175	815	4,670	19,998	25,755
Non-performing loans	-	-	-	-	-	-
Other assets (sensitive to interest rate)	23,600	9,840	1,513	2,141	2,130	39,224
	1,010,838	**619,705**	**621,399**	**1,035,256**	**492,769**	**3,779,967**
Interest-rate swaps	38,416	16,129	9,454	998	-	**64,997**
Total sensitive assets and interest rate swaps	**1,049,254**	**635,834**	**630,853**	**1,036,254**	**492,769**	**3,844,964**
Non-sensitive and held for trading purpose assets'	-	-	-	-	-	456,515
Total assets	**1,049,254**	**635,834**	**630,853**	**1,036,254**	**492,769**	**4,301,479**
Financial liabilities						
Demand deposits and current accounts	208,947	24,279	72,836	101,416	-	407,478
Saving Deposits	95,140	17,999	53,998	89,997	-	257,134
Time and notice deposits	78,439	17,323	61,138	13,997	26	170,923
Certificate of deposit	64,299	200,477	876,085	1,117,974	5,850	2,264,685
Due to banks	181,167	47,221	93	26	-	228,507
Long-term loans	40,968	51,562	129,083	47,256	113,582	382,451
Other liabilities (sensitive to interest rate)	14,779	15,961	2,158	5,190	2,077	40,165
	683,739	**374,822**	**1,195,391**	**1,375,856**	**121,535**	**3,751,343**
Interest rate swaps	12,283	55,741	-	-	-	68,024
Total sensitive liabilities and interest rate swaps	**696,022**	**430,563**	**1,195,391**	**1,375,856**	**121,535**	**3,819,367**
Total non-sensitive liabilities for interest rate	-	-	-	-	-	**138,533**
Total liabilities	**696,022**	**430,563**	**1,195,391**	**1,375,856**	**121,535**	**3,957,900**
Interest rate gap	**353,232**	**205,271**	**(564,538)**	**(339,602)**	**371,234**	**25,597**
At the end of the comparative year						
Total financial assets	743,837	575,607	585,407	1,178,934	573,547	**3,657,332**
Total financial liabilities	595,048	390,084	831,583	1,415,811	195,812	**3,428,339**
Interest rate gap	**148,789**	**185,523**	**(246,176)**	**(236,877)**	**377,735**	**228,994**

4.3- Liquidity risk

The liquidity risk is the risk for which the bank is exposed to encounter difficulties in meeting its obligations associated with its financial liabilities at maturity date. and replacing the funds when withdrawn ; Consequently it may fail to meet obligation related to repay depositors and meet lending commitments .

Liquidity risk management

The Bank's liquidity risk control is carried out by the Bank's Assets and Liabilities Management Department collaborated with the Treasury Department and include the following :

- The daily funding is managed by monitoring the future expected cash flows in order ensure the ability of fulfilling all requirements. This includes replenishment of funds as they mature or as borrowed by customers. The Bank maintains access to the global capital markets to ensure that his objective is achieved.
- Maintaining a portfolio of highly marketable assets, which can easily be liquidated to meet any unexpected interruption in cash flows.
- Monitoring liquidity ratios compared to the internal requirements of the Bank and the Central Bank of Egypt's requirements.
- Managing of concentration and profile of loans maturities.

For monitoring and reporting purposes, the cash flows for the next day, week and month is measured and projected. These periods are the key periods for liquidity Department. 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 collaborated with the Treasury Department monitor the inconsistency of medium-term assets with the level and type of the unutilized portion of loan commitments, and also the extent of use of overdraft facilities with the effect of contingent liabilities such as letters of guarantees and documentary credits.

Financing approach

Sources of liquidity are reviewed by a separate team in the Assets and Liabilities Management Department collaborated with the Treasury Department in order to provide a wide diversification within currencies, geographical regions, resources, products, and maturates .

Cash flows hedge

The value at risk model is continuously monitored for quality through confirmed tests for the value at risk results related to the trading portfolio. The results of those tests are reported to bank's senior management and the board of directors.

Derivatives settled on a net basis

The Bank's derivatives settled on net basis include:

- Foreign exchange derivatives: currency option in/over the counter, and forward currency contracts
- Interest rate derivatives: foreign currency swaps, cross currency contracts, Interest-rate swap, in/over the counter, forward contracts and other contracts.

Derivatives settled with gross

Derivatives settled with gross include:

- Foreign exchange derivatives: Cross currency contracts, foreign currency swap.
- Interest rate swap, interest rate and foreign currency swap contracts together.

All Figures are in EGP Millions

4.3-Liquidity risk (Cont.)

30-Jun-2022	Up to 1 month	More than 1 - 3 months	More than 3 months – 1 year	More than 1 year - 3 years	More than 3 years	Total
Financial assets						
Cash and balances with Central Banks	23,696	-	-	-	75,671	**99,368**
Due from banks	313,306	4,750	26,916	-	21,375	**366,347**
Loans and advances to Banks	443	886	1,329	-	-	**2,657**
Loans and advances to customers	190,146	25,975	355,509	191,940	575,281	**1,338,851**
Financial derivatives	256	512	769	-	-	**1,537**
Financial investments at fair value through profit / loss	1,513	-	-	168	-	**1,681**
Financial investments at fair value through other comprehensive income	116,638	98,579	198,207	1,917	-	**415,341**
Financial investments at amortized cost	129,639	10,526	209,322	41,888	775,785	**1,167,160**
Investments in subsidiaries and associates	-	-	-	-	8,872	**8,872**
Other assets	-	-	-	-	247,251	**247,251**
Total financial assets	**775,637**	**141,228**	**792,052**	**235,913**	**1,704,235**	**3,649,064**
Financial liabilities						
Due to banks	129,650	45,585	42,906	-	-	**218,141**
Repurchase agreements-treasury bills	-	21,505	-	-	-	**21,505**
Customers` deposits	132,494	215,087	1,001,975	1,189,829	221,426	**2,760,811**
Financial derivatives	15	29	44	-	-	**88**
Other loans	8,347	36,009	85,613	42,670	96,307	**268,946**
Other liabilities	-	-	-	-	161,324	**161,324**
Total financial liabilities	**270,506**	**318,215**	**1,130,538**	**1,232,499**	**479,057**	**3,430,816**
Net of financial positions	**505,131**	**(176,987)**	**(338,487)**	**(996,587)**	**1,225,178**	**218,249**
At the end of the comparative year						
Total financial assets	488,476	388,198	360,434	842,029	1,146,158	**3,225,295**
Total financial liabilities	553,663	299,980	737,956	1,155,602	286,209	**3,033,410**
Net of financial positions	**(65,187)**	**88,218**	**(377,522)**	**(313,573)**	**859,949**	**191,885**

4.4- Fair value of assets and financial liabilities

4.4.1-Financial instruments measured at fair value

Due from banks

The fair value of overnight deposits designated at floating interest rate is represented in its nominal value. The expected fair value of the deposits designated a floating interest rate is measured based on the discounted cash flows by using the prevailing capital market's nominal value of debts with similar credit risk and similar maturity date.

Loans & advances to banks

Loans & advances to banks are represented in loans other than deposits with banks. The expected fair value of Loans & advances is measured at the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate in order to determine the fair value.

Loans & advances to customers

Loans & advances are stated in net terms after deducting the impairment loss provision. The expected fair value of Loans & advances is represented in the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate in order to determine the fair value

Investment in securities

Listed financial investment are classified either through fair value through other comprehensive income or through fair value through profit / loss. Fair values are determined based on quoted market prices in active markets, If such data were not available then the fair value is measured using the prevailing capital market's prices for marketable 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 unspecified maturity date, which includes non- interest bearing deposits, is represented in the amount to be paid on demand. The fair value of fixed interest-bearing deposits and the other loans that are not quoted in an active market are determined based on the discounted cash flows by applying interest rates for new debts with a similar maturity dates.

Issued debt instruments

Total fair value is calculated based on current capital markets' rates. As for securities that have no active market, it is calculated based on the discounted cash flows model using the current interest rate according to the remaining maturity.

Mutual fund certificate

Mutual funds certificates which are valuated by the redemption value (fair value).

4.4.2-Financial instruments not measured at fair value:

Financial instrument at amortized cost

The financial investment includes bonds that are held to maturity, quoted and measured with amortized cost.

4.5- Capital management

The bank's objectives for capital management, which include other elements along with the reported equity in the balance sheet, are represented in the following:

- Complying with the capital's legal requirements at Arab Republic of Egypt and at other countries where the bank's branches operate.
- Maintaining a strong capital base to enhance growth of the bank's operations.

Capital adequacy and capital uses are reviewed according to the requirements of regulatory authorities (Central Bank of Egypt) and by the bank's management using models based on the guidelines of Basel Committee for Banking Supervision. The required information is submitted to the Central Bank of Egypt on a quarterly basis.

The Central Bank of Egypt requires the following:

- Maintain the sum of EGP 5 Billion as a minimum limit for issued and paid-up capital.
- Maintain a percentage equal to 10% or more as a ratio between capital elements and the risk-weighted assets and liabilities.
- Overseas branches are subject to the banking supervision rules of the countries in which they operate

The numerator of the capital adequacy ratio consists of:

* **Tier one after exclusions includes the following:-**

- Share capital after exclusion (Common Equity-CETI)
- Additional going concern share capital

As well as, items that are deducted from the share capital if its value is negative, otherwise (positive value) are neglected inconformity with regulators' instructions regarding the minimum of capital adequacy ratio.

* **Tier two after exclusions includes:-**

45% of special reserve, subordinate loans (deposits) within the set percentage and the expected credit losses provision formed against debt instruments, loans and advances ,contingent liabilities, which included at (stage 1).

Capital adequacy ratio includes significant notes and points as follows:-

1- Reserves: which include legal, general, statutory, supportive, and capital reserves only.
2- General risk reserve is formed at the initial implementation of IFRS 9 according to CBE regulation on February 26, 2019 which includes, special reserve-credit, general banking reserve-credit and IFRS 9 risk reserve. Considering when calculating the capital adequacy ratio in the subsequent periods, the bank should follow the minimum capital adequacy ratio instructions and excluding the general risk reserve in the ratio.
3- Balances of other comprehensive income items' are included whether positive / negative .
4- Periods profits /(losses): profits is permitted to include in the capital base, after issuing the bank's limited review audit report on a quarterly basis. However, the losses are unconditionally included.
5- The credit-part is not included inconformity with CBE regulation on April 2009, page (7), section (9).
6- The base should not exceed 1.25% of the total credit risk -weighted assets and contingent liabilities, with condition that expected credit losses provisions' for debts, loans, credit facilities and contingent liabilities included at stage 1 and 2 to be sufficient to meet its obligations .
7- The limit over due of the predetermined placement in the risk-weighted countries:
Should included this amount in according of model number 720, which related to the overseas placement in , considering the capital base, which previously determined in the said statement above.

* The constant share capital after regulatory amendments mean is , the item 1.1 before deducting financial investments companies' (Shares or Mutual fund certificates) which represent in item (1.1.3.1).
* The Share capital before regulatory amendments includes paid up capital, reserves, retained earnings, general risk reserve and other comprehensive income items' after excluding goodwill and treasury shares.
* Subordinate loans (deposits):on condition that not exceed 50% from Tier one after exclusions, with annual amortization 20% over the last 5 years of maturity.

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

Capital adequacy ratio is prepared based on the consolidated financial statement (as a group of finance companies)

		30-Jun 2022	31-Dec 2021
	Tier one after exclusions		
1.1.1	Issued and paid capital	50,000	50,000
1.1.4	Reserves	18,635	18,591
1.1.5	General risk reserve	3,793	3,793
1.1.6	Retained earnings (accumulated losses)	5,059	2,987
1.1.7	Total other comprehensive income items'	4,561	11,818
1.0	Total exclusions of the common equity capital	(2,458)	(1,314)
1.1	**Total common equity capital after exclusion**	**79,590**	**85,875**
1.2.2	Quarterly profits/ (losses)	32,612	22,738
1.2.3	Non-controlling interest	97	90
1.2.4	Differences between nominal value and present value (subordinated loan)	81,807	66,167
1.2	**Total additional capital**	**114,516**	**88,995**
1	**Total tier one after exclusion**	**194,106**	**174,870**
	Tier two after exclusions (subordinated capital)		
2.1	45% of the special reserve	48	48
2.4	Subordinate loans within the approved limit	41,193	56,856
2.5	Debt instrument , loans and advances and contingent liability at expected credit losses stage one	14,414	12,359
2	**Total tier two after exclusions**	**55,655**	**69,263**
	Total capital base after exclusions	**249,761**	**244,133**
4.1	Total credit risk	1,166,404	1,002,086
4.3	The risk-weighted overruns value for top 50 customers*	-	-
4.4	Total market risk	23,376	15,497
4.5	Total operational risk	83,863	123,770
4	**Total assets and contingent liabilities weighted by credit, market and operational risks**	**1,273,643**	**1,141,353**
	Capital adequacy ratio	**19.61%**	**21.39%**

*The exception was granted to exempt banks from applying this clause till the end of December 2022, in accordance with the decision of the Central Bank of Egypt Board of Directors in its session held on December 7,2021.

	30-Jun 2022	31-Dec 2021
Financial leverage		
Tier one of capital after exclusion (1)	194,106	174,870
Total exposure on/off balance sheet (2)	3,831,504	3,496,117
Leverage ratio (1)/(2)	**5.07%**	**5.00%**

All Figures are in EGP Millions

5-Segmental analysis

Segmental activity includes operational processes, assets used in offering banking services', management of associated surrounding risks and relevant yield, which vary from the other business activities' segmentation analysis of operations according to banking activities as follows :

Large Corporate and SMEs:- This includes the current accounts activities, deposits, overdrafts, loans, and credit facilities.

Investment :- This includes activities such as merging of companies, investments acquisition, financing and restructuring of companies and financial instruments.

Banks:- This includes Central, Domestic and Foreign banks.

Individual:- This includes current accounts, savings, deposits, credit cards, personal loans, mortgages.

Governmental:- This includes treasury bills and governmental bonds as for assets, deposits and other governmental loans as for liabilities.

Asset and liability management:- This includes other banking business such as assets, liabilities and treasury management .Inter-segment activities are affected within the bank's normal course of business and include operational assets and liabilities as presented in the bank's statement of financial position.

30-Jun-2022	Corporate	SME	Investment	Individual	Other activities	Total
Business activity assets	1,035,544	123,495	1,956,793	186,615	-	**3,302,447**
Non-classified assets	-	-	-	-	355,237	**355,237**
Total Assets	**1,035,544**	**123,495**	**1,956,793**	**186,615**	**355,237**	**3,657,685**
Business activity liabilities	557,602	53,594	497,717	2,160,578	-	**3,269,491**
Non-classified liabilities	-	-	-	-	182,264	**182,264**
Total liabilities	**557,602**	**53,594**	**497,717**	**2,160,578**	**182,264**	**3,451,755**

31-Dec-2021	Corporate	SME	Investment	Individual	Other activities	Total
Business activity assets	873,154	102,131	1,892,553	157,649	-	**3,025,487**
Non-classified assets	-	-	-	-	208,276	**208,276**
Total Assets	**873,154**	**102,131**	**1,892,553**	**157,649**	**208,276**	**3,233,763**
Business activity liabilities	502,961	47,428	584,064	1,846,744	-	**2,981,197**
Non-classified liabilities	-	-	-	-	70,398	**70,398**
Total liabilities	**502,961**	**47,428**	**584,064**	**1,846,744**	**70,398**	**3,051,595**

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

6-Net interest income

6.1-Interest income on loans and similar income	For the financial period (6 months) 2022	For the financial period (12 months) 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Interest income on loans and advances-Banks	65	181	35	48
Interest income on loans and advances-Customers	52,673	67,361	28,699	19,954
Total interest on loans and advances	**52,738**	**67,542**	**28,734**	**20,002**
Interest income on due from banks	18,246	30,425	7,286	9,149
Mutual fund certificate	-	-	-	-
Interest income on Bonds and Treasury bills				
Interest income on debt instrument at fair value through profit / loss	11	5	-	-
Interest income on debt instrument at fair value through OCI	26,957	104,784	10,038	25,420
Interest income on debt instrument at amortized cost	58,605	12,075	34,905	4,425
Total interest income on Bonds and Treasury bills	**85,573**	**116,864**	**44,943**	**29,845**
Reverse repo agreement	9	150	6	7
Total interest income on loans and similar income	**156,566**	**214,982**	**80,969**	**59,002**

6-2-Interest expense on deposits and similar expense	For the financial period (6 months) 2022	For the financial period (12 months) 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Interest expense on deposits -Banks	(1,551)	(1,671)	(839)	(377)
Interest expense on deposits-Customers	(102,888)	(157,449)	(60,531)	(42,181)
Repo agreement	(248)	(365)	(121)	(88)
Other loans	(5,996)	(3,555)	(3,150)	(853)
Total interest expense	**(110,683)**	**(163,040)**	**(64,641)**	**(43,499)**
Net interest income	**45,883**	**51,941**	**16,328**	**15,503**

7-Net fees and commissions income	For the financial period (6 months) 2022	For the financial period (12 months) 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Fee and commission income :				
Credit-related fees and commissions	3,319	4,855	1,766	1,293
Other fees	2,037	3,271	1,468	914
	5,356	**8,126**	**3,234**	**2,207**
Fee and commission expenses :				
Fees paid to banks	(212)	(716)	(39)	(288)
	(212)	**(716)**	**(39)**	**(288)**
Net fee and commissions income	**5,144**	**7,410**	**3,195**	**1,919**

8-Dividends income	For the financial period (6 months) 2022	For the financial period (12 months) 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Subsidiaries companies'	61	179	46	23
Associates companies'	70	37	70	17
Financial investment at fair value through profit / loss	6	39	3	6
Financial investment at fair value through other comprehensive income	662	334	426	97
Mutual funds certificates	35	53	17	18
	834	**642**	**562**	**160**

National Bank of Egypt **(The comparative period represents a 12 months period, starting from first of July 2020 till end of June 2021)**

Notes to the separate financial statements for the period ended 30 June 2022

All Figures are in EGP Millions

9-Net trading income	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Profit (loss) from foreign currency transactions	(803)	2,128	242	406
Financial investments at fair value through profit/loss	(286)	79	(208)	2
Profit (Loss) currencies and interest rate swaps contracts*	1,336	1,731	682	372
	247	**3,938**	**716**	**779**
*Profit (Loss) currencies and interest rate swaps contracts include:-				
(Losses) of Currency swaps	43	(39)	38	(1)
Profit of interest rate swaps-IRS	1,293	1,770	644	373

10-Charge of expected credit losses (ECL)	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Revese / charge of expected credit losses on contingent liabilities-Customers	155	(12)	(331)	(332)
Charge / reverse of expected credit losses on contingent liabilities-Banks	(127)	4	(171)	15
Charge of expected credit losses on Loans-Customers	(9,233)	(442)	(2,535)	(663)
Charge / Reverse of expected credit losses on Loans-Banks	(2)	31	(2)	(1)
Reverse / charge of expected credit losses on financial investments	29	(243)	366	(147)
Charge / Reverse of Expected credit losses on due from banks	(138)	8	(121)	(11)
Amounts recovered during the period	431	431	322	107
Total	**(8,885)**	**(223)**	**(2,472)**	**(1,033)**

11-Administrative expenses	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Staff costs:				
Salaries and wages	(5,636)	(8,138)	(2,346)	(2,088)
Social insurances	(224)	(345)	(112)	(91)
Pension Cost	(321)	(791)	(159)	(198)
Other administrative expenses*	(12,603)	(16,013)	(5,418)	(4,207)
	(18,784)	**(25,287)**	**(8,035)**	**(6,584)**
***Other administrative expenses include the following:**				
Depreciation and amortization	(833)	(1,239)	(316)	(351)
Buildings and lands expenses	(487)	(898)	(281)	(247)
Machines and equipment's	(1,118)	(1,501)	(657)	(437)
Taxes and fees	(1,963)	(2,871)	(1,006)	(920)
Marketing and donation fees	(1,632)	(2,476)	(758)	(641)
Bank's share of Insurance fees	(396)	(577)	(216)	(150)
Training and travel expenses	(347)	(531)	(223)	(174)

12-Other operating income	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Foreign currencies revaluation profits (losses) from monetary assets and liabilities	7,808	265	361	201
Other provision charge	(2,587)	(211)	(44)	(41)
Reversal /charge of Assets reverted to the bank provision	(11)	184	(11)	-
Other debt balances provision charge	(35)	(28)	(35)	(3)
Fixed assets sale gain	20	107	-	39
Other income	176	348	196	272
Net of other operating expenses	**5,371**	**665**	**467**	**468**

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

13-Income tax expenses	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Taxes on treasury bills, bonds, cash dividends, securities capital gain and foreign branches	16,175	22,773	8,490	5,841
Total	**16,175**	**22,773**	**8,490**	**5,841**

Reconciliation to calculate the effective tax rate

Taxes on the bank's profits vary from the amount derived from applying the current tax rates as follows:

	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Profit before tax	30,278	37,776	10,938	11,271
Effective tax rate	22.5%	22.5%	22.5%	22.5%
	6,813	**8,500**	**2,461**	**2,536**
Add / (Deduct)				
Non- deductible expenses	15,035	17,401	7,181	4,222
Non- taxable income	-	-	-	-
Income tax expenses	**21,848**	**25,901**	**9,642**	**6,758**
Effective tax rate (excluding taxes on treasury bills, bonds and cash dividends)	72.16%	68.55%	-	59.95%
Effective tax rate (including taxes on treasury bills, bonds and cash dividends)	53.42%	60.28%	77.62%	51.82%

*Effective tax rate includes taxes on treasury bills, bonds and cash dividends proportioned to the profit before tax.

*The difference between the tax charged to income statement (profit / loss) and the tax presented in cash flows statement is the unrealized revenue tax at reporting date

Not recognized deferred tax assets	30-Jun 2022
Impairment loss provision for loans (excluding 80% of the amount charged during the period)	44,742

Deferred tax assets are de-recognized due to the lack of reasonable assurance that this account can be utilized/ or a proper conformity level that there are a future taxable profits enough to settle these assets.

14-Basic earnings per share/ Diluted

Earnings per share is calculated by dividing the bank's shareholders net profit over the weighted average of common shares issued during the period, after excluding the weighted average of treasury shares repurchased by the bank.

	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Net profit for the financial period	14,103	15,003	2,448	5,430
Employees` profit share for the financial period *	(2,000)	(4,258)	(1,000)	(1,064)
Net profit available for distribution to shareholders (1)	**12,103**	**10,745**	**1,448**	**4,366**
The weighted average of the issued common shares (2)**	**50,000**	**50,000**	**50,000**	**50,000**
Basic earnings per share/ Diluted				
EGP	**0.24**	**0.21**	**0.03**	**0.09**

*According to the bank's article of association amendment para (27), These amounts considered as estimated and will be approved by the bank's general assembly meeting at the end of the year.

All Figures are in EGP Millions

15-Cash and balances with Central Banks

	30-Jun 2022	31-Dec 2021
Cash	23,697	17,660
Obligatory reserve balance with Central banks	75,670	53,516
Total	**99,367**	**71,176**

All balances are non-interest bearing balances

16-Due from banks, net

	30-Jun 2022	31-Dec 2021
Current accounts	11,381	18,207
Deposits	355,139	512,711
	366,520	**530,918**
Less: Expected credit losses provision	(173)	(29)
Total	**366,347**	**530,889**
Central banks balances other than the obligatory reserve percentage	325,012	475,191
Domestic banks	1,897	7,572
Foreign banks	39,611	48,155
Less: Expected credit loss	(173)	(29)
Total	**366,347**	**530,889**
Non - interest bearing balances	290	264
Floating interest bearing balances	355,138	512,711
Fixed interest bearing balances	11,092	17,943
Less: Expected credit losses provision	(173)	(29)
Total	**366,347**	**530,889**

17-Financial investments at fair value through profit/loss

	30-Jun 2022	31-Dec 2021
Shares	123	114
Mutual funds certificates	217	255
Other portfolios	1,341	1,071
	1,681	**1,440**

18-Loans and advances to banks, net

	30-Jun 2022	31-Dec 2021
Term loans	2,661	2,727
Less: Expected credit losses provision	(4)	(4)
Total	**2,657**	**2,723**

All balances are classified as current.

All Figures are in EGP Millions

19-Loans and advances to customers, net	30-Jun 2022	31-Dec 2021
Individual loans:-		
Credit cards	9,846	8,696
Overdrafts	7,525	4,715
Personal loans	154,579	131,912
Auto loans	2,749	1,943
Mortgage loans	13,751	12,045
Total (1)	**188,450**	**159,311**
Corporate included SME's loans		
Overdrafts	444,432	321,307
Direct loans	531,279	478,601
Syndicated loans	229,146	212,976
Total (2)	**1,204,857**	**1,012,884**
Total loans and advances to customers (1)+(2)	**1,393,307**	**1,172,195**
Less:		
Expected credit loss provision	(48,522)	(39,666)
Interest in suspense	(5,933)	(5,107)
	1,338,852	**1,127,422**
Current balances	571,631	437,907
Non-current balances	767,221	689,515
	1,338,852	**1,127,422**

Expected credit losses for customers' loans and advances	30-Jun 2022	31-Dec 2021
Corporate		
Balances at the beginning of the period	38,004	32,033
Charge for the period	9,046	7,649
Written-off loans during the period	(1,197)	(1,551)
Foreign currencies valuation differences (+/-)	834	(127)
Total	**46,687**	**38,004**
Individual		
Balances at the beginning of the period	1,662	1,180
Charge for the period	187	785
Written-off loans during the period	(14)	(303)
Total	**1,835**	**1,662**

All Figures are in EGP Millions

Expected credit losses for customers' loans and advances (Cont.)	30-Jun 2022	31-Dec 2021
Individual loans:-		
Credit cards	321	285
Overdrafts	-	2
Personal loans	852	660
Auto loans	60	37
Mortgage loans	602	678
Total (1)	**1,835**	**1,662**
Corporate & SME's loans		
Overdrafts	930	4,177
Direct loans	40,040	29,046
Syndicated loans	5,717	4,781
Total (2)	**46,687**	**38,004**
Total loans and advances to customers' provision (1)+(2)	**48,522**	**39,666**

20-Financial derivatives

	30-Jun-2022		
	Notional amount	**Assets**	**Liabilities**
Interest Rate Swap-IRS	15,042	-	86
Foreign Currency Swap	7,717	17	2
Cross Currency Swap	40,218	1,520	-
Total		**1,537**	**88**

	31-Dec-2021		
	Notional amount	**Assets**	**Liabilities**
Interest Rate Swap-IRS	12,573	148	-
Foreign Currency Swap	773	-	-
Cross Currency Swap	39,862	908	24
Total		**1,056**	**24**

21-Financial investments at fair value through other comprehensive income

	30-Jun 2022	31-Dec 2021
Treasury bills	390,410	255,104
Shares	16,688	25,387
Bonds	7,230	333,539
Mutual funds certificates of the founder bank	1,012	792
	415,341	**614,822**

National Bank of Egypt

Notes to the separate financial statements for the period ended 30 June 2022

All Figures are in EGP Millions

21-Financial investments at fair value through other comprehensive income (Cont.)

21.1-Treasury bills

	30-Jun 2022	31-Dec 2021
91 days maturity	37,596	984
182 days maturity	47,986	3,035
273 days maturity	73,855	58,048
364 days maturity	246,208	210,150
	405,645	**272,217**
Unearned interests	(13,406)	(17,385)
Fair value revaluation impact	(1,829)	285
Expected credit losses	-	(12)
Net	**390,410**	**255,105**
	390,410	**255,105**

21.2-Equity instrument

	30-Jun 2022	31-Dec 2021
Listed	6,676	16,885
Unlisted	10,012	8,502
Mutual funds certificates of the founder bank	768	754
Mutual funds certificates - Corporate	244	37
Total	**17,700**	**26,178**

21.3-Debt instrument

	30-Jun 2022	31-Dec 2021
Governmental bonds	636	328,769
Corporate bonds	6,534	5,051
Other	60	56
Total	**7,230**	**333,876**
Expected credit losses	-	(337)
Net	**7,230**	**333,539**
Listed	4,511	319,857
Unlisted	2,719	14,019
	7,230	**333,876**

21.4-Movement of financial assets at fair value through other comprehensive income-TBs

	30-Jun 2022	31-Dec 2021
Balance at the beginning of the period	255,105	392,594
Additions	295,372	1,032,625
De-recognitions (sale)	(170,176)	(1,171,564)
Unearned interests	4,118	1,842
Fair value revaluation impact through other comprehensive income	(2,101)	619
Foreign currencies valuation differences (+/-)	8,089	(1,129)
Expected credit losses provision	3	118
Balance at the end of the period	**390,410**	**255,105**

21.5-Movement of financial assets at fair value through other comprehensive income-Bonds & Equity instrument

	30-Jun 2022	31-Dec 2021
Balance at the beginning of the period	359,717	406,158
Additions	6,821	133,643
Cost reclassification*	(313,271)	(78,031)
De-recognitions (sale / redemption)	(24,382)	(106,282)
Reclassification of premium/discount-governmental bonds' amortization	561	(28,764)
Amortization of Premium/discount-governmental bonds	(28)	29,127
Fair value revaluation impact through other comprehensive income	(4,789)	3,915
Foreign currencies valuation differences (+/-)	159	-
Expected credit losses provision	143	(49)
Balance at the end of the period	**24,930**	**359,717**

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

22-Financial investment at amortized cost	30-Jun 2022	31-Dec 2021
Governmental bonds	1,169,362	740,762
Corporation bonds	23	32
Total	**1,169,385**	**740,794**
Expected credit losses provision	(2,225)	(2,103)
Net	**1,167,160**	**738,691**
Listed	789,703	419,693
Unlisted	379,682	321,101
Total	**1,169,385**	**740,794**

22.1-Movement of financial investment at amortized cost	30-Jun 2022	31-Dec 2021
Balance at the beginning of the period	738,691	100,262
Additions	84,450	555,044
De-recognitions (sale)	(21,557)	(28,659)
Cost reclassification*	313,271	78,031
Reclassification of premium/discount-governmental bonds' amortization	(561)	28,764
Amortization of Premium/discount-governmental bonds	14,240	7,343
Foreign currencies valuation differences (+/-)	38,744	-
Balance at the end of the period	**1,167,278**	**740,785**
Reversal/ Charge of Expected credit losses provision	(118)	(2,094)
Net Balance at the end of the period	**1,167,160**	**738,691**

*Business model of some government bonds reclassified, from investments at fair value through other comprehensive income to investments at amortized cost, as a result of an amendments in bank's strategy.
The government bonds balance at reclassification date was EGP312,710 million. Accordingly, the bank's Board of directors had approved the business model reclassification in its session hold on March 21, 2022, and also the Central Bank of Egypt approved the reclassification procedure as presented by NBE's management.

22.2-Profits / (losses) from financial investments	For the financial period (6 months) Ended 30-Jun 2022	For the financial period (12 months) Ended 30-Jun 2021	Form the financial period 1-Apr till 30-Jun 2022	Form the financial period 1-Apr till 30-Jun 2021
Fair value through other comprehensive income gain / loss	168	55	39	21
Gain on sale of financial investments in subsidiaries and associates	300	336	138	38
Impairment loss of subsidiaries and associates	-	(1,699)	-	-
Balance at the end of the period	**468**	**(1,308)**	**177**	**59**

23- Investments in subsidiaries and associates	30-Jun 2022	31-Dec 2021
Investments in subsidiaries and associates movement:-		
Balance at the beginning of the period	8,444	7,912
Additions	428	2,426
Disposal	-	(195)
Impairment loss	-	(1,699)
Balance at the end of the period	**8,872**	**8,444**

All Figures are in EGP Millions

23- Investments in subsidiaries and associates Cont.

No.	Name	Share %	Book value	Available financial statement	Company's assets	Company's liabilities without shareholders' equity	Company's revenues	Profit (losses) of the company	Currency
	30-Jun-2022								
	A-Subsidiaries companies								
1	NBE -Dubai international Financial center.DIFC	100%	47	Dec 21	1	-	1	(1)	USD
2	National Bank Of Egypt - Juba	100%	193			New establishment			USD
3	National Bank Of Egypt - NBE (Uk)	100%	1,083	Dec 21	1,213	1,058	36	-	GBP
4	Al Ahly for exchange	100%	399	Dec 21	389	114	22,771	3	EGP
5	Al Ahly for mortgage	99%	298	Dec 21	2,704	2,376	224	31	EGP
6	National Bank Of Egypt - El Khartoum	99%	299	Dec 21	13,735	2,344	6,160	5,047	SDG
7	Al-Ahly Capital Holding Co.	99%	4,948	Dec 21	8,856	49	796	719	EGP
8	El Ahly for leasing	99%	296	Dec 21	3,404	2,796	296	58	EGP
9	Dream Land Co. For Urban Development	72%	-	Dec 09	2,102	1,412	162	16	EGP
10	Dream Land Markets Co.	72%	-	Dec 09	110	83	-	(7)	EGP
11	Dream Land Co. For Meeting	72%	-	Dec 09	298	252	-	(14)	EGP
12	Forsan Dream Land	72%	-	Dec 09	210	130	-	(15)	EGP
13	Dream Land Health Resort Co.	72%	-	Dec 09	456	117	407	251	EGP
14	Dream Land Pyramids Co.	72%	-	Dec 09	984	592	110	(33)	EGP
15	Upper Egypt for food industries	71%	28	Dec 21	365	268	210	12	EGP
16	National Melamine And Urea Formaldehyde Co.	55%	-	Dec 18	36	1	1	-	EGP
17	Rady Group for touristic investment	52%	-	Dec 19	52	21	-	-	EGP
18	The Egyptian Co. For Asset Management & Investment	50%	120	Dec 21	3,930	3,271	18	30	EGP
19	Rawasi Co.	40%	20			New establishment			EGP
	Total Subsidiaries		**7,731**						
	B-Associate companies								
20	Egy Marble	41%	-	Dec 09	23	22	4	-	EGP
21	Egy House	41%	-	Dec 09	34	50	3	(5)	EGP
22	International Electrical Products	41%	-	Dec 09	263	154	135	1	EGP
23	Dream Park	41%	-	Dec 08	422	218	69	8	EGP
24	International Electronics	41%	-	Dec 06	377	318	14	(9)	EGP
25	Al Ahly-Misr for Investment property management Co.	40%	10			New establishment			EGP
26	Al Ahly Real Estate Development Co.-Saboor	40%	32	Dec 20	9,569	9,241	682	(54)	EGP
27	Egy Serv.	40%	1	Dec 21	162	79	374	36	EGP
28	National Navigation Co.	40%	-	Dec 21	465	95	157	51	USD
29	National Co. For Housing For Pro. Syndicates	40%	64	Dec 21	675	175	529	356	EGP
30	IMBT	39%	-	Dec 20	111	111	-	(3)	EGP
31	Al Ahly For Projects And Medical Services	39%	51	Dec 21	270	87	10	14	EGP
32	Oriental Resorts For Touristic Dev.	35%	-	Dec 21	116	119	4	(9)	EGP
33	First design for real state investment and development	34%	69			New establishment			EGP
34	Nile Holding Com. For Inv.& Dev.	33%	50	Dec 21	258	2	9	1	EGP
35	Maspiro CO. FOR URBAN Dev.	33%	30	Dec 21	619	221	523	270	EGP
36	El Sherouk For Markets & Commercial Stores	32%	-	Dec 21	88	29	246	3	EGP
37	Upper Egypt for investment	31%	-	Jun 21	39	-	-	(11)	EGP
38	Horizon For Inv. & Ind. Dev.	30%	26	Dec 21	600	281	800	58	EGP
39	Multi Trade Holding-Luxembourg	30%	-	Dec 13	1	-	-	-	EUR
40	Misr Aswan For Fishing Hunting And Fabricating	29%	-	Dec 21	25	7	33	-	EGP
41	Port Said National Food Security Co,	29%	-	Dec 19	3	1	1	-	EGP
43	Al Ektesadia For Housing And Reconstruction	29%	9	Dec 21	153	49	4	1	EGP
42	Multi-Investment International Co.	27%	-	Dec 21	64	11	17	14	EGP
44	The Universal Co For Cellulose Products	27%	-	Dec 18	739	703	-	(4)	EGP
45	Al Montazah For Tourism & Investment Co.	25%	-	Dec 21	598	412	41	13	EGP
46	Farma Free Zone	24%	-	Dec 15	49	5	2	-	EGP
47	Misr Takafoul insurance "Haya"	24%	36			New establishment			EGP
48	Aman for E-Payment	24%	538	Dec 21	4,004	3,525	2,820	117	EGP
49	Misr Company For Financial Investment	23%	-	Dec 21	65	12	10	1	EGP
50	Samcrete Development	23%	75	Dec 21	2,028	1,480	153	4	EGP
51	Alexandria Company For Petroleum Additives (Acpa)	23%	-	Dec 21	296	100	416	20	EGP
52	October For Development & Real-Estate Investment Co.	22%	20	Dec 21	248	53	24	3	EGP
53	Commercial Inter. Investment Company	21%	69	Dec 21	587	109	14	59	EGP
54	Elshorouk Co.For Moulds And Metallurgical Products	21%	-	Dec 20	18	4	2	-	EGP
55	El tahrer for investment parking (TECO)	21%	-	Dec 21	555	291	92	23	EGP
56	International Systems For Development & Property Investment	20%	-	Dec 11	-	-	-	-	EGP
57	Elnabila For Investment And Development Tourist	20%	-	Dec 18	306	385	10	(16)	EGP
58	Upper Egypt For Touristic & Real-Estate Development	20%	-	Dec 20	15	2	2	(3)	EGP
59	Misr for investment and export development	20%	5			New establishment			EGP
60	Mawsalat Misr co.	20%	56	Dec 20	126	38	-	(4)	EGP
	Total Associate		**1,141**						
	Total Subsidiaries and associate companies		**8,872**						

All Figures are in EGP Millions

23- Investments in subsidiaries and associates Cont.

No.	31-Dec-2021								
	Name	Share %	Book value	Available financial statement	Company's assets	Company's liabilities without shareholders' equity	Company's revenues	Profit (losses) of the company	Currency
	A-Subsidiaries companies								
1	NBE -Dubai international Financial center.DIFC	100%	25	Dec 20	2	1	1	-	USD
2	National Bank Of Egypt - NBE (Uk)	100%	1,083	Jun 20	1,097	943	59	4	GBP
3	Al Ahly for exchange	100%	299	Sep 21	386	113	16,117	1	EGP
4	Al Ahly for mortgage	99%	248	Dec 20	1,344	1,058	127	26	EGP
5	National Bank Of Egypt - El Khartoum	99%	299	Dec 20	3,600	2,108	448	215	SDG
6	Al-Ahly Capital Holding Co.	99%	4,947	Dec 20	8,954	151	838	589	EGP
7	El Ahly for leasing	99%	296	Dec 20	2,801	2,215	385	80	EGP
8	Dream Land Co. For Urban Development	72%	-	Dec 09	2,102	1,412	162	16	EGP
9	Dream Land Markets Co.	72%	-	Dec 09	110	83	-	(7)	EGP
10	Dream Land Co. For Meeting	72%	-	Dec 09	298	252	-	(14)	EGP
11	Forsan Dream Land	72%	-	Dec 09	210	130	-	(15)	EGP
12	Dream Land Health Resort Co.	72%	-	Dec 09	456	117	407	251	EGP
13	Dream Land Pyramids Co.	72%	-	Dec 09	984	592	110	(33)	EGP
14	Upper Egypt for food industries	71%	28	Dec 20	275	190	227	8	EGP
15	National Melamine And Urea Formaldehyde Co.	55%	-	Dec 18	36	1	1	-	EGP
16	Rady Group for touristic investment	52%	-	Dec 16	52	28	-	-	EGP
17	The Egyptian Co. For Asset Management & Investment	50%	120	Dec 20	3,936	3,254	38	48	EGP
18	Rawasi Co.	40%	20			New establishment			EGP
	Total Subsidiaries		**7,365**						
	B-Associate companies								
19	Egy Marble	41%	-	Dec 09	23	22	4	-	EGP
20	Egy House	41%	-	Dec 09	34	50	3	(5)	EGP
21	International Electrical Products	41%	-	Dec 09	263	154	135	1	EGP
22	Dream Park	41%	-	Dec 08	422	218	69	8	EGP
23	International Electronics	41%	-	Dec 06	377	318	14	(9)	EGP
24	Al Ahly Real Estate Development Co.-Saboor	40%	32	Dec 19	8,026	7,733	1,062	17	EGP
25	Al Ahly-Misr for Investment property management Co.	40%	10			New establishment			EGP
26	Egy Serv.	40%	1	Dec 20	162	80	315	33	EGP
27	National Navigation Co.	40%	-	Dec 20	443	104	100	5	USD
28	Arco Steel	40%	-	Dec 20	1,088	1,777	1,258	(179)	EGP
29	National Co. For Housing For Pro. Syndicates	40%	64	Dec 20	213	246	7	(35)	EGP
30	IMBT	39%	-	Dec 18	111	103	-	(3)	EGP
31	Al Ahly For Projects And Medical Services	39%	51	Dec 20	232	63	67	5	EGP
32	Oriental Resorts For Touristic Dev.	35%	-	Dec 20	118	111	(14)	(27)	EGP
33	First design for real state investment and development	34%	69			New establishment			EGP
34	Mena Tele. Co. (Menatel)	34%	-	Dec 20	18	16	-	-	EGP
35	Maspiro CO. FOR URBAN Dev.	33%	30	Dec 20	269	142	12	(4)	EGP
36	Nile Holding Com. For Inv.& Dev.	33%	50	Dec 20	250	1	14	6	EGP
37	El Sherouk For Markets & Commercial Stores	32%	-	Dec 20	120	27	242	9	EGP
38	Upper Egypt for investment	31%	-	Jun 21	39	-	-	(11)	EGP
39	Horizon For Inv. & Ind. Dev.	30%	26	Dec 20	594	331	661	17	EGP
40	Multi Trade Holding-Luxembourg	30%	-	Dec 13	-	(1)	-	-	EGP
41	Misr Aswan For Fishing Hunting And Fabricating	29%	-	Dec 20	27	8	37	1	EUR
42	Port Said National Food Security Co,	29%	-	Dec 19	3	1	1	-	EGP
43	Al Ektesadia For Housing And Reconstruction	29%	9	Dec 20	157	50	8	4	EGP
44	The Universal Co For Cellulose Products	27%	-	Dec 15	150	293	-	(46)	EGP
45	Multi-Investment International Co.	27%	-	Dec 20	57	18	5	(17)	EGP
46	Al Montazah For Tourism & Investment Co.	25%	-	Dec 20	592	413	41	13	EGP
47	Farma Free Zone	24%	-	Dec 15	49	5	2	-	EGP
48	Misr Takafoul insurance "Haya"	24%	36			New establishment			EGP
49	Aman for E-Payment	24%	480	Dec 20	2,684	2,265	1,532	13	EGP
50	Misr Company For Financial Investment	23%	-	Dec 20	65	12	10	-	EGP
51	Samcrete Development	23%	75	Dec 19	1,766	1,224	216	79	EGP
52	Alexandria Company For Petroleum Additives (Acpa)	23%	-	Dec 20	226	27	429	47	EGP
53	October For Development & Real-Estate Investment Co.	22%	20	Dec 20	234	43	64	5	EGP
54	Commercial Inter. Investment Company	21%	70	Dec 20	466	98	164	114	EGP
55	Elshorouk Co.For Moulds And Metallurgical Products	21%	-	Dec 20	18	4	2	-	EGP
56	El tahrer for investment parking (TECO)	21%	-	Dec 20	558	317	99	9	EGP
57	Mawsalat Misr co.	20%	56	Dec 19	119	28	1	(5)	EGP
58	Air Cairo	20%	-	Dec 20	124	173	52	(18)	USD
59	International Systems For Development & Property Investment	20%	-	Dec 11	-	-	-	-	EGP
60	Upper Egypt For Touristic & Real-Estate Development	20%	-	Dec 20	15	2	2	(3)	EGP
61	Elnabila For Investment And Development Tourist	20%	-	Dec 14	348	370	39	(8)	EGP
	Total Associate		**1,079**						
	Total Subsidiaries and associate companies		**8,444**						

All Figures are in EGP Millions

24-Fixed assets, net (after accumulated depreciation)

	Land	Buildings	Automated integrated systems	Vehicles	Fixtures and fittings	Furniture	Total
Net book value as at 30 Jun,2020							
Additions during the period	794	4,614	5,529	379	2,565	1,613	15,494
Accumulated depreciation	-	(1,607)	(4,232)	(167)	(994)	(1,134)	(8,134)
Net book value as at 30 Jun,2020	**794**	**3,007**	**1,297**	**212**	**1,571**	**479**	**7,360**
Additions during the period	4	613	1,431	225	957	363	3,593
Disposal cost	-	(1)	(1)	(93)	-	-	(95)
Depreciation cost	-	(342)	(1,247)	(116)	(444)	(335)	(2,484)
Disposal (Accumulated depreciation)	-	-	1	92	-	-	93
Net book value as at 31 Dec,2021	**798**	**3,277**	**1,481**	**320**	**2,084**	**507**	**8,467**
Cost	798	5,226	6,959	511	3,522	1,976	18,992
Accumulated depreciation	-	(1,949)	(5,478)	(191)	(1,438)	(1,469)	(10,525)
Net book value as at 31 Dec,2021	**798**	**3,277**	**1,481**	**320**	**2,084**	**507**	**8,467**
Additions during the period	9	308	379	47	196	45	984
Disposal cost	-	-	(1)	(33)	-	-	(34)
Depreciation cost	-	(129)	(363)	(47)	(181)	(111)	(831)
Disposal (Accumulated depreciation)	-	-	1	31	-	-	32
Net book value as at 30 Jun,2022	**807**	**3,456**	**1,497**	**318**	**2,099**	**441**	**8,618**
Cost	807	5,534	7,337	525	3,718	2,021	19,942
Accumulated depreciation	-	(2,078)	(5,840)	(207)	(1,619)	(1,580)	(11,324)
Net book value as at 30 Jun,2022*	**807**	**3,456**	**1,497**	**318**	**2,099**	**441**	**8,618**

*Include fully depreciated assets

All Figures are in EGP Millions

25-Investment property

	Cost	Accumulated depreciation	Net book value
		30-Jun-2022	
No. 10, Emraa El Noury street, Banha, Al Qaliubiya	2	1	1
No. 174, Al Nozha street	1	1	-
	3	**2**	**1**
		31-Dec-2021	
No. 10, Emraa El Noury street, Banha, Al Qaliubiya	2	1	1
No. 174, Al Nozha street	1	1	-
	3	**2**	**1**

26-Other assets

	30-Jun 2022	31-Dec 2021
Accrued interest revenue	67,349	46,005
National Investment Bank certificates'	87,486	60,224
Assets reverted to the bank as settlement of debts	3,432	3,751
Fixed assets advance payment	3,499	3,169
Tax advance payment	1,213	1,213
Deposits with others	92	80
Prepaid expenses	504	460
Memorial coins	1	1
Others	83,675	13,729
Total	**247,251**	**128,632**

27-Due to banks

	30-Jun 2022	31-Dec 2021
Current accounts	7,001	3,586
Deposits	211,140	339,231
Total	**218,141**	**342,817**
Central Bank of Egypt	16,046	183,645
Domestic banks	188,477	143,990
Foreign banks	13,618	15,182
Total	**218,141**	**342,817**
Non-interest bearing balances	2,064	1,919
Interest bearing balances	216,077	340,898
Total	**218,141**	**342,817**

*All balances are classified as current

All Figures are in EGP Millions

28-Customers' deposits

	30-Jun 2022	31-Dec 2021
Demand deposits	393,758	347,232
Saving deposits	257,135	303,769
Time and notice deposits	161,787	145,911
Certificate of deposit	1,933,620	1,581,085
Other deposits	14,511	8,453
Total	**2,760,811**	**2,386,450**
Corporate	600,279	539,751
Individual	2,160,532	1,846,699
	2,760,811	**2,386,450**
Non-interest bearing balances	336,418	267,626
Floating interest bearing balances	4,368	11,176
Fixed interest bearing balances	2,420,025	2,107,648
	2,760,811	**2,386,450**
Current balances	1,349,556	1,034,595
Non-current balances	1,411,255	1,351,855
	2,760,811	**2,386,450**

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

29-Other loans

	30-Jun-2022		
	Unsecured loans	Secured loans against financial instruments	Total
Middle east	112,474	50,858	163,332
Europe	48,262	36,571	84,833
Asia	20,781	-	20,781
	181,517	**87,429**	**268,946**

	31-Dec-2021		
	Unsecured loans	Secured loans against financial instruments	Total
Middle east	98,345	38,902	137,247
Europe	45,554	29,469	75,023
Asia	18,231	-	18,231
	162,130	**68,371**	**230,501**

All Figures are in EGP Millions

30-Other liabilities

	30-Jun 2022	31-Dec 2021
Accrued interest	18,994	13,211
unearned revenues	885	668
Accrued expenses	9,818	7,697
Fixed assets' purchase' creditors	912	1,433
Tax liabilities	17,778	13,878
Others	112,937	15,327
	161,324	**52,214**

31-Other provisions

	30-Jun 2022	31-Dec 2021
Provision for other claims		
Balance at the beginning of the period	7,676	6,887
Provision charge	2,576	829
Amounts written-off during the period	(249)	(40)
Foreign currencies valuation differences (+/-)	3	-
Balance at the End of the period	**10,006**	**7,676**
Legal claims provision		
Balance at the beginning of the period	474	1,048
Provision charge / Reversal	11	(569)
Foreign currencies valuation differences (+/-)	-	(5)
Balance at the End of the period	**485**	**474**
Contingent liabilities provision		
Balance at the beginning of the period	5,260	2,196
Provision reversal / charges	(28)	3,080
Foreign currencies valuation differences (+/-)	246	(16)
Balance at the End of the period	**5,478**	**5,260**
Total other provision	**15,969**	**13,410**

All Figures are in EGP Millions

	30-Jun 2022	31-Dec 2021
32-Pension benefits' liabilities		
Liabilities included in statement of financial position		
Pension-healthcare benefits	4,971	4,775
Amounts recognized in the income statement (profit / loss):		
Pension-healthcare benefits	321	1,186
(A) Pensions benefits		
Amounts recognized in the statement of financial position:		
The present value of the unfunded liabilities'	4,971	4,775
The liability movement during the period / year:-		
Balance at the beginning of the period	**4,775**	**3,938**
Current service Cost	151	250
Interest cost	166	936
Actuarial loss	4	-
Paid benefits	(125)	(349)
Balance at the End of the period	**4,971**	**4,775**

Notes to the separate financial statements for the period ended 30 June 2022 All Figures are in EGP Millions

33-Paid-up capital

The Extra Ordinary General Assembly had approved on December 25, 2014 the increase of the authorized capital to be EGP 30 000 Million and increased the paid up capital with an amount of EGP 5 752 Million transferred from shareholders` equity reserves to reach EGP 15 000 Million divided on EGP 15 000 Million shares with EGP 1 par value for each paid share, also amended the Article of Association with that increase, and published in the official Egyptian newspaper (Al- Waqa`a al Masrya) on January 19, 2015 and in the Central Bank of Egypt register at January 20, 2015.

The Extra Ordinary General Assembly had approved on February 26, 2017 the increase of the authorized capital to be EGP 50 000 Million and increased the paid up capital with an amount of EGP 13 650 Million transferred from shareholders` equity reserves to reach EGP 28 650 Million, divided to 28 650 Million share with EGP 1 par value for each paid share and also amended the Article of Association with that increase, and published in the official Egyptian newspaper (Al- Waqa`a al Masrya) on April 18, 2017 and in Banks the Central Bank of Egypt register at April 20, 2017.

The Extra Ordinary General Assembly had approved on February 13, 2018 the increase of The issued and paid up capital with an amount of EGP 6 350 Million transferred from the supportive reserves to reach EGP 35 000 Million and also amended the Article of Association with that increase, and published in the official Egyptian newspaper (Al- Waqa`a al Masrya) on April 1, 2018 and in the Central Bank of Egypt register at April 4, 2018 .

The Extra Ordinary General Assembly had approved on April 16, 2020 the increase of The issued and paid up capital with an amount of EGP 15 000 Million transferred from the general and supportive reserves to reach EGP 50 000 Million and also amended the Article of Association with that increase, and published in the official Egyptian newspaper (Al-Waqa`a al Masrya) on June 25,2020 and in the Central Bank of Egypt register at June 30,2020.

34-Reserves

	Ref.	30-Jun 2022	31-Dec 2021
Legal reserve	34.1	9,229	9,229
General reserve	34.2	3,549	3,549
Capital reserve	34.3	111	111
Supportive reserve	34.4	5,334	5,334
Special reserve	34.5	107	107
General banking risks reserve	34.7	1,496	1,496
General risk reserve	34.8	3,793	3,793
Foreign currency translation differences for overseas branches		524	323
Total		**24,143**	**23,942**
Fair value through other comprehensive income reserves'*	34.6	3,837	10,727

*It include EGP 228 Million expected credit losses for debt instrument.

34.1-Legal reserve

According to the bank's Articles of Association 10% of the yearly net profit (after excluding gain on sale of fixed assets) is used to increase the legal reserve until reaching 100% of the Bank's capital.

34.2-General reserve

According to the bank's articles of Association a 10% of the yearly net profit (after the exclusion of the legal reserve share and general banking risks reserve share) is retained to increase the general reserve.

All Figures are in EGP Millions

34.3-Capital reserve

Includes the proceeds from sale of fixed assets (Capital gain) This reserve is used to enhance the bank's capital base and increase the issued and paid-up capital.

34.4-Supportive reserve

According to the bank's articles of association which indicate that "…The Assembly General Meeting (AGM) which indicate that the AGM has a right to create any other reserves or to retain the profit (part/ full) to the next year or to create reserves in order to support the bank's capital adequacy.
Reserves can be used as a capital injection after the AGM approval and based on BOD proposal.

34.5-Special reserve

The special reserve represents the revaluation differences of previously available for sale investment in foreign currency, and will only be used after obtaining an approval form Central Bank of Egypt.

34.6-Fair value through other comprehensive income reserves'*

The fair value through other comprehensive income reserve, includes revaluation differences of fair value through other comprehensive income investments' which derived from the change in fair value represented in the market prices for each investment separately, whether profit/ loss.

34.7-General banking risks reserve

In accordance with Central Bank of Egypt instructions', which indicate forming a general banking risks reserve for a percentage of 10% related to the assets reverted to the bank , and not disposed for a five years.

34.8-General risk reserve

According to the Central Bank of Egypt instructions issued at 26 February 2019 regarding the initial implementation of IFRS (9) starting from 01 July 2019, the special reserve-credit , the general banking reserve-credit and IFRS 9 risk reserve are merged into a general risk reserve, subsequently any difference between the required IFRS 9 provision and the prior provision, will be deducted from the general risk reserve. This reserve will not be used unless getting an approval from Central Bank of Egypt.

Subsequent periods

CBE instructions' required the formation of general banking risk reserve for the difference between the expected credit loss provision and the credit worthiness provision related to loans and advances in the relevant year.

35-Contingent liabilities and commitments

35.1-Guarantees and advances commitments'

The bank's guarantees and advances commitments' represented in the following:-

	30-Jun 2022	31-Dec 2021
Letters of credit	68,468	46,991
Letters of guarantee	163,114	147,040
Customers' acceptances	37,058	34,674
Discounted bills	613	586
Other contingent liabilities	3,135	1,972
	272,388	**231,263**

All Figures are in EGP Millions

35.2-Capital Commitments	30-Jun 2022	31-Dec 2021
Financial investment commitments' that not required to be paid, up to the reporting date.	5,714	857
The non executed commitments contracts related to fixed assets and branches' fixtures till the reporting date.	3,815	3,500

36-Transactions with related parties

The Bank is an affiliate of the Ministry of Finance (Arab Republic of Egypt), which owns 100% of the bank's common shares. The bank has entered into many transactions with related parties through the bank's normal course of business, these transactions included loans and deposits.

36.1- Related parties loans and advances (subsidiaries and associates) in accordance to customers' accounts	30-Jun 2022	31-Dec 2021
Loans and advances to customers		
Outstanding loans at the period end	13,349	11,653
Interest income	525	888
Due from banks		
Outstanding loans at the period end	960	813
Interest income	3	9
Loans and advances to banks		
Outstanding loans at the period end	846	707
Interest income	12	20
Due to customers		
Deposits at the period end	630	698
Interest expense on deposits and similar expense	5	12
Due to banks		
Outstanding loans at the period end	1,507	1,270
Interest expense	9	14
36.2-Employee monthly average, form the top 20 employee	0.7	0.5

37-Mutual funds

37.1- NBE’s First Mutual Fund with Accumulated Return

NBE’s First Mutual Fund with Accumulated Return has been established by CBE's approval dated 14 July 1993 and license No. 25 issued by Capital Market Authority on 26 June 1994. The Fund started business on 4 September 1994.Capital Market Authority approved amending the Fund into a mutual fund with a periodic and accumulated return as well as splitting its nominal value to become EGP 10 on 6 November 2007. Al Ahly Mutual Fund Management company operates the Fund. The number of certificates as at 30 June 2022 reached 854,967 certificates with market value of EGP 34 Million. NBE's share on the same date reached 500,000 certificates . This share consists of 500,000 certificates with a market value of EGP 20 Million classified as fair value through other comprehensive income investments, as per the declared rates on 3 July 2022. According to the amended prospectus at 1 April 2016,the Bank shall receive 7.5 per thousand annually of the fund's net assets value against supervision fees and other administrative services performed by the Bank. The bank obtained EGP 0.139 Million total commission for the period ended 30 June 2022.

37.2-NBE’s Second Mutual Fund with a Periodic Return

NBE’s Second Mutual Fund with a Periodic Return has been established by CBE's approval dated 14 July 1993 and license No. (70) Issued by Capital Market Authority on 12 June 1995. The Fund started business on 3 October 1995 and being operated by Al Ahly financial investment Management company. The number of certificates as at 30 June 2022 reached 584,848 certificates with a market value of EGP 34 Million. NBE's share on the same date reached 125,106 certificates represented in 89,113 certificates classified as fair value through other comprehensive income investment with a market value of EGP 5 Million and fair value through profit / loss investments' amounting to 35,993 certificates with a market value of EGP 2 Million, as per the declared rates on 3 July 2022. Pursuant to the Fund's management contract and the prospectus, the Bank shall obtain 7.5 per thousand annual commissions and fees against supervision on the Fund and the other administrative services performed by the Bank. The bank has obtained EGP 0.149 Million total commission for the period ended 30 June 2022.

37.3-NBE’s Third Mutual Fund with a Periodic and Accumulated Return

NBE’s Third Mutual Fund with a Periodic and Accumulated Return has been established by CBE's approval dated 15 March 2005 and license No. 334 issued by Financial Regulatory Authority on 12 May 2005. The Fund started business on 9 August 2005 and being operated by Al Ahly financial investment Management company. The number of certificates as at 30 June 2022 reached 335,464 certificates with a market value of EGP 39 Million. NBE's share on the same date reached 50,000 certificates classified as fair value through other comprehensive income investments' with a market value of EGP 6 Million, as per the declared rates on 3 July 2022. Pursuant to the Fund's management contract and the prospectus, the Bank shall obtain 4 per thousand annually of the Fund's net asset value against supervision on the Fund and other administrative services performed by the Bank. The bank has obtained EGP 0.081 Million total commission for the period ended 30 June 2022.

37-Mutual funds(Cont.)

37.4- NBE’s Fourth Cash Return Fund with Daily Accumulated Return

NBE’s Fourth Cash Return Fund with Daily Accumulated Return has been established by CBE's approval dated 1 December 2005 and license No. 345 issued by Capital Market Authority on 26 March 2006. The Fund started business on 30 April 2006 and being operated by Al Ahly financial investment Management company. The number of certificates as at 30 June 2022 reached 123,016,544 certificates with a market value of EGP 34,517 Million. NBE's share on the same date reached 2,490,937 ,which classified as fair value through other comprehensive income investments certificates with a market value of EGP 699 Million , as per the declared rates on 3 July 2022. Pursuant to the Fund's management contract and the prospectus, the Bank shall obtain 3 per thousand annual commissions and fees against supervision on the Fund and other administrative services performed by the Bank. The bank has obtained EGP 47 Million total commission for the period ended 30 June 2022.

37.5- NBE’s Fifth Mutual Fund with Accumulated Return

NBE’s Fifth Mutual Fund with Accumulated Return has been established by CBE's approval dated 15 March 2005 and license No. (386) issued by Capital Market Authority on 13 February 2007. The Fund started business on 20 May 2007 and being operated by Al Ahly financial investment Management company. The number of certificates as at 30 June 2022 reached 2,920,544 certificates with a market value of EGP 29 Million. NBE's share on the same date reached 527,584 certificates, which classified as fair value through other comprehensive income investments' with a market value of EGP 5 Million as per the declared rates on 3 July 2022. Pursuant to the Fund's management contract and the prospectus, the Bank shall obtain 4 per thousand annual commissions and fees against supervision on the Fund and other administrative services performed by the Bank. The bank has obtained EGP 0.051 Million total commission for the period ended 30 June 2022.

37.6- NBE’s and Al Baraka Bank’s Sixth Mutual Fund with Periodic and Accumulated Return (Bashaier)

NBE’s and Al Baraka Bank’s Sixth Mutual Fund with Periodic and Accumulated Return (Bashaier) has been established by CBE's approval dated 5 July 2007 and license No. 432 issued by Financial Regulatory Authority on 31 December 2007. The Fund started business on 10 February 2008 and being operated by Al Ahly Financial Investment Management company. The number of certificates as at 30 June reached 1,330,802 certificates with a market value of EGP 100 Million. NBE's share on the same date reached 35,950 classified as fair value through other comprehensive income investments with a market value of EGP 3 Million and 650,000 certificates classified as fair value through profit / loss investments with a market value of EGP 48 Million as per declared rates on 3 July 2022. Pursuant to the Fund's management contract and the prospectus. The Bank shall obtain 3.75 per thousand annual commissions and fees against supervision on the Fund and other administrative services performed by the Bank. The bank has obtained EGP 0.216 Million total commission for the period ended 30 June 2022.

37-Mutual funds(Cont.)

37.7- NBE's Seventh Mutual Fund with Accumulated and Periodic Return (the Fund of Egyptian Funds)

NBE's Seventh Mutual Fund with Accumulated and Periodic Return (the Fund of Egyptian Funds) has been established by CBE's approval dated 6 January 2009 and license No. 513 issued by Capital Market Authority on 19 May 2009. The Fund started business on 29 July 2009. It is operated by Al Ahly financial investment Management company. The number of certificates as at 30 June 2022 accounted for 108,967 certificates with a market value of EGP 13 Million. NBE's share on the same date reached 50,000 certificates ,which classified at fair value through other comprehensive income investments with a market value of 6 Million, as per declared rates on 26 June 2022. Pursuant to the Fund's management contract and the prospectus, the Bank shall obtain 3.75 per thousand annual commissions and fees against supervision on the Fund and the other administrative services performed by the Bank. The bank has obtained EGP 0.022 Million total commission for the period ended 30 June 2022.

37.8- NBE's eighth EL-Waed Mutual Fund with quarterly fixed income

NBE's eighth EL-Waed Mutual Fund with quarterly fixed income has been established by CBE's approval dated 14 November 2010 and license No. 636 issued by Capital Market Authority on 23 May 2011. The Fund started business on 16 October 2011.Al Ahly Financial Investment Management co. operates it. The number of certificates as at 30 June 2022 reached 296,167 certificates with a market value of EGP 567 Million. NBE's share on the same date reached 11,616 certificates that classified as fair value through other comprehensive income investments with a market value of EGP 22 Million. In addition to certificates classified as fair value through profit / loss investments' amounting to 62,704 certificates with a market value of EGP 120 Million. This reflects the declared rates on 3 July 2022. Pursuant to the Fund's management contract amended on 03 April 2016 and the prospectus, the Bank shall obtain 2 per thousand annual commissions and fees against supervision on the Fund and other administrative services performed by the Bank. The bank has obtained EGP 0.309 Million total commission for the period ended 30 June 2022.

37.9- NBE's Misr Takafoul insurance Mutual Fund "Al-Ahly Haya"

NBE's Misr Takafoul insurance Mutual Fund "Al-Ahly Haya" has been established by CBE's approval dated 23 June 2021 and license No. 847 issued by Capital Market Authority on 17 November 2021 The Fund started business on 23 December 2021. Al Ahly Financial Investment Management co. operates it. The number of certificates as at 30 June 2022 reached 1,277,885 certificates with a market value of EGP 113 Million, as per declared rates on 3 July 2022. NBE's share on the same date reached 25,000 certificates that classified as fair value through other comprehensive income investments with a market value of EGP 2 Million. In addition to certificates classified as fair value through profit / loss investments' amounting to 75,000 certificates with a market value of EGP 7 Million. Pursuant to the Fund's management contract amended and the prospectus, the Bank shall obtain 2 per thousand annual fees from the net fund's assets. The bank has obtained EGP 0.159 Million total commission for the period ended 30 June 2022.

38-comparative figures

The Bank has amended the comparative figures to conform with the current presentation of the financial statements.