

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

(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)

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Ehab Morad Azer
Allied for Accounting and Auditing - EY

Sameh Samy Mohamed Kamal
Accountability State Authority

Auditors' Report

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

Report on the separate financial statements

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

Management's responsibility for the separate financial statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the separate financial statements referred to above present fairly in all material respects, the separate financial position of the Bank as at December 31, 2022 and its separate financial performance and its separate cash flows for the financial year then ended in accordance with the Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements issued on December 16, 2008, followed by the amendment instruction issued in February 26, 2019 and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Emphasis of matter

Without qualifying our opinion, we draw attention to note (2) of the accompanying notes to the Separate financial statements, whereas the General Assembly decided on October 13, 2020 to approve the amendment of the Bank's Articles of Association to start the financial year from the first of January and end at the end of December of each year, in order to comply with the provisions of the Law of the Central Bank of Egypt and the Banking System No. 194 of 2020, starting from January 1, 2022, provided that the period from July 1, 2020 to December 31, 2021 is a transitional period extended for eighteen months, Accordingly, the Separate income (profit / loss) statement, the Separate comprehensive income statement, as well as the Separate cash flow statement, Separate change in owner equity statement and all relevant notes were presented for a financial year (twelve months) from 1 January 2022 to 31 December 2022 compared to a financial period(eighteen months) from 1 July 2020 to 31 December 2021, and accordingly the comparative figures disclosed in the Separate financial statements are entirely not comparable.

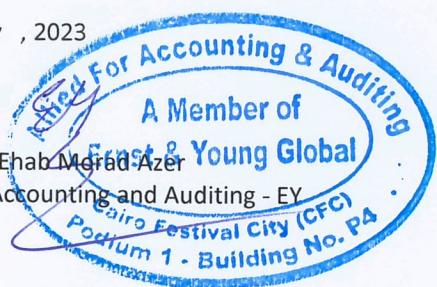
Report on other legal and regulatory requirements

The bank maintains proper books of account, which include all that is required by law and by the statutes of the bank. The separate financial statements are in agreement thereto. The financial information included in the board of directors' report which is prepared in accordance with law No. 159 of 1981, its amendments and its executive regulations is in agreement with the books of the bank insofar as such information is recorded therein.

Cairo on: 16 July , 2023

Auditors

Sameh Samy
Sameh Samy Mohamed Kamal
Accountability State Authority



National Bank of Egypt

Separate Statement of Financial Position as at 31 December 2022

All Figures are in EGP Millions

	Note No.	31-Dec 2022	31-Dec 2021
Assets			
Cash and balances with Central Banks	(15)	218,773	71,176
Due from banks, net	(16)	280,978	530,889
Financial investments at fair value through profit/loss	(17)	2,250	1,440
Loans and advances to banks, net	(18)	1,758	2,723
Loans and advances to customers, net	(19)	1,663,843	1,127,422
Financial derivatives	(20)	20	1,056
Financial investments			
Financial investments at fair value through other comprehensive income	(21)	476,283	614,822
Financial investments at amortized cost	(22)	1,400,926	738,691
Investments in subsidiaries and associates	(23)	11,756	8,444
Fixed assets, net (after accumulated depreciation)	(24)	10,308	8,467
Investment property	(25)	1	1
Other assets	(26)	303,711	128,632
Total assets		4,370,607	3,233,763
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(27)	335,249	342,817
Repurchase agreements-treasury bills		21,371	21,404
Customers' deposits	(28)	3,221,627	2,386,450
Financial derivatives	(20)	9	24
Other loans	(29)	343,019	230,501
Other liabilities	(30)	204,659	52,214
Other provisions	(31)	16,446	13,410
Pension benefits' liabilities	(32)	5,146	4,775
Total liabilities		4,147,526	3,051,595
Shareholders' equity			
Paid-up capital	(33)	50,000	50,000
Paid capital under settlement	(33)	25,000	-
Reserves	(34)	22,771	23,942
CBE subordinate-loan differences between nominal and present value		79,987	66,167
Fair value reserves for investments through other comprehensive income		9,637	10,727
Net profit for the financial year / period		34,650	29,698
Retained earnings		1,036	1,634
Total shareholders' equity		223,081	182,168
Total liabilities and shareholders' equity		4,370,607	3,233,763
Contingent liabilities and commitments			
Letters of Credit, Guarantee and other commitments	(35)	371,658	231,263

-The attached notes from page (11) to page (61) are an integral part of these separate financial statements.

Wael Abou Ali

Chief Financial Officer
Wael Abou-Ali

Dalia El Baz

Deputy Chairman
Dalia El Baz

Auditors

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

Yehia Abu El Fotuh
Deputy Chairman

H. Okasha
Chairman
Hisham Ahmed Okasha

Sameh Samy
Mr. Sameh Samy Mohamed Kamal
(Accountability State Authority)

National Bank of Egypt

(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)

Separate Income Statement (Profit / Loss) for the financial year ended 31 December 2022

All Figures are in EGP Millions

Note No.	For the financial year (12 months) Ended 31-Dec		For the financial period (18 months) Ended 31-Dec
	2022	2021	
Interest income on loans and similar income	367,763	352,694	
Interest expense on deposits and similar expense	(255,862)	(253,550)	
Net interest income	(6) 111,901	99,144	
Fees and commissions income	13,487	13,284	
Fees and commissions expense	(601)	(803)	
Net fees and commissions income	(7) 12,886	12,481	
Dividends income	1,572	881	
Net trading income	3,378	6,360	
Profits / (losses) from financial investments	(22.2) 644	(356)	
Charge of expected credit losses	(10) (16,281)	(12,731)	
Administrative expenses	(11) (42,890)	(39,199)	
Other operating expenses	(12) (407)	(578)	
Profit before income tax	70,803	66,002	
Income tax expenses	(36,153)	(36,304)	
Net profit for the financial year / period	34,650	29,698	
Basic earnings per share/ Diluted EGP	(14) 0.41	0.34	

-The attached notes from page (11) to page (61) are an integral part of these separate financial statements.

Wael Abou Ali

Chief Financial Officer
Wael Abou-Ali

Dalia El Baz

Deputy Chairman
Dalia El Baz

Yehia Abu El Fotuh

Deputy Chairman
Yehia Abu El Fotuh

Hisham Ahmed Okasha

Chairman
Hisham Ahmed Okasha

National Bank of Egypt

(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)

Statement of proposed profit distribution for the financial year ended 31 December 2022

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Net profit for the financial year / period	34,650	29,698
Deduct:-		
Gain on sale of fixed assets transferred to capital reserve in conformity with article No 40 for the Law No. 159 for the year 1981	(41)	(105)
General banking risk reserve-Assets reverted to the bank	-	(533)
Financial year / period Profit available for distribution	34,609	29,060
Add:-		
Retained earnings	1,036	1,634
Net Profit available for distribution	35,645	30,694
Relevant Dividends		
Legal reserve	3,461	2,959
General reserve	3,115	2,610
Banking system Support and Development Fund	346	296
Employees' dividends	4,091	3,850
Shareholders' dividends *	24,632	20,979
Total	35,645	30,694

***Shareholders' dividends Represent the following:-**

- An amount of EGP 545 Million paid in accordance with the agreement of subordinated loan which used in increasing the bank's paid- up capital.
- An amount of EGP 2 Million represents bank's net accrued interest related to the 5% governmental bonds.
- An amount of EGP 24,085 Million transferred to supportive reserve.

National Bank of Egypt

(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)

Separate Statement of Other Comprehensive Income for the financial year ended 31 December 2022

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Net profit for the financial year / period after tax	34,650	29,698
<u>Items that may not be recycled to Profit / Loss:-</u>		
Net change in fair value of equity instruments	1,518	4,215
<u>Items that may be recycled to Profit / Loss:-</u>		
Net change in fair value of debt instruments	(3,506)	299
Net change in ECL of debt instruments	898	-
Net change in cash flow hedge reserve	-	(66)
Total comprehensive income for the financial year / period	(1,090)	4,448
	33,560	34,146

-The attached notes from page (11) to page (61) are an integral part of these separate financial statements.

	Note No.	For the financial year (12 months) Ended 31-Dec		For the financial period (18 months) Ended 31-Dec	
		2022		2021	
		2022	2021	2022	2021
<u>Cash flows from operating activities</u>					
Net profit for financial year / period before tax			70,803		66,002
<u>Adjustments to reconcile net profit to cash flows from operating activities:</u>					
Fixed assets depreciation	(24)	1,695		2,484	
Pension benefits' liabilities	(32)	638		1,186	
Amortization of financial investments at FVOCI (Bonds and equity instruments)		27		(29,127)	
Profits from financial investments at fair value through OCI		(357)		(682)	
Reversal / charge of expected credit losses-Financial investments at fair value through OCI		469		(69)	
Foreign currencies valuation differences (+/-) Financial investments		(138,450)		1,129	
Amortization of financial investments at amortized cost		(25,053)		(7,343)	
Charge of expected credit losses- investments at amortized cost		673		2,094	
Charge of expected credit losses charge-Customers' loans		15,685		8,434	
Reversal of charge of expected credit losses-banks' loans		-		(31)	
Charge of expected credit losses-Due from banks		140		2	
Charge of expected credit losses - other provisions		2,808		3,340	
Foreign currency translation differences for overseas branches		557		-	
Foreign currencies valuation differences for expected credit losses charged to customers' loans		2,784		(127)	
Foreign currencies valuation differences for other provisions		478		(21)	
Taxes paid		(32,447)		(30,174)	
Impairment losses on subsidiaries and associate companies	(23)	47		1,699	
Gain on sale of fixed assets		(41)		(105)	
Gain on sale investments in subsidiaries and associates		(333)		(662)	
Dividends income - Financial investments		(1,566)		(869)	
Operating (losses) / profits before changes in assets and liabilities (used in) operating activities		(101,443)		17,160	
<u>Net decrease (increase) in assets</u>					
Obligatory reserve balances with Central Banks		(140,070)		(22,515)	
Due from banks		(67,796)		36,753	
Financial investment at fair value through other comprehensive income (Treasury bills with maturity more than three months)		(8,723)		115,188	
Financial investment at fair value through profit/loss		(810)		(193)	
Loans and advances to banks		965		216	
Loans and advances to customers		(554,473)		(453,410)	
Financial derivatives, net		1,021		(782)	
Other assets		(175,412)		(72,383)	
Net increase (decrease) in liabilities		(7,568)		253,670	
Due to banks		(267)		(349)	
Pension benefits' liabilities		835,177		790,933	
Customers' deposits		148,443		7,951	
Other liabilities		(250)		(40)	
Net cash flows (used in) / from operating activities		(71,206)		672,199	

National Bank of Egypt (The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)
Separate Statement of Cash Flows for the year ended 31 December 2022
All Figures are in EGP Millions

Note No.	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
	(71,206)	672,199
<u>Net cash flows (used in) / from operating activities</u>		
Payments to acquire fixed assets and fixtures of branches	(24) (3,540)	(3,593)
Payments to acquire financial investment at amortized cost	(22/1) (370,519)	(555,044)
Proceeds from sale of financial investment at amortized cost	(22/1) 158,765	28,659
Payments to acquire investment at fair value through other comprehensive income	(21/5) (19,763)	(133,643)
Proceeds from sale of investment at fair value through other comprehensive income	(21/5) 27,337	108,012
Payments for acquisition of subsidiaries and associates companies	(23) (3,359)	(2,426)
Proceeds from sale of subsidiaries and associates companies	(23) 333	857
Proceeds from sale of fixed assets	45	107
	1,481	797
Net cash flows (used in) investing activities	(209,220)	(556,274)
<u>Cash flows from Financing activities</u>		
Other loans	(29) 126,338	123,753
Repurchase agreements-treasury bills	(33)	(1,040)
Dividends' paid	(7,764)	(5,603)
Net cash flows from financing activities	118,541	117,110
Net (decrease) / increase in cash and cash equivalents during the financial year / period	(161,885)	233,035
Cash and cash equivalent at the beginning of the financial year / period	527,944	294,909
Cash and cash equivalent at the end of the financial year / period	366,059	527,944
<u>Cash and cash equivalents represented in the following-</u>		
Cash and balances with Central Banks	(15) 218,773	71,176
Due from banks	(16) 280,978	530,890
Financial investment at fair value through other comprehensive income (Treasury bills)	(21) 302,819	254,818
Financial investment at fair value through other comprehensive income (Treasury notes)	133,000	-
Obligatory reserve balances with Central Banks	(193,586)	(53,516)
Due from banks with maturity more than three months	(89,240)	(21,584)
Financial investment at fair value through other comprehensive income (Treasury bills with maturity more than three months)	(286,685)	(253,840)
Total cash and cash equivalent	366,059	527,944

-The attached notes from page (11) to page (61) are an integral part of these separate financial statements.

National Bank of Egypt
Separate statement of changes in shareholders' equity for the year ended 31 December 2022

(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)
All Figures are in EGP Millions

	Paid-up capital	Paid capital under settlement	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 year / 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	-	-	-	-	-	-	-	-	-	30,083	-	-	-	-	-	30,083
Net changed in other comprehensive income items'	-	-	-	-	-	-	-	-	-	-	4,514	-	-	-	-	4,514
Net changes in cash flow hedge reserve	-	-	-	-	-	-	-	-	-	-	-	(66)	-	-	-	(66)
Foreign currency translation differences for overseas branches	-	-	-	-	-	-	-	-	-	-	-	-	(27)	-	-	(27)
Net profit of the financial period	-	-	-	-	-	-	-	-	-	-	-	-	-	29,698	-	29,698
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,634	1,634
Ending balance as at 31 December,2021	50,000	-	9,229	3,549	111	5,334	107	1,496	3,793	66,167	10,727	-	323	29,698	1,634	182,168
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	29,698	1,634	182,168
Net profit of the year ended 31 Dec,2021, transferred to retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	(29,698)	29,698	-
Transferred to reserves	-	-	2,959	2,610	105	-	-	533	-	-	-	-	-	-	(6,207)	-
Transferred to supportive reserve- Shareholders dividends	-	-	-	-	-	17,065	-	-	-	-	-	-	-	-	(17,065)	-
Shareholders' dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,914)	(3,914)
Employees' dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,850)	(3,850)
Transferred to the Banking system Support and Development Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(296)	(296)
Paid capital under settlement	-	25,000	-	(2,666)	-	(22,334)	-	-	-	-	-	-	-	-	-	-
Difference between the nominal and present value	-	-	-	-	-	-	-	-	-	13,820	-	-	-	-	-	13,820
Net changed in other comprehensive income items'	-	-	-	-	-	-	-	-	-	-	(1,090)	-	-	-	-	(1,090)
Foreign currency translation differences for overseas branches	-	-	-	-	-	-	-	-	-	-	-	557	-	-	-	557
Net profit for the financial year	-	-	-	-	-	-	-	-	-	-	-	-	34,650	-	34,650	
Retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	1,036	1,036	
Ending balance as at 31 Dec,2022	50,000	25,000	12,188	3,493	216	65	107	2,029	3,793	79,987	9,637	-	880	34,650	1,036	223,081

* For Central Bank of Egypt subordinated loans

**For Financial investment through other comprehensive income

-The attached notes from page (11) to page (61) 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 accordance 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 (634) 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 (25356) employees at December 31, 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 financial year of twelve months' starting from 1st Jan 2022 to 31th December 2022, compared to the financial period (eighteen months) started from 1st July 2020 to 31th December 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 31 Dec 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 either 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 has 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 analysed 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.

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 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 instalments, provided these instalments 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 behaviour i.e.. instalment 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.

Reference 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 their 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:-

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-instalment 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 analysed, 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, analyse 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.

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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 favourable 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.

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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	31-Dec 2022		31-Dec 2021	
	Loans and advances- Corporate	ECL provision- Corporate	Loans and advances	ECL provision
Performing loans	85.58%	19.51%	83.50%	15.50%
Regular watching	12.67%	46.61%	14.20%	42.29%
Watch list	0.67%	11.88%	1.15%	20.90%
Non-performing loans	1.08%	22.00%	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

31-Dec 2022	31-Dec 2021
98.3%	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	Marginally 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

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4.1.5-Maximum limits for credit risk before collaterals:

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

	31-Dec 2022	31-Dec 2021
Obligatory reserve balances with Central Banks	193,586	53,516
Due from banks, net	280,978	530,889
Loans and advances to Banks, net	1,758	2,723
Loans and advances to customers		
Individual loans:-		
Credit cards	12,034	8,696
Overdrafts	10,912	4,715
Personal loans	183,518	131,912
Auto loans	3,447	1,943
Mortgage loans	17,196	12,045
Total individual loans	227,107	159,311
Corporate loans		
Overdrafts	731,188	321,307
Direct loans	527,082	478,601
Syndicated loans	242,244	212,976
Total Corporate loans	1,500,514	1,012,884
Total loans and advances to customers	1,727,621	1,172,195
Financial derivatives	20	1,056
Financial investment at fair value through other comprehensive income	476,283	614,822
Financial investment at amortized cost	1,400,926	738,691
Other assets*	62,689	46,005
Total risk limit	4,143,861	3,159,897

*Represent the amount of the current accrued revenues.

Credit risk exposure in off-balance sheet items'

	31-Dec 2022	31-Dec 2021
Letters of credit	74,728	46,991
Letters of guarantee	203,802	149,012
Customer acceptances	92,381	34,674
Discounted bills	747	586
Total	371,658	231,263

As shown in the previous table:-

Loans and advances (customers & banks) ratio to total risk limit

Debt investment

The Bank applied more conservative testing process when granting loans and advances during The financial year ended 31-Dec-2022

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4.1.6-Financial assets quality

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

	31-Dec-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Due from banks	281,190	-	-	281,190	530,918	-	-	530,918
Loans and advances to Banks	1,762	-	-	1,762	2,727	-	-	2,727
Loans and advances to customers	1,629,880	80,925	16,816	1,727,621	1,099,094	60,709	12,392	1,172,195
Financial derivatives	20	-	-	20	1,056	-	-	1,056
Financial investment at fair value through other comprehensive income	476,283	-	-	476,283	614,822	-	-	614,822
Total	2,389,135	80,925	16,816	2,486,876	2,248,617	60,709	12,392	2,321,718

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

	31-Dec-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Letters of credit	74,247	481	-	74,728	46,582	409	-	46,991
Letters of guarantee	198,408	2,807	2,587	203,802	142,759	2,733	1,548	147,040
Customer acceptances	90,542	1,839	-	92,381	34,527	147	-	34,674
Discounted bills	747	-	-	747	586	-	-	586
	363,944	5,127	2,587	371,658	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:

	31-Dec-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Performing loans	127,946	-	-	127,946	81,451	-	-	81,451
Regular watching	92,300	-	-	92,300	73,080	-	-	73,080
Watch list	-	6,170	-	6,170	-	3,997	-	3,997
Non-performing loans	-	-	691	691	-	-	783	783
Total Individuals	220,246	6,170	691	227,107	154,531	3,997	783	159,311
Corporate loans								
Performing loans	1,277,065	7,088	-	1,284,153	840,572	5,137	-	845,709
Regular watching	132,569	57,617	-	190,186	103,986	39,919	-	143,905
Watch list	-	10,050	-	10,050	5	11,656	-	11,661
Non-performing loans	-	-	16,125	16,125	-	-	11,609	11,609
Total Corporate loans	1,409,634	74,755	16,125	1,500,514	944,563	56,712	11,609	1,012,884
Total loans and advances to customers	1,629,880	80,925	16,816	1,727,621	1,099,094	60,709	12,392	1,172,195

Less: Expected credit losses and interest in suspense

Individual loans and advances	(1,380)	(155)	(206)	(1,741)	(1,251)	(143)	(268)	(1,662)
Corporate loans and advances	(18,164)	(28,799)	(15,074)	(62,037)	(11,174)	(21,704)	(10,233)	(43,111)
Total expected credit losses	(19,544)	(28,954)	(15,280)	(63,778)	(12,425)	(21,847)	(10,501)	(44,773)
Net	1,610,336	51,970	1,537	1,663,843	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

	31-Dec-2022				31-Dec-2021			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Individual loans:-								
Overdrafts	10,910	-	2	10,912	4,713	1	1	4,715
Credit cards	11,737	240	57	12,034	8,374	220	102	8,696
Personal loans	177,224	5,727	567	183,518	127,783	3,537	592	131,912
Mortgage loans	16,955	177	64	17,196	11,766	192	87	12,045
Auto loans	3,420	26	1	3,447	1,895	47	1	1,943
Total Individual loans	220,247	6,170	690	227,107	154,531	3,997	783	159,311
Corporate loans								
Overdrafts	705,728	18,692	6,768	731,188	300,281	16,517	4,509	321,307
Direct loans	477,065	41,481	8,536	527,082	443,790	28,239	6,572	478,601
Syndicated loans	226,841	14,582	821	242,244	200,492	11,956	528	212,976
Total Corporate loans	1,409,634	74,755	16,125	1,500,514	944,563	56,712	11,609	1,012,884
Total	1,629,881	80,925	16,815	1,727,621	1,099,094	60,709	12,392	1,172,195

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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							
	31-Dec-2022			Total	31-Dec-2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
No Past Dues	195,637	-	-	195,637	139,940	-	-	139,940
up to 30 days	24,609	-	-	24,609	14,591	-	-	14,591
> 30 ≤ 60 days	-	4,350	-	4,350	-	2,760	-	2,760
> 60 < 90 days	-	1,820	-	1,820	-	1,237	-	1,237
> 90 days	-	-	691	691	-	-	783	783
Total individual	220,246	6,170	691	227,107	154,531	3,997	783	159,311

Corporate loans

	Corporate loans							
	31-Dec-2022			Total	31-Dec-2021			Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
No Past Dues	1,333,448	55,032	-	1,388,480	805,184	42,483	-	847,667
up to 30 days	76,119	12,095	-	88,214	139,168	10,241	-	149,409
> 30 ≤ 60 days	34	2,691	-	2,725	204	1,415	-	1,619
> 60 < 90 days	33	1,866	-	1,899	2	1,313	-	1,315
> 90 days	-	3,071	16,125	19,196	5	1,260	11,609	12,874
Total corporate	1,409,634	74,755	16,125	1,500,514	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.

	31-Dec-2022							
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Individual loans:-								
Overdrafts	10,019	-	-	10,019	4,621	-	-	4,621
Credit cards	7,210	217	41	7,468	4,856	192	85	5,133
Personal loans	110,137	5,580	-	115,717	71,121	3,446	-	74,567
Auto loans	568	24	-	592	827	44	-	871
Corporate loans								
Overdrafts	598,552	4,134	816	603,502	228,099	3,338	465	231,902
Direct loans	124,647	11,225	2,198	138,070	124,233	6,258	990	131,481
Syndicated loans	185,187	641	140	185,968	172,030	889	89	173,008
Total Corporate loans	1,036,320	21,821	3,195	1,061,336	605,787	14,167	1,629	621,583

Acquisition of collaterals during the period

Type of asset	Book value
Property investment	114

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

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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 :-

	From the financial period 1-Jan till 31-Dec	From the financial period 1-Jul till 31-Dec
	2022	2021
Restructured loans and advances move	1,749	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 year/ period, according to Moody's rating with a negative future outlook.

	31-Dec-2022		31-Dec-2021	
	Rating	Balance	Rating	Balance
Financial investment at fair value through other comprehensive income				
Treasury bills -Egypt	B2	322,654	B2	272,217
Governmental bonds-Egypt	B2	932	B2	328,769
Financial investment at amortized cost				
Governmental bonds-Egypt	B2	1,403,623	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	31-Dec 2022
Corporate	(19)	38,004	15,386	2,784	(1,409)	54,765
Individual	(19)	1,662	299	-	(220)	1,741
Contingent liabilities	(31)	5,260	51	466	-	5,777
Financial investments at amortized cost	(22)	2,103	673	21	-	2,797
Financial investment at fair value through OCI	(21)	349	469	80	(898)	-
Due from banks	(16)	29	140	43	-	212
Loans to Banks	(18)	4	-	-	-	4
Amounts recovered during the year	(10)	-	(737)	-	737	-
Total		47,411	16,281	3,394	(1,790)	65,296

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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	193,383	-	-	203	193,586
Due from banks, net	233,655	-	-	47,323	280,978
Loans and advances to Banks, net	1,729	-	-	29	1,758
Individual loans:-					
Credit cards	8,250	3,151	633	-	12,034
Overdrafts	7,223	3,311	378	-	10,912
Personal loans	97,729	60,186	25,603	-	183,518
Auto loans	2,764	638	45	-	3,447
Mortgage loans	12,503	2,247	2,446	-	17,196
					227,107
Corporate included SME's loans					
Overdrafts	683,471	39,546	8,171	-	731,188
Direct loans	466,184	35,433	25,465	-	527,082
Syndicated loans	232,890	9,354	-	-	242,244
					1,500,514
Financial derivatives	20	-	-	-	20
Financial investment at fair value through other comprehensive income	476,160	-	-	123	476,283
Financial investment at amortized cost	1,400,926	-	-	-	1,400,926
Other assets*	61,971	477	205	36	62,689
Total at the end of the current year	3,878,858	154,343	62,946	47,714	4,143,861
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.

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

	31-Dec-2022			31-Dec-2021		
	Average	Higher	Lower	Average	Higher	Lower
Exchange rates risk	308	1,885	-	448	1,689	1
Equity at fair value through profit / loss risk	64	76	53	48	56	34
Fund certificates' risk	4	5	3	5	6	5
Equity at fair value through other comprehensive income risk	461	934	261	674	937	544
Interest rate risk	20,233	23,933	17,655	44,672	61,128	19,530

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

	31-Dec-2022			31-Dec-2021		
	Average	Higher	Lower	Average	Higher	Lower
Exchange rates risk	308	1,885	-	448	1,689	1
Equity at fair value through profit / loss risk	64	76	53	48	56	34
Fund certificates' risk	4	5	3	5	6	5

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

	31-Dec-2022			31-Dec-2021		
	Average	Higher	Lower	Average	Higher	Lower
Interest rate risk	20,233	23,933	17,655	44,672	61,128	19,530
Equity at fair value through other comprehensive income risk	461	934	261	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.

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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:

31-Dec-2022	EGP	USD*	EUR	GBP	SAR	Others	Total
Obligatory reserve balances with Central Banks	213,000	5,077	300	64	236	96	218,773
Due from banks, net	81,424	197,314	220	389	875	756	280,978
Financial investments at fair value through profit / loss	2,250	-	-	-	-	-	2,250
Loans and advances to banks, net	554	1,072	132	-	-	-	1,758
Loans and advances to customers, net	1,122,365	539,006	2,472	-	-	-	1,663,843
Financial derivatives	20	-	-	-	-	-	20
Financial investments							
Financial investments at fair value through other comprehensive income	394,364	69,549	12,370	-	-	-	476,283
Financial investments at amortized cost	1,089,857	311,069	-	-	-	-	1,400,926
Investments in subsidiaries and associates	10,179	493	-	1,084	-	-	11,756
Other assets	284,854	9,672	6,345	1,891	57	892	303,711
Total financial assets	3,198,867	1,133,252	21,839	3,428	1,168	1,744	4,360,298
Financial liabilities							
Due to banks	864	332,337	490	703	715	140	335,249
Repurchase agreement-treasury bills	21,371	-	-	-	-	-	21,371
Customers' deposits	2,793,364	411,246	14,234	1,597	397	789	3,221,627
Financial derivatives	9	-	-	-	-	-	9
Other loans	47,263	288,633	6,451	-	-	672	343,019
Other liabilities	83,205	120,867	457	45	57	28	204,659
Total financial liabilities	2,946,076	1,153,083	21,632	2,345	1,169	1,629	4,125,934
Net of financial positions	252,791	(19,831)	207	1,083	(1)	115	234,364
Credit commitments**	71,639	228,752	56,602	343	5,486	8,836	371,658
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
Credit commitments**	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.

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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.

31-Dec-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	25,129	104,588	7,825	-	-	137,542
Due from banks	102,957	3,680	410	1,237	-	108,284
Treasury bills	46,197	84,575	195,164	-	-	325,936
Bonds and other financial instruments	108,482	336,934	356,171	700,719	168,149	1,670,455
Performing loans and advances	777,404	385,603	114,921	365,259	285,142	1,928,329
Performing loans guaranteed by a residential property-Variable interest	-	650	-	-	-	650
Performing loans with a fixed interest rate guaranteed by a residential property-Fixed interest	113	223	983	5,668	24,586	31,573
Non-performing loans	-	-	-	-	-	-
Other assets (sensitive to interest rate)	28,584	9,066	5,233	8,730	7	51,620
Total sensitive assets and interest rate swaps	1,088,866	925,319	680,707	1,081,613	477,884	4,254,389
Interest-rate swaps	76,748	17,985	17	1,302	-	96,052
Total assets	1,165,614	943,304	680,724	1,082,915	477,884	4,350,441
Non-sensitive and held for trading purpose assets'	-	-	-	-	-	671,344
Financial liabilities	1,165,614	943,304	680,724	1,082,915	477,884	5,021,785
Demand deposits and current accounts	316,766	35,254	105,763	145,566	-	603,349
Saving Deposits	106,268	20,104	60,313	100,521	-	287,206
Time and notice deposits	59,533	65,517	99,709	14,723	18	239,500
Certificate of deposit	48,431	347,407	555,193	1,562,888	10,327	2,524,246
Due to banks	263,395	54,100	435	31	-	317,961
Long-term loans	100,907	63,193	120,034	59,944	117,945	462,023
Other liabilities (sensitive to interest rate)	17,322	15,526	7,686	12,309	-	52,843
Total sensitive liabilities and interest rate swaps	912,622	601,101	949,133	1,895,982	128,290	4,487,128
Interest rate swaps	76,465	22,608	-	-	-	99,073
Total non-sensitive liabilities for interest rate	989,087	623,709	949,133	1,895,982	128,290	4,586,201
Total liabilities	989,087	623,709	949,133	1,895,982	128,290	4,870,333
Interest rate gap	176,527	319,595	(268,409)	(813,067)	349,594	(235,760)

At the end of the comparative financial period

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.

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4.3-Liquidity risk (Cont.)

31-Dec-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	25,389	-	-	-	193,384	218,773
Due from banks	95,373	96,365	57,481	-	31,759	280,978
Loans and advances to Banks	292	586	880	-	-	1,758
Loans and advances to customers	63,081	94,488	719,835	202,852	583,587	1,663,843
Financial derivatives	3	7	10	-	-	20
Financial investments at fair value through profit / loss	34	-	-	2,216	-	2,250
Financial investments at fair value through other comprehensive income	133,876	198,154	138,920	2,308	3,025	476,282
Financial investments at amortized cost	93,033	73,349	246,866	450,394	537,284	1,400,926
Investments in subsidiaries and associates	-	-	-	-	11,756	11,756
Other assets	15,595	31,189	46,780	-	210,147	303,711
Total financial assets	426,676	494,137	1,210,772	657,770	1,570,942	4,360,298
Financial liabilities						
Due to banks	183,437	67,214	53,745	30,853	-	335,249
Repurchase agreements-treasury bills	-	21,371	-	-	-	21,371
Customers' deposits	108,335	391,333	853,705	1,594,413	273,841	3,221,627
Financial derivatives	1	3	5	-	-	9
Other loans	18,234	57,617	71,458	84,782	110,928	343,019
Other liabilities	16,183	32,366	48,540	-	107,570	204,659
Total financial liabilities	326,190	569,904	1,027,453	1,710,048	492,339	4,125,934
Net of financial positions	100,486	(75,767)	183,319	(1,052,277)	1,078,603	234,365
At the end of the comparative financial period						
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 valued 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 in conformity 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 in conformity 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.

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(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)

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

		31-Dec	31-Dec
		2022	2021
Tier one after exclusions			
1.1.1	Issued and paid capital	50,000	50,000
1.1.4	Reserves	41,408	18,591
1.1.5	General risk reserve	3,793	3,793
1.1.6	Retained earnings (accumulated losses)	5,408	2,987
1.1.7	Total other comprehensive income items'	8,726	11,818
1.0	Total exclusions of the common equity capital	(3,241)	(1,314)
1.1 Total common equity capital after exclusion		106,094	85,875
1.2.2	Quarterly profits/ (losses)	24,255	22,738
1.2.3	Non-controlling interest	98	90
1.2.4	Differences between nominal value and present value (subordinated loan)	79,986	66,167
1.2 Total additional capital		104,339	88,995
1 Total tier one after exclusion		210,433	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	43,014	56,856
2.5	Debt instrument , loans and advances and contingent liability at expected credit losses stage one	20,463	12,359
2 Total tier two after exclusions		63,525	69,263
Total capital base after exclusions		273,958	244,133
4.1	Total credit risk	1,659,645	1,002,086
4.3	The risk-weighted overruns value for top 50 customers*	-	-
4.4	Total market risk	24,551	15,497
4.5	Total operational risk	83,632	123,770
4 Total assets and contingent liabilities weighted by credit, market and operational risks		1,767,828	1,141,353
Capital adequacy ratio		15.50%	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.

		31-Dec	31-Dec
		2022	2021
Financial leverage			
Tier one of capital after exclusion (1)		210,433	174,870
Total exposure on/off balance sheet (2)		4,773,839	3,496,117
Leverage ratio (1)/(2)		4.41%	5.00%

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.

31-Dec-2022	Corporate	SME	Investment	Individual	Other activities	Total
Business activity assets	1,323,773	131,807	2,156,869	225,367	-	3,837,816
Non-classified assets	-	-	-	-	532,791	532,791
Total Assets	1,323,773	131,807	2,156,869	225,367	532,791	4,370,607
Business activity liabilities	826,603	62,704	688,593	2,343,376	-	3,921,276
Non-classified liabilities	-	-	-	-	226,250	226,250
Total liabilities	826,603	62,704	688,593	2,343,376	226,250	4,147,526
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

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6-Net interest income

6.1-Interest income on loans and similar income

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Interest income on loans and advances-Banks	129	238
Interest income on loans and advances-Customers	141,914	113,909
Total interest on loans and advances	142,043	114,147
Interest income on due from banks	33,421	52,377

Interest income on Bonds and Treasury bills

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Interest income on debt instrument at fair value through profit / loss	21	5
Interest income on debt instrument at fair value through OCI	49,791	117,817
Interest income on debt instrument at amortized cost	142,470	68,186
Total interest income on Bonds and Treasury bills	192,282	186,008
Reverse repo agreement	17	162
Total interest income on loans and similar income	367,763	352,694

6.2-Interest expense on deposits and similar expense

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Interest expense on deposits -Banks	(6,599)	(2,648)
Interest expense on deposits-Customers	(232,818)	(244,723)
Repo agreement	(598)	(810)
Other loans	(15,847)	(5,369)
Total interest expense	(255,862)	(253,550)
Net interest income	111,901	99,144

7-Net fees and commissions income

Fee and commission income :

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Credit-related fees and commissions	7,737	8,030
Other fees	5,750	5,254
13,487	13,284	
<u>Fee and commission expenses :</u>		
Fees paid to banks	(601)	(803)
	(601)	(803)
Net fee and commissions income	12,886	12,481

8-Dividends income

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Subsidiaries companies'	631	303
Associates companies'	137	38
Financial investment at fair value through profit / loss	6	61
Financial investment at fair value through other comprehensive income	727	385
Mutual funds certificates	71	94
1,572	881	

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(The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)

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9-Net trading income

(Loss) profit from foreign currency transactions
Financial investments at fair value through profit/loss
Profits from financial derivatives

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
(Loss) profit from foreign currency transactions	(243)	3,215
Financial investments at fair value through profit/loss	505	251
Profits from financial derivatives	3,116	2,894
Total	3,378	6,360

10-Charge of expected credit losses (ECL)

Revere / charge of expected credit losses on contingent liabilities-Customers
Charge / reverse of expected credit losses on contingent liabilities-Banks
Charge of expected credit losses on Loans-Customers
Charge / Reverse of expected credit losses on Loans-Banks
Reverse / charge of expected credit losses on financial investments
Charge / Reverse of Expected credit losses on due from banks
Amounts recovered during the financial year / period
Total

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Revere / charge of expected credit losses on contingent liabilities-Customers	57	(3,042)
Charge / reverse of expected credit losses on contingent liabilities-Banks	(108)	(38)
Charge of expected credit losses on Loans-Customers	(15,685)	(8,434)
Charge / Reverse of expected credit losses on Loans-Banks	-	31
Reverse / charge of expected credit losses on financial investments	(1,142)	(2,037)
Charge / Reverse of Expected credit losses on due from banks	(140)	(2)
Amounts recovered during the financial year / period	737	791
Total	(16,281)	(12,731)

11-Administrative expenses

Staff costs:

Salaries and wages
Social insurances
Pension Cost
Other administrative expenses*

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Salaries and wages	(10,561)	(12,031)
Social insurances	(451)	(543)
Pension Cost	(638)	(1,186)
Other administrative expenses*	(31,240)	(25,439)
Total	(42,890)	(39,199)

*Other administrative expenses include the following:

Depreciation and amortization
Buildings and lands expenses
Machines and equipment's
Taxes and fees
Marketing and donation fees
Bank's share of Insurance fees
Training and travel expenses

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Foreign currencies revaluation profits (losses) from monetary assets and liabilities	2,121	(1,055)
Other provision charge	(2,756)	(260)
Charge / reverse of Assets reverted to the bank provision	(59)	205
Other debt balances provision charge	(57)	(197)
Fixed assets sale gain	41	105
Other income	303	624
Net of other operating expenses	(407)	(578)

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
<u>13-Income tax expenses</u>		
Taxes on treasury bills, bonds, cash dividends, securities capital gain and foreign branches	36,153	36,304
Total	36,153	36,304

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 year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Profit before tax	70,803	66,002
Effective tax rate	22.5%	22.5%
	15,931	14,850
Add / (Deduct)		
Non- deductible expenses	31,610	29,898
Non- taxable income	(44,962)	(41,895)
Income tax expenses	2,579	2,853

Effective tax rate (excluding taxes on treasury bills, bonds and cash dividends) 3.64% 4.32%

Effective tax rate (including taxes on treasury bills, bonds and cash dividends) 51.06% 55.00%

*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

	31-Dec 2022
Impairment loss provision for loans (excluding 80% of the amount charged during the period)	831

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 financial year / period after excluding the weighted average of treasury shares repurchased by the bank.

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
Net profit for the financial year / period	34,650	29,698
Employees' profit share for the financial year / period	(4,091)	(3,850)
Net profit available for distribution to shareholders (1)	30,559	25,848
The weighted average of the issued common shares (2)*	75,000	75,000
Basic earnings per share/ Diluted		
EGP	0.41	0.34

*The comparative figures are amended to conform with the Egyptian Accounting standard (22), as this increase is a non-cash increase, transferred from the bank's reserve.

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Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

15-Cash and balances with Central Banks

Cash
Obligatory reserve balance with Central banks
Total

All balances are non-interest bearing balances

	31-Dec	31-Dec
	2022	2021
Cash	25,187	17,660
Obligatory reserve balance with Central banks	193,586	53,516
Total	218,773	71,176

16-Due from banks, net

Current accounts
Deposits
Total

Less: Expected credit losses provision

	31-Dec	31-Dec
	2022	2021
Current accounts	47,850	18,207
Deposits	233,340	512,711
Total	281,190	530,918
Less: Expected credit losses provision	(212)	(29)
Total	280,978	530,889

Central banks balances other than the obligatory reserve percentage

Domestic banks

Foreign banks

Less: Expected credit loss

Total

Non - interest bearing balances

Floating interest bearing balances

Fixed interest bearing balances

Less: Expected credit losses provision

Total

Central banks balances other than the obligatory reserve percentage	135,451	475,191
Domestic banks	3,985	7,572
Foreign banks	141,754	48,155
Less: Expected credit loss	(212)	(29)
Total	280,978	530,889

Non - interest bearing balances

Floating interest bearing balances

Fixed interest bearing balances

Less: Expected credit losses provision

Total

	31-Dec	31-Dec
	2022	2021
Shares	30	114
Mutual funds certificates	180	255
Other portfolios	2,040	1,071
Total	2,250	1,440

18-Loans and advances to banks, net

Term loans
Less: Expected credit losses provision

Total

	31-Dec	31-Dec
	2022	2021
Term loans	1,762	2,727
Less: Expected credit losses provision	(4)	(4)
Total	1,758	2,723

All balances are classified as current.

National Bank of Egypt

Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

	31-Dec 2022	31-Dec 2021
<u>19-Loans and advances to customers, net</u>		
Individual loans:-		
Credit cards	12,034	8,696
Overdrafts	10,912	4,715
Personal loans	183,518	131,912
Auto loans	3,447	1,943
Mortgage loans	17,196	12,045
Total (1)	227,107	159,311
Corporate included SME's loans		
Overdrafts	731,188	321,307
Direct loans	527,082	478,601
Syndicated loans	242,244	212,976
Total (2)	1,500,514	1,012,884
Total loans and advances to customers (1)+(2)	1,727,621	1,172,195
Less:		
Expected credit loss provision	(56,506)	(39,666)
Interest in suspense	(7,272)	(5,107)
Current balances	1,663,843	1,127,422
Non-current balances	877,406	437,907
	786,438	689,515
	1,663,843	1,127,422

Expected credit losses for customers' loans and advances

Corporate

Balances at the beginning of the financial year / period	38,004	32,033
Charge for the financial year / period	15,386	7,649
Written-off loans during the financial year / period	(1,409)	(1,551)
Foreign currencies valuation differences (+/-)	2,784	(127)
Total	54,765	38,004

Individual

Balances at the beginning of the financial year / period	1,662	1,180
Charge for the financial year / period	299	785
Written-off loans during the financial year / period	(220)	(303)
Total	1,741	1,662

	31-Dec 2022	31-Dec 2021
Expected credit losses for customers' loans and advances		
Corporate		
Balances at the beginning of the financial year / period	38,004	32,033
Charge for the financial year / period	15,386	7,649
Written-off loans during the financial year / period	(1,409)	(1,551)
Foreign currencies valuation differences (+/-)	2,784	(127)
Total	54,765	38,004
Individual		
Balances at the beginning of the financial year / period	1,662	1,180
Charge for the financial year / period	299	785
Written-off loans during the financial year / period	(220)	(303)
Total	1,741	1,662

National Bank of Egypt

Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

	31-Dec 2022	31-Dec 2021
<u>Expected credit losses for customers' loans and advances (Cont.)</u>		
<u>Individual loans:-</u>		
Credit cards	276	285
Overdrafts	-	2
Personal loans	670	660
Auto loans	77	37
Mortgage loans	718	678
Total (1)	1,741	1,662
<u>Corporate & SME's loans</u>		
Overdrafts	1,108	4,177
Direct loans	46,005	29,046
Syndicated loans	7,652	4,781
Total (2)	54,765	38,004
Total loans and advances to customers' provision (1)+(2)	56,506	39,666

20-Financial derivatives

	31-Dec-2022		
	Notional amount	Assets	Liabilities
Interest Rate Swap-IRS	1,237	-	-
Foreign Currency Swap	14,964	10	8
Cross Currency Interest Rate Swap - CCIRS	78,591	10	1
Non-deliverable forward contracts -NDF	164	-	-
Total	20	9	9

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

21-Financial investments at fair value through other comprehensive income

	31-Dec 2022	31-Dec 2021
Treasury bills	302,349	255,104
Shares	21,426	25,387
Bonds	18,394	333,539
Mutual funds certificates of the founder bank	1,114	792
Treasury notes	133,000	-
	476,283	614,822

National Bank of Egypt

Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

	31-Dec 2022	31-Dec 2021
21-Financial investments at fair value through other comprehensive income (Cont.)		
21.1-Treasury bills		
91 days maturity	16,389	984
182 days maturity	51,254	3,035
273 days maturity	20,076	58,048
364 days maturity	234,935	210,150
	322,654	272,217
Unearned interests	(19,007)	(17,385)
Fair value revaluation impact	(1,298)	285
Expected credit losses	-	(12)
Net	302,349	255,105
21.2-Equity instrument		
Listed	9,730	16,885
Unlisted	11,697	8,502
Mutual funds certificates of the founder bank	796	754
Mutual funds certificates - Corporate	317	37
Total	22,540	26,178
21.3-Debt instrument		
Governmental bonds	932	328,769
Corporate bonds	17,390	5,051
Treasury notes	133,000	-
Other	72	56
Total	151,394	333,876
Expected credit losses	-	(337)
Net	151,394	333,539
Listed	14,657	319,857
Unlisted	136,737	14,019
	151,394	333,876
	31-Dec	31-Dec
21.4-Movement of financial assets at fair value through other comprehensive income-TBs	2022	2021
Balance at the beginning of the financial year / period	255,105	392,594
Additions	747,456	1,032,625
De-recognitions (sale)	(721,943)	(1,171,564)
Unearned interests	(1,315)	1,842
Fair value revaluation impact through other comprehensive income	(1,169)	619
Foreign currencies valuation differences (+/-)	24,562	(1,129)
Expected credit losses provision	(347)	118
Balance at the end of the financial year / period	302,349	255,105
21.5-Movement of financial assets at fair value through other comprehensive income- Bonds & Equity instrument	31-Dec 2022	31-Dec 2021
Balance at the beginning of the financial year / period	359,717	406,158
Additions	152,763	133,643
Cost reclassification*	(315,197)	(78,031)
De-recognitions (sale / redemption)	(26,263)	(106,282)
Reclassification of premium/discount-governmental bonds' amortization	538	(28,764)
Amortization of Premium/discount-governmental bonds	(27)	29,127
Fair value revaluation impact through other comprehensive income	79	3,915
Foreign currencies valuation differences (+/-)	2,446	-
Expected credit losses provision	(122)	(49)
Balance at the end of the financial year / period	173,934	359,717

*Business model of some government bonds reclassified as stated in disclosure no.22.

National Bank of Egypt (The comparative period represents a 18 months period, starting from first of July 2020 till end of December 2021)
Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

22-Financial investment at amortized cost

	31-Dec	31-Dec
	2022	2021
Governmental bonds	1,403,623	740,762
Corporation bonds	100	32
Total	1,403,723	740,794
Expected credit losses provision	(2,797)	(2,103)
Net	1,400,926	738,691
Listed	914,394	419,693
Unlisted	489,329	321,101
Total	1,403,723	740,794

22.1-Movement of financial investment at amortized cost

	31-Dec	31-Dec
	2022	2021
Balance at the beginning of the financial year / period	738,691	100,262
Additions	370,519	555,044
De-recognitions (sale)	(158,765)	78,031
Cost reclassification*	315,197	(28,659)
Reclassification of premium/discount-governmental bonds' amortization	(538)	28,764
Amortization of Premium/discount-governmental bonds	25,053	7,343
Foreign currencies valuation differences (+/-)	111,442	-
Balance at the end of the financial year / period	1,401,599	740,785
Reversal/ Charge of Expected credit losses provision	(673)	(2,094)
Net Balance at the end of the period	1,400,926	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 EGP314,659 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

Fair value through other comprehensive income gain / loss	358	681
Gain on sale of financial investments in subsidiaries and associates	333	662
Impairment loss of subsidiaries and associates	(47)	(1,699)
Balance at the end of the financial year / period	644	(356)

	For the financial year (12 months) Ended 31-Dec	For the financial period (18 months) Ended 31-Dec
	2022	2021
	358	681
	333	662
	(47)	(1,699)
Balance at the end of the financial year / period	644	(356)

23- Investments in subsidiaries and associates

Investments in subsidiaries and associates movement:-

Balance at the beginning of the financial year / period

	31-Dec	31-Dec
	2022	2021
Additions	8,444	7,912
Disposal	3,359	2,426
Impairment loss	-	(195)
Balance at the end of the financial year / period	(47)	(1,699)
	11,756	8,444

23- Investments in subsidiaries and associates Cont.

No.	31-Dec-2022							
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%	-	Jun 22	2	-	-	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	-
4	Al Ahly for exchange	100%	399	Jun 22	512	127	69	EGP
5	Al Ahly for mortgage	99%	347	Jun 22	3,383	2,997	172	33
6	National Bank Of Egypt - El Khartoum*	99%	299	Dec 21	13,735	7,391	6,160	5,047
7	Al-Ahly Capital Holding Co.	99%	4,948	Sep 22	9,576	453	443	260
8	El Ahly for leasing	99%	296	Jun 22	3,334	2,618	242	59
9	The Egyptian Co. For Asset Management & Investment	83%	2,922	Sep 22	7,143	3,571	-	13
10	Upper Egypt for food industries	78%	40	Jun 22	435	347	159	(9)
11	Dream Land Co. For Urban Development	72%	-	Dec 09	2,102	1,412	162	16
12	Dream Land Markets Co.	72%	-	Dec 09	110	83	-	(7)
13	Dream Land Co. For Meeting	72%	-	Dec 09	298	252	0	(14)
14	Forsan Dream Land	72%	-	Dec 09	210	130	0	(15)
15	Dream Land Health Resort Co.	72%	-	Dec 09	456	117	407	251
16	Dream Land Pyramids Co.	72%	-	Dec 09	984	592	110	(33)
17	Rady Group for touristic investment	52%	-	Dec 19	52	21	-	-
18	Rawasi Co.	40%	80	Sep 22	11,207	12,277	37	(1,270)
Total Subsidiaries		10,607						
B-Associate companies								
19	Egy Marble	41%	-	Dec 09	23	22	4	(0)
20	Egy House	41%	-	Dec 09	34	50	3	(5)
21	International Electrical Products	41%	-	Dec 09	263	154	135	1
22	Dream Park	41%	-	Dec 08	422	218	69	8
23	International Electronics	41%	-	Dec 06	377	318	14	(9)
24	Al Ahly-Misr for Investment property management Co.	40%	10			New establishment		EGP
25	Al Ahly Real Estate Development Co.-Saboor	40%	32	Dec 21	13,676	13,333	668	9
26	Egy Serv.	40%	1	Sep 22	172	84	326	45
27	National Navigation Co.	40%	-	Jun 22	500	94	121	36
28	National Co. For Housing For Pro. Syndicates	40%	64	Sep 22	535	93	47	41
29	IMBT	39%	-	Dec 20	111	108	0	(3)
30	Al Ahly For Projects And Medical Services	39%	51	Dec 21	270	87	10	14
31	Oriental Resorts For Touristic Dev.	35%	-	Dec 21	116	119	4	(9)
32	First design for real state investment and development	34%	69			Dec 21		EGP
33	Mapiro CO. FOR URBAN Dev.	33%	30	Sep 22	409	204	28	14
34	Nile Holding Com. For Inv.& Dev.	33%	50	Sep 22	297	1	8	2
35	El Sherouk For Markets & Commercial Stores	32%	-	Sep 22	116	51	231	7
36	Upper Egypt for investment	31%	-	Dec 21	36	-	1	(15)
37	Horizon For Inv. & Ind. Dev.	30%	26	Sep 22	692	338	625	59
38	Misr Aswan For Fishing Hunting And Fabricating	29%	-	Dec 21	26	7	33	-
39	Upper Egypt For Touristic & Real-Estate Development	29%	-	Dec 21	14	3	2	(2)
40	Port Said National Food Security Co.,	29%	-	Dec 21	3	1	1	(0)
41	Al Ektesadia For Housing And Reconstruction	29%	9	Dec 21	153	49	4	1
43	Multi-Investment International Co.	27%	-	Dec 21	64	11	17	14
42	The Universal Co. For Cellulose Products	27%	-	Dec 21	739	743	0	(0)
44	Al Montazah For Tourism & Investment Co.	25%	-	Dec 21	598	412	41	13
45	Farma Free Zone	24%	-	Dec 15	49	5	2	-
46	Misr Takafoul insurance "Haya"	24%	36			New establishment		EGP
47	Aman for E-Payment	24%	538	Jun 22	5,620	4,782	1,693	84
48	Misr Company For Financial Investment	23%	-	Dec 21	63	9	8	1
49	Samcrete Development	23%	75	Dec 21	2,028	1,480	153	4
50	Alexandria Company For Petroleum Additives (Acpa)	23%	-	Sep 22	398	173	858	45
51	October For Development & Real-Estate Investment Co.	22%	20	Dec 21	248	53	34	3
52	Commercial Inter. Investment Company	21%	70	Sep 22	529	128	44	20
53	Elshorouk Co. For Moulds And Metallurgical Products	21%	-	Dec 21	18	4	1	0
54	El tahrer for investment parking (TECO)	21%	-	Dec 21	555	291	92	23
55	International Systems For Development & Property Investment	20%	-	Dec 11	-	-	-	EGP
56	Misr for investment and export development	20%	12			New establishment		EGP
57	Elnabila For Investment And Development Tourist	20%	-	Dec 21	306	538	10	(27)
58	Mawsalat Misr co.	20%	56	Dec 20	126	38	-	(4)
Total Associate		1,149						
Total Subsidiaries and associate companies		11,756						

* in light of the Sudanese dispute, our investment may be affected in a way that can't be currently estimated.

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						EGP
							New establishment		
Total Subsidiaries			7,365						
B-Associate companies									
19	Egy Marble	41%	-	Dec 09	23	22	4	(0)	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						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						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						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						

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Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

24-Fixed assets, net (after accumulated depreciation)

	Land	Buildings	Automated integrated systems	Vehicles	Fixtures and fittings	Furniture	Total
<u>Net book value as at 30 Jun,2020</u>							
Additions during the financial 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 financial 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 financial year	36	801	1,472	115	874	242	3,540
Disposal cost	-	-	-	(52)	-	-	(52)
Depreciation cost	-	(274)	(710)	(101)	(386)	(224)	(1,695)
Disposal (Accumulated depreciation)	-	-	-	48	-	-	48
Net book value as at 31 Dec,2022	834	3,804	2,243	330	2,572	525	10,308
Cost	834	6,027	8,431	574	4,396	2,218	22,480
Accumulated depreciation	-	(2,223)	(6,188)	(244)	(1,824)	(1,693)	(12,172)
Net book value as at 31 Dec,2022*	834	3,804	2,243	330	2,572	525	10,308

*Include fully depreciated assets

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All Figures are in EGP Millions

25-Investment property

	Cost	Accumulated depreciation	Net book value
	31-Dec-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

	31-Dec	31-Dec
	2022	2021
Accrued interest revenue	62,689	46,005
National Investment Bank certificates'	99,983	60,224
Assets reverted to the bank as settlement of debts, net*	3,334	3,751
Fixed assets advance payment	4,586	3,169
Tax advance payment	1,093	1,213
Deposits with others	201	80
Prepaid expenses	657	460
Memorial coins	1	1
Others, net**	131,167	13,729
Total	303,711	128,632

After the exclusion of the following provisions:-

*Assets reverted to the bank as settlement of debts provision	(2,012)	(1,953)
**Other assets' provision	(1,613)	(1,542)

27-Due to banks

	31-Dec	31-Dec
	2022	2021
Current accounts	4,078	3,586
Deposits	331,171	339,231
Total	335,249	342,817
Central Bank of Egypt	48,549	183,645
Domestic banks	242,412	143,990
Foreign banks	44,288	15,182
Total	335,249	342,817
Non-interest bearing balances	2,233	1,919
Interest bearing balances	333,016	340,898
Total	335,249	342,817

*All balances are classified as current

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All Figures are in EGP Millions

28-Customers' deposits

	31-Dec	31-Dec
	2022	2021
Demand deposits	588,563	347,232
Saving deposits	287,206	303,769
Time and notice deposits	228,828	145,911
Certificate of deposit	2,101,295	1,581,085
Other deposits	15,735	8,453
Total	3,221,627	2,386,450
Corporate	878,301	539,751
Individual	2,343,326	1,846,699
	3,221,627	2,386,450
Non-interest bearing balances	431,984	267,626
Floating interest bearing balances	3,427	11,176
Fixed interest bearing balances	2,786,216	2,107,648
	3,221,627	2,386,450
Current balances	1,353,373	1,034,595
Non-current balances	1,868,254	1,351,855
	3,221,627	2,386,450

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Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

29-Other loans

	31-Dec-2022		
	Unsecured loans	Secured loans against financial instruments*	Total
Middle east	138,853	57,956	196,809
Europe	68,770	42,435	111,205
Asia	29,846	-	29,846
North America	5,159	-	5,159
	242,628	100,391	343,019

*The pledged treasury bills is amounted to EGP 164,709 Million as of December 31,2022.

	31-Dec-2021		
	Unsecured loans	Secured loans against financial instruments*	Total
Middle east	45,554	29,469	75,023
Europe	18,232	-	18,232
Asia	162,130	68,371	230,501
	225,916	97,840	323,756

Current balances
Non-current balances

	31-Dec 2022	31-Dec 2021
Current balances	195,710	37,741
Non-current balances	343,019	230,501
	538,729	268,243

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Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

	31-Dec	31-Dec
	2022	2021
30-Other liabilities		
Accrued interest	21,548	13,211
unearned revenues	1,313	668
Accrued expenses	21,212	7,697
Fixed assets' purchase' creditors	2,490	1,433
Tax liabilities	18,281	13,878
Others	139,815	15,327
	204,659	52,214

	31-Dec	31-Dec
	2022	2021
31-Other provisions		
Provision for other claims		
Balance at the beginning of the financial year / period	7,676	6,887
Provision charge	2,711	829
Amounts written-off during the financial year / period	(250)	(40)
Foreign currencies valuation differences (+/-)	11	-
Balance at the End of the financial year / period	10,148	7,676
Legal claims provision		
Balance at the beginning of the financial year / period	474	1,048
Provision charge / Reversal	46	(569)
Foreign currencies valuation differences (+/-)	1	(5)
Balance at the End of the financial year / period	521	474
Contingent liabilities provision		
Balance at the beginning of the financial year / period	5,260	2,196
Provision charge	51	3,080
Foreign currencies valuation differences (+/-)	466	(16)
Balance at the End of the financial year / period	5,777	5,260
Total other provision	16,446	13,410

	31-Dec 2022	31-Dec 2021
<u>32-Pension benefits' liabilities</u>		
Liabilities included in statement of financial position		
Pension-healthcare benefits	5,146	4,775
Amounts recognized in the income statement (profit / loss):		
Pension-healthcare benefits	638	1,186
(A) Pensions benefits		
Amounts recognized in the statement of financial position:		
The present value of the unfunded liabilities'	5,146	4,775
The liability movement during the period / year:-		
Balance at the beginning of the financial year / period	4,775	3,938
Current service Cost	303	250
Interest cost	331	936
Actuarial loss	4	-
Paid benefits	(267)	(349)
Balance at the End of the financial year / period	5,146	4,775

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- Waq'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- Waq'a al Masrya) on April 18, 2017 and in the Commercial 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- Waq'a al Masrya) on April 1, 2018 and in the Commercial 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- Waq'a al Masrya) on June 25,2020 and in the Commercial register at June 30,2020.

The Extra Ordinary General Assembly had approved on July 27, 2022 the increase of The issued and paid up capital with an amount of EGP 25 000 Million transferred from the general and supportive reserves to reach EGP 75 000 Million and also amended the Article of Association with that increase, and published in the official Egyptian newspaper (Al- Waq'a al Masrya) on August 22,2022 and in the Central Bank of Egypt register at August 30,2022 and also in the Commercial register at May 31,2023

34-Reserves

		31-Dec	31-Dec
	Ref.	2022	2021
Legal reserve	34.1	12,188	9,229
General reserve	34.2	3,493	3,549
Capital reserve	34.3	216	111
Supportive reserve	34.4	65	5,334
Special reserve	34.5	107	107
General banking risks reserve	34.7	2,029	1,496
General risk reserve	34.8	3,793	3,793
Foreign currency translation differences for overseas branches		880	323
Total		22,771	23,942
Fair value through other comprehensive income reserves'*	34.6	9,637	10,727

*It include EGP 898 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.

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 from Central Bank of Egypt.

34.6-Fair value through other comprehensive income reserves^{1*}

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:-

	31-Dec 2022	31-Dec 2021
Letters of credit	74,728	46,991
Letters of guarantee	203,802	149,012
Customers' acceptances	92,381	34,674
Discounted bills	747	586
	371,658	231,263

35.1-Legal claims

There is a number of outstanding legal cases filed against the bank as of December 31,2022 and no provision has formed against them as there is no losses expected to result in.

35.2-Capital Commitments

Financial investment commitments' that not required to be paid, up to the reporting date.

The non executed commitments contracts related to fixed assets and branches' fixtures till the reporting date.

	31-Dec 2022	31-Dec 2021
	7,508	857
	5,217	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

Loans and advances to customers

	31-Dec 2022	31-Dec 2021
Outstanding loans at the financial year / period end	19,837	11,653
Interest income	1,735	888

Due from banks

	31-Dec 2022	31-Dec 2021
Outstanding loans at the financial year / period end	1,237	813
Interest income	8	9

Loans and advances to banks

	31-Dec 2022	31-Dec 2021
Outstanding loans at the financial year / period end	1,039	707
Interest income	37	20

Due to customers

	31-Dec 2022	31-Dec 2021
Deposits at the financial year / period end	3,135	698
Interest expense on deposits and similar expense	38	12

Due to banks

	31-Dec 2022	31-Dec 2021
Outstanding loans at the financial year / period end	2,140	1,270
Interest expense	30	14

36.2-Employee monthly average, form the top 20 employee

0.7	0.5
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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 31 December 2022 reached 908,285 certificates with market value of EGP 50 Million. NBE's share on the same date reached 500,000 certificates with a market value of EGP 28 Million classified as fair value through other comprehensive income investments, as per the declared rates on 31 December 2022. According to the prospectus, 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 0.287 Million total commission for the year ended 31 December 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 31 December 2022 reached 788,102 certificates with a market value of EGP 67 Million. NBE's share on the same date reached 89,113 certificates classified as fair value through other comprehensive income investment with a market value of EGP 8 Million, as per the declared rates on 31 December 2022. Pursuant to the Fund's management contracts, 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 0.304 Million total commission for the year ended 31 December 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 31 December 2022 reached 397,150 certificates with a market value of EGP 68 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 9 Million, as per the declared rates on 31 December 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 0.171 Million total commission for the year ended 31 December 2022.



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Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

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 31 December 2022 reached 167,208,348 certificates with a market value of EGP47,474 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 707 Million , as per the declared rates on 31 December 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 108 Million total commission for the year ended 31 December 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 31 December 2022 reached 3,378,825 certificates with a market value of EGP 49 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 8 Million as per the declared rates on 31 December 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 0.115 Million total commission for the year ended 31 December 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 31 December 2022 reached 1,187,191 certificates with a market value of EGP 127 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 4 Million and 433,400 certificates classified as fair value through profit / loss investments with a market value of EGP 46 Million as per declared rates on 31 December 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 0.428 Million total commission for the year ended 31 December 2022.

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Notes to the separate financial statements for the year ended 31 December 2022

All Figures are in EGP Millions

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 31 December 2022 accounted for 98,315 certificates with a market value of EGP 14 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 7 Million, as per declared rates on 31 December 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 0.049 Million total commission for the year ended 31 December 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 31 December 2022 reached 274,243 certificates with a market value of EGP 550 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 23 Million. In addition to certificates classified as fair value through profit / loss investments' amounting to 35,000 certificates with a market value of EGP 70 Million. This reflects the declared rates on 31 December 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 1.281 Million total commission for the year ended 31 December 2022.

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

NBE's Misr Takaful 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 31 December 2022 reached 597,402 certificates with a market value of EGP 72 Million, as per declared rates on 31 December 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 3 Million. In addition to certificates classified as fair value through profit / loss investments' amounting to 75,000 certificates with a market value of EGP 9 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 0.257 Million total commission for the year ended 31 December 2022.

38-Subsequent events

The CBE's Monetary Policy Committee (MPC) had decided on 30 March 2023 the raise of the overnight deposit rate, the lending rate, and the CBE's main operation rate by 200 basis points to reach 18.25 %, 19.25 %, and 18.75 %, respectively. In addition to, the increase of the credit/discount rate by 200 basis points to reach 18.75 % , which may affect the bank's pricing policies for current and future banking products.

Based on the change in the US dollar exchange rate from 15.72 pounds per dollar to 24.74 pounds, accordingly the values of the monetary assets and liabilities in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency position at the date of the financial position as shown in notes 4/2/2.

last of which reached 30.90 pound per dollar at March 2023

39-Significant events

The National Bank Of Egypt is following up on the developments of the crisis between Russia and Ukraine / the Sudanese crisis and their impact on the Egyptian economy, as well as the reflection of those crises on the bank's customers in the various economic sectors and activities.

As a result, the bank is continuing to implement the internal protection procedures throughout monitoring and reviewing the provisions levels and the loans' portfolio coverage ratio in order to ease the impact on the loans' portfolio.

40-Comparative figures

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