



Separate Financial Statements

June 2022- Interim Condensed



Limited Review Report on Condensed Separate Interim Financial Statements

To: The Board of Directors of Commercial International Bank Egypt

Introduction

We have reviewed the accompanying condensed separate interim balance sheet of Commercial International Bank Egypt (S.A.E) as of June 30, 2022 and the related condensed separate interim statements of income, comprehensive income, cash flows and changes in shareholders' equity for the six months period then ended. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on December 16, 2008 as amended by regulations issued on February 26, 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on May 3, 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations, our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements are not prepared in all material respects in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on December 16, 2008 as amended by regulations issued on February 26, 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on May 3, 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations.

Cairo; July 24, 2022

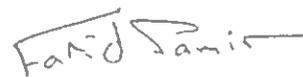


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Condensed Separate Interim Balance Sheet as at June 30, 2022

	Notes	Jun. 30, 2022 EGP Thousands	Dec. 31, 2021 EGP Thousands
Assets			
Cash and balances at the central bank	8	41,845,093	43,385,222
Due from banks	9	56,970,904	79,991,287
Loans and advances to banks, net	11	1,308,243	312,216
Loans and advances to customers, net	12	169,610,784	144,765,808
Derivative financial instruments		877,137	225,376
Investments			
- Financial Assets at Fair Value through P&L	13	1,648	240,987
- Financial Assets at Fair Value through OCI	13	215,842,642	192,390,931
- Financial Assets at Amortized cost	13	19,723,117	20,318,767
- Investments in associates and subsidiaries	14	1,064,250	1,014,350
Other assets	15	11,626,924	11,141,917
Deferred tax assets (Liabilities)		354,638	460,026
Property and equipment	16	2,391,033	2,404,237
Total assets		521,616,413	496,651,124
Liabilities and equity			
Liabilities			
Due to banks	17	2,969,822	862,759
Due to customers	18	427,556,083	406,100,916
Derivative financial instruments		34,934	265,265
Current income tax liabilities		2,330,166	2,234,985
Other liabilities	19	9,972,432	8,021,310
Issued debt instruments	20	1,864,924	1,557,263
Other loans		5,987,651	5,140,782
Other Provisions	21	5,355,635	3,539,676
Total liabilities		456,071,647	427,722,956
Equity			
Issued and paid up capital		19,825,134	19,702,418
Reserves		36,022,139	33,767,423
Reserve for employee stock ownership plan (ESOP)		1,555,725	1,674,392
Retained earnings *		8,141,768	13,783,935
Total equity and net profit for the period / year		65,544,766	68,928,168
Total liabilities and equity		521,616,413	496,651,124

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

(Review report attached)

* Including net profit for the current period



Hussein Abaza
CEO & Managing Director



Sherif Samy
Chairman

Condensed Separate Interim Income Statement for the period ended June 30, 2022

	Notes	Last 3 Months	Last 6 Months	Last 3 Months	Last 6 Months
		Jun. 30, 2022	Jun. 30, 2022	Jun. 30, 2021	Jun. 30, 2021
		EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Interest and similar income		12,445,964	24,258,160	10,854,910	20,975,491
Interest and similar expense		(5,353,131)	(10,562,668)	(4,858,266)	(9,302,462)
Net interest income		7,092,833	13,695,492	5,996,644	11,673,029
Fee and commission income		1,217,080	2,408,556	954,319	1,798,447
Fee and commission expense		(558,167)	(1,072,802)	(353,568)	(687,129)
Net fee and commission income		658,913	1,335,754	600,751	1,111,318
Dividend income		24,999	62,799	63,481	63,572
Net trading income	5	297,438	1,013,504	161,939	274,657
Profits (Losses) on financial investments	13	44,109	1,065,443	83,864	577,519
Administrative expenses		(1,688,096)	(3,233,444)	(1,445,999)	(2,918,943)
Other operating (expenses) income	6	(1,084,359)	(2,509,857)	(586,688)	(1,113,292)
Impairment release (charges) for credit losses		(54,974)	(14,449)	(316,994)	(1,019,076)
Profit before income tax		5,290,863	11,415,242	4,556,998	8,648,784
Income tax expense	25	(1,735,323)	(3,110,536)	(1,381,023)	(2,590,270)
Deferred tax assets (Liabilities)	25	(21,141)	(530,715)	25,067	18,828
Net profit for the period		3,534,399	7,773,991	3,201,042	6,077,342
Earning per share	7				
Basic		1.58	3.48	1.43	2.75
Diluted		1.56	3.44	1.42	2.71



Hussein Abaza
CEO & Managing Director



Sherif Samy
Chairman

Condensed Separate Interim statement of Comprehensive Income for the period ended June 30, 2022

	Last 3 Months Jun. 30, 2022 EGP Thousands	Last 6 Months Jun. 30, 2022 EGP Thousands	Last 3 Months Jun. 30, 2021 EGP Thousands	Last 6 Months Jun. 30, 2021 EGP Thousands
Net profit for the period	3,534,399	7,773,991	3,201,042	6,077,342
Change in fair value of debt instruments measured at fair value through other comprehensive income after income tax	(3,399,285)	(7,358,230)	49,893	(1,624,416)
Transferred from reserve on disposal of financial assets at fair value through OCI	(26)	(4,227)	-	(104,406)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	2,627	104,188	(39,469)	(54,113)
Total comprehensive income for the period	137,715	515,722	3,211,466	4,294,407

Condensed Separate Interim Cash flows for the period ended June 30, 2022

	<i>Notes</i>	Jun. 30, 2022 EGP Thousands	Jun. 30, 2021 EGP Thousands
Cash flow from operating activities			
Profit before income tax		11,415,242	8,648,784
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	16	427,873	411,612
Impairment charge for credit losses (Loans and advances to customers and banks)		(94,868)	1,060,008
Other provisions charges	21	1,513,984	350,323
Impairment charge for credit losses (due from banks)		5,357	13,181
Impairment (Released) charge for credit losses (financial investments)		103,960	(54,113)
Impairment (Released) charge for other assets		(277,768)	25,524
Exchange revaluation differences for financial assets at fair value through OCI and AC		(2,840,747)	50,039
Impairment (Released) charge financial assets at fair value through OCI		-	(72,957)
Utilization of other provisions	21	(1,707)	(44,173)
Other provisions no longer used	21	(267)	(9,145)
Exchange differences of other provisions	21	303,949	(9,196)
Losses (profits) from selling property and equipment		(1,142)	(1,250)
Losses (profits) from selling financial investments at fair value through OCI	13	(1,065,443)	(514,837)
Shares based payments		384,255	316,514
Impairment (Released) charges of investments in associates and subsidiaries		-	10,275
Operating losses (profits) before changes in operating assets and liabilities		9,872,678	10,180,589
Net decrease (increase) in assets and liabilities			
Due from banks		13,240,715	(8,642,436)
Financial assets at fair value through P&L	13	239,339	151,530
Derivative financial instruments		(882,092)	(19,897)
Loans and advances to banks and customers	11 - 12	(25,746,135)	(12,680,083)
Other assets		(291,414)	(1,944,779)
Due to banks	17	2,107,063	(7,502,230)
Due to customers	18	21,455,167	44,869,003
Current income tax obligations paid		(780,370)	(973,779)
Other liabilities		(283,863)	794,030
Net cash used in (generated from) operating activities		18,931,088	24,231,948
Cash flow from investing activities			
Proceeds (payments) for investment in associates.		(49,900)	(158,360)
Payment for purchases of property, equipment and branches constructions		(312,818)	(522,975)
Proceeds from selling property and equipment		1,142	1,250
Proceeds from redemption of financial assets at amortized cost		659,761	2,654,583
Payment for purchases of financial assets at amortized cost		(41,770)	(3,844)
Payment for purchases of financial assets at fair value through OCI		(67,627,930)	(111,506,191)
Proceeds from selling financial assets at fair value through OCI		45,512,886	71,451,202
Net cash generated from (used in) investing activities		(21,858,629)	(38,084,335)

Condensed Separate Interim Cash flows for the period ended June 30, 2022 (Cont.)

	Jun. 30, 2022 EGP Thousands	Jun. 30, 2021 EGP Thousands
Cash flow from financing activities		
Increase (decrease) in long term loans	846,869	(2,120,154)
Dividend paid	(4,410,322)	(1,360,652)
Increase (decrease) in issued debt instruments	307,661	-
Capital increase	122,716	-
Net cash generated from (used in) financing activities	<u>(3,133,076)</u>	<u>(3,480,806)</u>
Net (decrease) increase in cash and cash equivalent during the period	(6,060,617)	(17,333,193)
Beginning balance of cash and cash equivalent	60,891,899	75,965,247
Cash and cash equivalent at the end of the period	<u>54,831,282</u>	<u>58,632,054</u>
Cash and cash equivalent comprise:		
Cash and balances at the central bank	41,845,093	31,792,597
Due from banks	57,016,700	79,116,502
Treasury bills and other governmental notes	76,375,291	58,677,132
Obligatory reserve balance with CBE	(36,065,936)	(26,239,755)
Due from banks with maturities more than three months	(12,494,125)	(26,293,821)
Treasury bills with maturity more than three months	(71,845,741)	(58,420,601)
Total cash and cash equivalent	<u>54,831,282</u>	<u>58,632,054</u>

Condensed Separate Interim statement of changes in shareholders' equity for the period ended June 30, 2021

Jun. 30, 2021	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Total</u>
	EGP Thousands									
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	14,906	3,970,987	6,423	10,477,611	1,064,648	59,404,626
Capital increase	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	514,939	8,420,479	-	1,094	-	-	(8,936,512)	-	-
Dividend paid	-	-	-	-	-	-	-	(1,360,652)	-	(1,360,652)
Net profit of the year	-	-	-	-	-	-	-	6,077,342	-	6,077,342
Transferred from reserve of financial assets at fair value through OCI	-	-	-	-	-	(104,406)	-	104,406	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	(1,624,416)	-	-	-	(1,624,416)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	2,718	(2,718)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	(54,113)	-	-	-	(54,113)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	316,514	316,514
Ending balance	14,776,813	3,293,074	33,186,137	1,549,445	16,000	2,188,052	9,141	6,367,810	1,381,162	62,767,634

Condensed Separate Interim statement of changes in shareholders' equity for the period ended June 30, 2022

Jun. 30, 2022	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Total</u>
	EGP Thousands									
Beginning balance	19,702,418	3,293,074	28,260,532	1,549,445	16,000	639,231	9,141	13,783,935	1,674,392	68,928,168
Capital increase	122,716	-	-	-	-	-	-	-	-	122,716
Transferred to reserves	-	670,872	8,836,326	-	2,947	-	-	(9,007,223)	(502,922)	-
Dividend paid	-	-	-	-	-	-	-	(4,410,322)	-	(4,410,322)
Net profit of the year	-	-	-	-	-	-	-	7,773,991	-	7,773,991
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	(4,227)	-	4,227	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	(7,358,230)	-	-	-	(7,358,230)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	2,840	(2,840)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	104,188	-	-	-	104,188
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	384,255	384,255
Ending balance	<u>19,825,134</u>	<u>3,963,946</u>	<u>37,096,858</u>	<u>1,549,445</u>	<u>18,947</u>	<u>(6,619,038)</u>	<u>11,981</u>	<u>8,141,768</u>	<u>1,555,725</u>	<u>65,544,766</u>

Notes to the condensed separate interim financial statement for the period ended June 30, 2022

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 190 branches, and 23 units employing 7,494 employees on the statement of financial position date.

Commercial International Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange.

Financial statements have been approved by board of directors on July 24, 2022.

2. Summary of accounting policies

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

2.1. Basis of preparation

The separate financial statements have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008.

Also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, the bank issued condensed financial statements based on the Central Bank of Egypt instructions issued on May 5, 2020, which allow banks to issue condensed quarterly financial statements. Reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

The separate and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008, also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the period ended on June 30, 2022 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

These condensed separate interim financial statements do not include all the information and disclosures required for full annual separate financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the Bank's financial statements as at and for the year ended 31 December 2021.

In preparing these condensed separate interim financial statements, significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those that were applied to the separate financial statements as at and for the year ended 31 December 2021.

3.1. Loans and advances

Loans and advances are summarized as follows:

	Jun.30, 2022 EGP Thousands		Dec.31, 2021 EGP Thousands	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Gross Loans and advances	190,155,392	1,316,196	163,087,768	314,334
Less:				
ECL	19,318,746	7,953	17,875,739	2,118
Unamortized bills discount	411,973	-	68,410	-
Unamortized syndicated loans discount	266,457	-	312,682	-
Suspended credit account	547,432	-	65,129	-
Net	169,610,784	1,308,243	144,765,808	312,216

Impairment provision losses for loans and advances reached EGP 19,326,699 thousand.

During the year, the Bank's total loans and advances increased by 17.18%

In order to minimize the probable exposure to credit risk, the Bank focuses more on the business with large enterprises, banks or retail customers with good credit rating or sufficient collateral.

Total balances of loans and facilities to customers divided by stages:

Jun.30, 2022

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Individuals	41,910,731	4,457,651	789,079	47,157,461
Institutions and Business Banking	76,390,365	58,129,038	8,478,528	142,997,931
Total	118,301,096	62,586,689	9,267,607	190,155,392

Expected credit losses for loans and facilities to customers divided by stages:

Jun.30, 2022

	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	981,413	142,702	259,692	1,383,807
Institutions and Business Banking	1,723,309	8,324,861	7,886,769	17,934,939
Total	2,704,722	8,467,563	8,146,461	19,318,746

Loans, advances and expected credit losses to banks divided by stages:

Jun.30, 2022

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Time and term loans	-	1,316,196	-	1,316,196
Expected credit losses	-	(7,953)	-	(7,953)
Net	-	1,308,243	-	1,308,243

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

Jun.30, 2022

	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	70,748,527	36,583,226	4,401,755	111,733,508
Expected credit losses	(2,497,437)	(1,344,972)	(1,157,459)	(4,999,868)
Net	68,251,090	35,238,254	3,244,296	106,733,640

Total balances of loans and facilities divided by stages:

Dec.31, 2021

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Individuals	36,509,635	3,893,211	660,606	41,063,452
Institutions and Business Banking	64,835,799	49,474,038	7,714,479	122,024,316
Total	101,345,434	53,367,249	8,375,085	163,087,768

Expected credit losses

Dec.31, 2021

	<u>Stage 1: Expected</u> <u>credit losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that is</u> <u>not creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Individuals	825,814	90,037	257,071	1,172,922
Institutions and Business Banking	1,475,220	7,597,957	7,629,640	16,702,817
Total	2,301,034	7,687,994	7,886,711	17,875,739

Loans and advances to banks divided by stages:

Dec.31, 2021

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Time and term loans	-	314,334	-	314,334
Expected credit losses	-	(2,118)	-	(2,118)
Net	-	312,216	-	312,216

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

Dec.31, 2021

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Facilities and guarantees	60,535,590	30,943,446	168,459	91,647,495
Expected credit losses	(1,923,569)	(1,113,857)	(165,893)	(3,203,319)
Net	58,612,021	29,829,589	2,566	88,444,176

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

Jun.30, 2022

EGP Thousands

Due from banks

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
ECL on 1 January 2022	19,725	20,714	-	40,439
New financial assets purchased or issued	1	16,686	-	16,687
Matured or disposed financial assets	(12)	(20,396)	-	(20,408)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	9,002	76	-	9,078
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	28,716	17,080	-	45,796

Individual Loans:

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
ECL on 1 January 2022	825,814	90,037	257,071	1,172,922
Impairment during the period	155,599	52,665	62,380	270,644
Write off during the period	-	-	(102,958)	(102,958)
Recoveries	-	-	43,199	43,199
Ending balance	981,413	142,702	259,692	1,383,807

Corporate and Business Banking loans:

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
ECL on 1 January 2022	1,475,220	7,597,957	7,629,640	16,702,817
New financial assets purchased or issued	740,721	712,465	-	1,453,186
Matured or disposed financial assets	(405,532)	(472,508)	(55,660)	(933,700)
Transferred to stage 1	1,961	(3,250)	-	(1,289)
Transferred to stage 2	(42,564)	58,690	-	16,126
Transferred to stage 3	(218)	(1,934)	2,152	-
Changes in the probability of default and loss in case of default and the exposure at default	(191,463)	(1,073,642)	(154,783)	(1,419,888)
Changes to model assumptions and methodology	124,755	389,463	-	514,218
Recoveries	-	-	8,182	8,182
Write off during the period	-	-	(728,026)	(728,026)
Cumulative foreign currencies translation differences	20,429	1,117,620	1,185,264	2,323,313
Ending balance	1,723,309	8,324,861	7,886,769	17,934,939

Financial Assets at Fair Value through OCI

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
ECL on 1 January 2022	515,177	9,721	-	524,898
New financial assets purchased or issued	175,310	50,252	-	225,562
Matured or disposed financial assets	(23,459)	-	-	(23,459)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(94,572)	(3,343)	-	(97,915)
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	572,456	56,630	-	629,086

Amortized cost

	<u>Stage 1</u> <u>12 months</u> <u>ECL</u>	<u>Stage 2</u> <u>Life time</u> <u>ECL</u>	<u>Stage 3</u> <u>Life time</u> <u>ECL</u>	<u>Total</u> <u>ECL</u>
ECL on 1 January 2022	1,113	-	-	1,113
New financial assets purchased or issued	-	-	-	-
Matured or disposed financial assets	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(228)	-	-	(228)
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	885	-	-	885

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

Dec.31, 2021
Due from banks

	EGP Thousands			
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Expected credit losses on 1 January 2021	23,331	-	-	23,331
New financial assets purchased or issued	106	20,714	-	20,820
Matured or disposed financial assets	(4,149)	-	-	(4,149)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	437	-	-	437
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	19,725	20,714	-	40,439

Individual Loans:

	EGP Thousands			
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Expected credit losses on 1 January 2021	705,482	22,779	348,551	1,076,812
Impairment during the year	120,332	67,258	127,500	315,090
Write off during the year	-	-	(298,324)	(298,324)
Recoveries	-	-	79,344	79,344
Ending balance	825,814	90,037	257,071	1,172,922

Corporate and Business Banking loans:

	EGP Thousands			
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Expected credit losses on 1 January 2021	1,395,756	8,756,070	5,167,111	15,318,937
New financial assets purchased or issued	890,002	1,302,089	-	2,192,091
Matured or disposed financial assets	(596,491)	(491,306)	(2,101)	(1,089,898)
Transferred to stage 1	8,894	(19,190)	-	(10,296)
Transferred to stage 2	(53,010)	92,677	(409)	39,258
Transferred to stage 3	(2,810)	(2,362,535)	2,544,757	179,412
Changes in the probability of default and loss in case of default and the exposure at default	(92,931)	(267,130)	(84,053)	(444,114)
Changes to model assumptions and methodology	(72,404)	652,276	-	579,872
Recoveries	-	-	45,431	45,431
Write off during the year	-	-	(4,366)	(4,366)
Cumulative foreign currencies translation differences	(1,786)	(64,994)	(36,730)	(103,510)
Ending balance	1,475,220	7,597,957	7,629,640	16,702,817

Financial Assets at Fair value through OCI

	EGP Thousands			
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Expected credit losses on 1 January 2021	619,398	-	-	619,398
New financial assets purchased or issued	218,711	9,721	-	228,432
Matured or disposed financial assets	(174,668)	-	-	(174,668)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(148,264)	-	-	(148,264)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	515,177	9,721	-	524,898

Amortized cost

	EGP Thousands			
	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>	<u>ECL</u>
Expected credit losses on 1 January 2021	179	-	-	179
New financial assets purchased or issued	-	-	-	-
Matured or disposed financial assets	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	934	-	-	934
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	1,113	-	-	1,113

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, which indicate that payment will most likely continue. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the period / year:

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Loans and advances to customer		
Corporate		
- Direct loans	14,087,586	10,903,602
Total	14,087,586	10,903,602

3.2. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the period based on Standard & Poor's valuation and its equivalent.

Jun.30, 2022

	EGP Thousands				
<u>Amortized cost</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	19,723,117	-	-	-	19,723,117
Not rated	-	-	-	-	-
Total	19,723,117	-	-	-	19,723,117

Jun.30, 2022

	EGP Thousands				
<u>Fair value through OCI</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	215,166,928	-	-	-	215,166,928
Not rated	-	-	-	-	-
Total	215,166,928	-	-	-	215,166,928

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the period based on Standard & Poor's valuation and its equivalent.

Jun.30, 2022

	EGP Thousands				
<u>Fair value through OCI and amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	629,971	-	-	-	629,971
Not rated	-	-	-	-	-
Total	629,971	-	-	-	629,971

3.2. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the year based on Standard & Poor's valuation and its equivalent.

Dec.31, 2021 EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	20,318,767	-	-	-	20,318,767
Not rated	-	-	-	-	-
Total	20,318,767	-	-	-	20,318,767

Dec.31, 2021 EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	190,308,789	-	-	-	190,308,789
Not rated	-	-	-	-	-
Total	190,308,789	-	-	-	190,308,789

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the year based on Standard & Poor's valuation and its equivalent.

Dec.31, 2021 EGP Thousands

<u>Fair value through OCI & Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	526,011	-	-	-	526,011
Not rated	-	-	-	-	-
Total	526,011	-	-	-	526,011

3.3. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

	Equivalent EGP Thousands					
Jun.30, 2022	EGP	USD	EUR	GBP	Other	Total
Financial assets						
Cash and balances at the central bank	38,930,572	1,718,963	489,431	81,560	624,567	41,845,093
Gross due from banks	7,004,362	42,554,991	6,336,076	986,560	134,711	57,016,700
Gross loans and advances to banks	-	1,316,196	-	-	-	1,316,196
Gross loans and advances to customers	137,973,417	48,200,639	3,848,855	16,195	116,286	190,155,392
Derivative financial instruments	402,386	474,751	-	-	-	877,137
Financial investments						
Gross financial investment securities	207,883,441	29,542,939	2,198,446	-	-	239,624,826
Investments in associates and subsidiaries	343,459	159,828	-	-	560,963	1,064,250
Total financial assets	392,537,637	123,968,307	12,872,808	1,084,315	1,436,527	531,899,594
Financial liabilities						
Due to banks	683,346	2,263,863	15,806	6,286	521	2,969,822
Due to customers	310,066,468	105,697,308	10,400,104	1,038,219	353,984	427,556,083
Derivative financial instruments	34,934	-	-	-	-	34,934
Issued debt instruments	-	1,864,924	-	-	-	1,864,924
Other loans	18,600	5,949,708	19,343	-	-	5,987,651
Total financial liabilities	310,803,348	115,775,803	10,435,253	1,044,505	354,505	438,413,414
Net on-balance sheet financial position	81,734,289	8,192,504	2,437,555	39,810	1,082,022	93,486,180
Total financial assets as of December 31, 2021	387,395,353	104,537,787	9,982,733	436,909	984,061	503,336,843
Total financial liabilities as of December 31, 2021	312,369,153	91,907,672	8,252,212	1,114,797	283,151	413,926,985
Net on-balance sheet financial position as of December 31, 2021	75,026,200	12,630,115	1,730,521	(677,888)	700,910	89,409,858

3.4. Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The Board sets limits on the gaps of interest rate repricing that may be undertaken, which is monitored by the bank's Risk Management Department.

3.5. Liquidity risk

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

Liquidity Risk Management Organization and Measurement Tools

Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee (BRC) subject to provisions of Treasury Policy Guide (TPG).

Board Risk Committee (BRC): Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the Board of Directors (BoD) through periodic reports submitted by the Risk Group. The committee makes recommendations to the BoD with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management, various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

Asset & Liability Committee (ALCO): Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/reward guidelines approved by the BoD.

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group. The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile related to the Covid-19 pandemic. CIB will continue with its robust Liability strategy with reliance on customer deposits (stable funding) as the main contributor of total liabilities, and low dependency on the Wholesale Funding. CIB has ample level of High Quality Liquid Assets (HQLA) based on its LCY & FCY Sovereign Portfolio investments, which positively reflects the Bank's solid Liquidity Ratios and Basel III LCR & NSFR ratios, with a large buffer maintained above the Regulatory ratios requirements.

For June 2022 NSFR ratio record 217% (LCY 223% and FCY 200%), and LCR ratio record 799% (LCY 857% and FCY 292%).

For December 2021 NSFR ratio record 247% (LCY 282% and FCY 170%), and LCR ratio record 817% (LCY 902% and FCY 304%).

For June 2022 CAR ratio record 28.8%, and 29.8% for December 2021.

For June 2022 Leverage ratio record 10.8%, and 11.3% for December 2021.

3.6. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at the fair value.

	<u>Book value</u>		<u>Fair value</u>	
	Jun.30, 2022	Dec.31, 2021	Jun.30, 2022	Dec.31, 2021
Financial assets				
Due from banks	57,016,700	80,031,726	57,250,171	80,459,411
Gross loans and advances to banks	1,316,196	314,334	1,316,196	314,334
Gross loans and advances to customers	190,155,392	163,087,768	189,701,315	163,388,858
Financial investments:				
Financial Assets at Amortized cost	19,724,002	20,318,767	19,911,453	21,074,139
Total financial assets	268,212,290	263,752,595	268,179,135	265,236,742
Financial liabilities				
Due to banks	2,969,822	862,759	1,987,640	832,976
Due to customers	427,556,083	406,100,916	430,219,319	408,645,667
Issued debt instruments	1,880,280	1,571,670	1,883,452	1,574,487
Other loans	5,987,651	5,140,782	5,487,502	5,124,531
Total financial liabilities	438,393,836	413,676,127	439,577,913	416,177,661

The fair value is considered in the previous note from the second and third level in accordance with the fair value standard

Due from banks

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

Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the assets and liabilities according to EAS.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2022:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

	Date of Valuation	Fair value measurement using			Valuation techniques (level 3)
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	
Jun.30, 2022					
Measured at fair value:					EGP Thousands
Financial assets					
Financial Assets at Fair Value through P&L	30-Jun-22	1,648	1,648	-	-
Financial Assets at Fair Value through OCI	30-Jun-22	215,842,642	137,319,809	78,522,833	-
Total		215,844,290	137,321,457	78,522,833	-
Derivative financial instruments					
Financial assets	30-Jun-22	877,137	-	-	877,137
Financial liabilities	30-Jun-22	34,934	-	-	34,934
Total		912,071	-	-	912,071
Assets for which fair values are disclosed:					
Financial Assets at Amortized cost	30-Jun-22	19,911,453	-	19,911,453	-
Loans and advances to banks	30-Jun-22	1,316,196	-	-	1,316,196
Loans and advances to customers	30-Jun-22	189,701,315	-	-	189,701,315
Total		210,928,964	-	19,911,453	191,017,511
Liabilities for which fair values are disclosed:					
Issued debt instruments	30-Jun-22	1,883,452	-	1,883,452	-
Other loans	30-Jun-22	5,487,502	-	5,487,502	-
Due to customers	30-Jun-22	430,219,319	-	-	430,219,319
Total		437,590,273	-	7,370,954	430,219,319
Dec.31, 2021					
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-21	240,987	240,987	-	-
Financial Assets at Fair value through OCI	31-Dec-21	192,390,931	147,525,260	44,865,671	-
Total		192,631,918	147,766,247	44,865,671	-
Derivative financial instruments					
Financial assets	31-Dec-21	225,376	-	-	225,376
Financial liabilities	31-Dec-21	265,265	-	-	265,265
Total		490,641	-	-	490,641
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-21	21,074,139	-	21,074,139	-
Loans and advances to banks	31-Dec-21	314,334	-	-	314,334
Loans and advances to customers	31-Dec-21	163,388,858	-	-	163,388,858
Total		184,777,331	-	21,074,139	163,703,192
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-21	1,574,487	-	1,574,487	-
Other loans	31-Dec-21	5,124,531	-	5,124,531	-
Due to customers	31-Dec-21	408,645,667	-	-	408,645,667
Total		415,344,685	-	6,699,018	408,645,667

4. Segment analysis

4.1. By business segment

The Bank is divided into four main business segments on a worldwide basis:

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- Investment – incorporating financial instruments Trading, structured financing, Corporate leasing, and merger and acquisitions advice.
- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Others – Including other banking business, such as assets and liabilities management.

Transactions between the business segments are on normal commercial terms and conditions.

	EGP Thousands					
Jun.30, 2022	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Net revenue according to business segment *	7,131,785	1,218,505	4,076,993	4,273,297	472,412	17,172,992
Expenses according to business segment	<u>(2,978,924)</u>	<u>(642,942)</u>	<u>(133,192)</u>	<u>(1,995,923)</u>	<u>(6,769)</u>	<u>(5,757,750)</u>
Profit before tax	4,152,861	575,563	3,943,801	2,277,374	465,643	11,415,242
Income tax	<u>(1,273,654)</u>	<u>(180,726)</u>	<u>(1,325,567)</u>	<u>(715,093)</u>	<u>(146,211)</u>	<u>(3,641,251)</u>
Profit for the period	<u>2,879,207</u>	<u>394,837</u>	<u>2,618,234</u>	<u>1,562,281</u>	<u>319,432</u>	<u>7,773,991</u>
Total assets	<u>147,253,876</u>	<u>4,800,769</u>	<u>237,315,904</u>	<u>46,163,228</u>	<u>86,082,636</u>	<u>521,616,413</u>

* Represents the net interest income and other income.

Jun.30, 2021	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Net revenue according to business segment	5,864,744	869,534	2,976,260	3,669,274	320,283	13,700,095
Expenses according to business segment	<u>(2,728,539)</u>	<u>(510,683)</u>	<u>(59,454)</u>	<u>(1,738,552)</u>	<u>(14,083)</u>	<u>(5,051,311)</u>
Profit before tax	3,136,205	358,851	2,916,806	1,930,722	306,200	8,648,784
Income tax	<u>(932,451)</u>	<u>(106,693)</u>	<u>(867,220)</u>	<u>(574,039)</u>	<u>(91,039)</u>	<u>(2,571,442)</u>
Profit for the period	<u>2,203,754</u>	<u>252,158</u>	<u>2,049,586</u>	<u>1,356,683</u>	<u>215,161</u>	<u>6,077,342</u>
Total assets at 31 December 2021	<u>158,069,828</u>	<u>3,193,320</u>	<u>218,237,747</u>	<u>40,130,705</u>	<u>77,019,524</u>	<u>496,651,124</u>

4.2. By geographical segment

	EGP Thousands			
Jun.30, 2022	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	15,073,206	1,792,481	307,305	17,172,992
Expenses according to geographical segment	<u>(4,776,127)</u>	<u>(769,739)</u>	<u>(211,884)</u>	<u>(5,757,750)</u>
Profit before tax	10,297,079	1,022,742	95,421	11,415,242
Income tax	<u>(3,290,149)</u>	<u>(321,140)</u>	<u>(29,962)</u>	<u>(3,641,251)</u>
Profit for the period	<u>7,006,930</u>	<u>701,602</u>	<u>65,459</u>	<u>7,773,991</u>
Total assets	<u>479,917,691</u>	<u>33,259,507</u>	<u>8,439,215</u>	<u>521,616,413</u>

Jun.30, 2021	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	11,904,196	1,510,174	285,725	13,700,095
Expenses according to geographical segment	<u>(4,026,607)</u>	<u>(890,209)</u>	<u>(134,495)</u>	<u>(5,051,311)</u>
Profit before tax	7,877,589	619,965	151,230	8,648,784
Income tax	<u>(2,342,151)</u>	<u>(184,327)</u>	<u>(44,964)</u>	<u>(2,571,442)</u>
Profit for the period	<u>5,535,438</u>	<u>435,638</u>	<u>106,266</u>	<u>6,077,342</u>
Total assets at 31 December 2021	<u>462,978,485</u>	<u>26,469,030</u>	<u>7,203,609</u>	<u>496,651,124</u>

5 . Net trading income

	Last 3 Months Jun.30, 2022	Last 6 Months Jun.30, 2022	Last 3 Months Jun.30, 2021	Last 6 Months Jun.30, 2021
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Profit (Loss) from foreign exchange transactions	305,014	560,341	271,885	406,921
Profit (Loss) from forward foreign exchange deals revaluation	(44,420)	442,616	(104,817)	(108,687)
Profit (Loss) from interest rate swaps revaluation	(119)	(238)	(1,245)	(1,537)
Profit (Loss) from currency swap deals revaluation	37,092	16,894	2,907	3,676
Profit (Loss) from financial assets at fair value through P&L	(129)	(6,109)	(6,791)	(25,716)
Total	297,438	1,013,504	161,939	274,657

6 . Other operating (expenses) income

	Last 3 Months Jun.30, 2022	Last 6 Months Jun.30, 2022	Last 3 Months Jun.30, 2021	Last 6 Months Jun.30, 2021
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Profits (losses) from revaluation of non-trading assets and liabilities by FCY	(129,943)	(332,612)	2,167	2,987
Profits of selling property and equipment	1,092	1,142	-	1,250
Release (charges) of other provisions	(477,795)	(1,235,949)	(245,753)	(366,701)
Other income/expenses	(477,713)	(942,438)	(343,102)	(750,828)
Total	(1,084,359)	(2,509,857)	(586,688)	(1,113,292)

7 . Earning per share

	Last 3 Months Jun.30, 2022	Last 6 Months Jun.30, 2022	Last 3 Months Jun.30, 2021	Last 6 Months Jun.30, 2021
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Net profit for the year, available for distribution	3,534,399	7,773,991	3,201,042	6,077,342
Board member's bonus	(53,016)	(116,610)	(48,016)	(49,420)
Staff profit sharing	(353,440)	(777,399)	(320,104)	(607,734)
Profits attributable to shareholders	3,127,943	6,879,982	2,832,922	5,420,188
Weighted average number of shares	1,974,459	1,974,459	1,974,459	1,974,459
Basic earning per share	1.58	3.48	1.43	2.75
By issuance of ESOP earning per share will be:				
Average number of shares including ESOP shares	2,000,641	2,000,641	2,000,641	2,000,641
Diluted earning per share	1.56	3.44	1.42	2.71

8 . Cash and balances at the central bank

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Cash	5,779,157	5,368,429
Obligatory reserve balance with CBE		
- Current accounts	36,065,936	38,016,793
Total	41,845,093	43,385,222
Non-interest bearing balances	41,845,093	43,385,222

9 . Due from banks

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Current accounts	3,597,551	2,706,161
Deposits	53,419,149	77,325,565
Expected credit losses	(45,796)	(40,439)
Total	56,970,904	79,991,287
Central banks	21,189,766	51,720,551
Local banks	21,043,190	13,293,580
Foreign banks	14,737,948	14,977,156
Total	56,970,904	79,991,287
Non-interest bearing balances	3,566,800	1,411,821
Floating interest bearing balances	12,155,578	9,413,404
Fixed interest bearing balances	41,248,526	69,166,062
Total	56,970,904	79,991,287

Due from banks

	Stage 1	Stage 2
Gross due from banks	51,308,602	5,708,098
Expected credit losses	(28,715)	(17,081)
Net due from banks	51,279,887	5,691,017

10 . Treasury bills and other governmental notes

	Jun.30, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
91 Days maturity	5,374,451	550
182 Days maturity	11,893,850	84,175
364 Days maturity	63,847,771	44,529,537
Unearned interest	<u>(4,057,419)</u>	<u>(2,327,382)</u>
Total	77,058,653	42,286,880
Repos - treasury bills	<u>(683,362)</u>	<u>(707,376)</u>
Net	76,375,291	41,579,504

Governmental bonds

	Jun.30, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Fair Value through OCI</u>
Governmental bonds	127,167,759	142,702,951
Repo	-	<u>(3,536,336)</u>
Net	127,167,759	139,166,615

11 . Loans and advances to banks, net

	Jun.30, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
Time and term loans	1,316,196	314,334
ECL	<u>(7,953)</u>	<u>(2,118)</u>
Net	1,308,243	312,216
Current balances	<u>1,308,243</u>	<u>312,216</u>

Analysis for ECL of loans and advances to banks

	Jun.30, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
Beginning balance	(2,118)	(9,625)
Released (charged) during the period / year	<u>(5,835)</u>	<u>7,507</u>
Ending balance	(7,953)	(2,118)

Analysis for impairment provision of loans and advances to banks

	Stage 2	Stage 2
Beginning Balance	(2,118)	(9,625)
Released (charged) during the period / year	<u>(5,835)</u>	<u>7,507</u>
Ending balance	(7,953)	(2,118)

12 . Loans and advances to customers, net

	Jun.30, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
Individual		
- Overdraft	1,668,422	1,264,767
- Credit cards	6,418,955	5,716,197
- Personal loans	36,258,230	31,608,307
- Mortgage loans	2,811,854	2,474,181
Total 1	47,157,461	41,063,452
Corporate		
- Overdraft	35,869,168	29,171,025
- Direct loans	64,245,685	49,757,774
- Syndicated loans	42,845,136	43,062,028
- Other loans	37,942	33,489
Total 2	142,997,931	122,024,316
Total Loans and advances to customers (1+2)	190,155,392	163,087,768
Less:		
Unamortized bills discount	(411,973)	(68,410)
Unamortized syndicated loans discount	(266,457)	(312,682)
ECL	(19,318,746)	(17,875,739)
Suspended credit account	(547,432)	(65,129)
Net loans and advances to customers	169,610,784	144,765,808
Distributed to		
Current balances	81,961,055	63,924,184
Non-current balances	87,649,729	80,841,624
Total	169,610,784	144,765,808

Analysis of the expected credit losses on loans and advances to customers by type during the period / year was as follows:

	EGP Thousands				
	Jun.30, 2022				
Individual Loans:	Overdrafts	Credit cards	Personal loans	Mortgages	Total
Beginning balance	(6,520)	(305,006)	(811,871)	(49,525)	(1,172,922)
Released (charged) during the period	(1,064)	(2,613)	(237,785)	(29,182)	(270,644)
Written off during the period	559	23,029	79,247	123	102,958
Recoveries during the period	(225)	(19,206)	(23,768)	-	(43,199)
Ending balance	(7,250)	(303,796)	(994,177)	(78,584)	(1,383,807)
Corporate and Business Banking loans:	Overdraft	Direct loans	Syn syndicated loans	Other loans	Total
Beginning balance	(1,648,574)	(10,866,452)	(4,180,996)	(6,795)	(16,702,817)
Released (charged) during the period	(39,199)	(7,896)	418,348	94	371,347
Written off during the period	-	728,026	-	-	728,026
Recoveries during the period	-	(8,182)	-	-	(8,182)
foreign currencies translation differences	(222,473)	(1,493,838)	(607,002)	-	(2,323,313)
Ending balance	(1,910,246)	(11,648,342)	(4,369,650)	(6,701)	(17,934,939)

Dec.31, 2021	Individual				EGP Thousands
	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(9,559)	(242,278)	(762,850)	(62,125)	(1,076,812)
Released (charged) released during the year	(32)	(124,535)	(203,123)	12,600	(315,090)
Write off during the year	3,072	100,263	194,989	-	298,324
Recoveries during the year	(1)	(38,456)	(40,887)	-	(79,344)
Ending balance	(6,520)	(305,006)	(811,871)	(49,525)	(1,172,922)

Dec.31, 2021	Corporate				EGP Thousands
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,319,514)	(10,533,928)	(3,459,950)	(5,545)	(15,318,937)
Released (charged) released during the year	(336,595)	(364,747)	(743,733)	(1,250)	(1,446,325)
Write off during the year	-	4,366	-	-	4,366
Recoveries during the year	(80)	(45,351)	-	-	(45,431)
Exchange revaluation difference	7,615	73,208	22,687	-	103,510
Ending balance	(1,648,574)	(10,866,452)	(4,180,996)	(6,795)	(16,702,817)

13. Financial investments securities

Jun.30, 2022

	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
	EGP Thousands			
Investments listed in the market				
Governmental bonds	-	127,167,759	19,723,117	146,890,876
Securitized bonds	-	8,607,262	-	8,607,262
Equity instruments	-	144,788	-	144,788
Portfolio managed by others	1,648	-	-	1,648
Sukuk	-	1,400,000	-	1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	76,375,291	-	76,375,291
Securitized bonds	-	1,616,616	-	1,616,616
Equity instruments	-	241,602	-	241,602
Mutual funds	-	289,324	-	289,324
Total	1,648	215,842,642	19,723,117	235,567,407

Dec.31, 2021

	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
	EGP Thousands			
Investments listed in the market				
Governmental bonds	-	139,166,615	20,318,767	159,485,382
Securitized bonds	-	6,788,005	-	6,788,005
Equity instruments	-	170,640	-	170,640
Portfolio managed by others	240,987	-	-	240,987
Sukuk	-	1,400,000	-	1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	41,579,504	-	41,579,504
Securitized bonds	-	2,774,665	-	2,774,665
Equity instruments	-	246,823	-	246,823
Mutual funds	-	264,679	-	264,679
Total	240,987	192,390,931	20,318,767	212,950,685

13.1 . Profits (Losses) on financial investments

	Last 3 Months Jun.30, 2022 EGP Thousands	Last 6 Months Jun.30, 2022 EGP Thousands	Last 3 Months Jun.30, 2021 EGP Thousands	Last 6 Months Jun.30, 2021 EGP Thousands
Profit (Loss) from selling FVOCI financial instruments	44,109	1,065,443	94,139	514,837
Released (Impairment) charges of FVOCI	-	-	-	72,957
Released (Impairment) charges of investments in associates and subsidiaries	-	-	(10,275)	(10,275)
Total	44,109	1,065,443	83,864	577,519

**14 . Investments in associates and subsidiaries
Jun.30, 2022**

	EGP Thousands					
<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit (loss)</u>	<u>Investment book value</u>	<u>Stake %</u>
Subsidiaries						
- CVenture Capital	Egypt 152,732	548	1,599	(1,815)	159,828	99.99
- Damietta shipping & marine services	Egypt 43,549	2,548	129	(157)	97,991	49.95
- Mayfair Bank	Kenya 2,325,005	1,564,250	57,201	37,037	560,963	51.00
- Commercial International for Finance	Egypt -	-	-	-	49,900	99.80
Associates						
-TCA Properties	Egypt -	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt 56,012	26,244	24,922	1,228	23,108	39.34
- Fawry Plus	Egypt 124,963	68,226	36,716	12,607	14,100	14.99
- International Co. for Security and Services (Falcon)	Egypt 837,530	810,342	102,534	(66,140)	-	30.00
Total	3,539,791	2,472,158	223,101	(54,277)	1,064,250	

	EGP Thousands					
<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit (loss)</u>	<u>Investment book value</u>	<u>Stake %</u>
Dec.31, 2021						
Subsidiaries						
- CVenture Capital	Egypt 143,491	1,806	1,386	(2,674)	159,828	99.99
- Damietta shipping & marine services	Egypt 28,346	1,999	2,132	411	97,991	49.95
- Mayfair Bank	Kenya 1,860,020	1,250,661	95,361	4,918	560,963	51.00
Associates						
-TCA Properties	Egypt -	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt 65,623	37,788	51,796	3,945	23,108	39.34
- Fawry Plus	Egypt 124,845	97,088	76,903	14,473	14,100	14.99
- International Co. for Security and Services (Falcon)	Egypt 1,084,916	791,149	509,571	(931)	-	30.00
Total	3,307,241	2,180,491	737,149	20,142	1,014,350	

15 . Other assets

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Accrued revenues	9,087,403	8,938,356
Prepaid expenses	510,629	421,083
Advances to purchase of fixed assets	1,050,191	1,134,366
Accounts receivable and other assets*	858,000	528,559
Assets acquired as settlement of debts	153,423	153,423
Insurance	46,278	45,130
Gross	11,705,924	11,220,917
Impairment of other assets	(79,000)	(79,000)
Net	11,626,924	11,141,917

* A provision with amount EGP 277 million has been released.

16 . Property and equipment

	Jun.30, 2022							
	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	<u>Total</u>
Cost at Jan 01, 2022 (1)	64,709	1,169,516	3,142,053	156,316	928,154	826,083	148,638	6,435,469
Additions during the period	164,960	20,044	165,160	11,900	23,482	24,190	4,933	414,669
Disposals during the period	-	(4,081)	(3,081)	-	(9,827)	(13,523)	(922)	(31,434)
Cost at end of the period (2)	229,669	1,185,479	3,304,132	168,216	941,809	836,750	152,649	6,818,704
Accumulated depreciation at beginning of the period (3)	-	505,828	2,093,373	66,687	703,593	559,392	102,359	4,031,232
Depreciation for the period	-	27,483	262,170	7,331	77,220	45,684	7,985	427,873
Disposals during the period	-	(4,081)	(3,081)	-	(9,827)	(13,523)	(922)	(31,434)
Accumulated depreciation at end of the period (4)	-	529,230	2,352,462	74,018	770,986	591,553	109,422	4,427,671
Ending net assets (2-4)	229,669	656,249	951,670	94,198	170,823	245,197	43,227	2,391,033
Beginning net assets (1-3)	64,709	663,688	1,048,680	89,629	224,561	266,691	46,279	2,404,237

Property and equipment

	Dec.31, 2021							
	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	<u>Total</u>
Cost at Jan 01, 2021 (1)	64,709	1,129,713	2,541,603	132,023	808,039	700,886	136,093	5,513,066
Additions during the year	-	46,193	611,641	24,293	165,597	140,810	14,372	1,002,906
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Cost at end of the year (2)	64,709	1,169,516	3,142,053	156,316	928,154	826,083	148,638	6,435,469
Accumulated depreciation at beginning of the year (3)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Current year depreciation	-	53,402	489,170	13,973	164,358	122,110	15,596	858,609
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Accumulated depreciation at end of the year (4)	-	505,828	2,093,373	66,687	703,593	559,392	102,359	4,031,232
Ending net assets (2-4)	64,709	663,688	1,048,680	89,629	224,561	266,691	46,279	2,404,237
Beginning net assets (1-3)	64,709	670,897	926,209	79,309	223,322	247,991	47,503	2,259,940

17 . Due to banks

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Current accounts	2,428,113	666,659
Deposits	541,709	196,100
Total	2,969,822	862,759
Central banks	639,467	198,234
Local banks	7,195	5,234
Foreign banks	2,323,160	659,291
Total	2,969,822	862,759
Non-interest bearing balances	2,056,565	414,135
Floating bearing interest balances	447,695	117,516
Fixed interest bearing balances	465,562	331,108
Total	2,969,822	862,759
Current balances	2,969,822	862,759

18 . Due to customers

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Demand deposits	152,241,075	134,352,996
Time deposits	79,919,420	79,212,681
Certificates of deposit	106,632,222	102,139,939
Saving deposits	84,159,650	86,405,762
Other deposits	4,603,716	3,989,538
Total	427,556,083	406,100,916
Corporate deposits	197,040,126	179,860,385
Individual deposits	230,515,957	226,240,531
Total	427,556,083	406,100,916
Non-interest bearing balances	69,499,595	64,696,583
Floating interest bearing balances	12,084,379	17,469,106
Fixed interest bearing balances	345,972,109	323,935,227
Total	427,556,083	406,100,916
Current balances	312,034,563	295,627,470
Non-current balances	115,521,520	110,473,446
Total	427,556,083	406,100,916

In 2022, Due to customers contains an amount of EGP 2,425 million representing guarantees of irrevocable commitments for documentary credits - export compared to EGP 641 million in 2021. The fair value of these deposits is approximately their present value.

19 . Other liabilities

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Accrued interest payable	1,843,089	1,553,629
Accrued expenses	1,801,142	1,610,509
Accounts payable	5,892,504	4,717,019
Other credit balances	435,697	140,153
Total	9,972,432	8,021,310

20 . Issued debt instruments

	interest rate		Jun.30, 2022	Dec.31, 2021
	Jun.30, 2022	Dec.31, 2021	EGP Thousands	EGP Thousands
Fixed rate bonds with 5 years maturity				
Green bonds (USD)	Fixed rate	Fixed rate	1,864,924	1,557,263
Total			1,864,924	1,557,263
Non current balances			1,864,924	1,557,263
Total			1,864,924	1,557,263

21 . Other Provisions

Jun.30, 2022	Beginning balance	Charged during the period	Exchange differences of other provisions	Net utilized / recovered during the period	Provisions no longer used	Ending balance
						EGP Thousands
Provision for legal claims*	7,184	-	226	(174)	(267)	6,969
Provision for contingent	3,203,319	1,509,460	287,089	-	-	4,999,868
Provision for other claim	329,173	4,524	16,634	(1,533)	-	348,798
Total	3,539,676	1,513,984	303,949	(1,707)	(267)	5,355,635
Dec.31, 2021	Beginning balance	Charged during the year	Exchange differences of other provisions	Net utilized / recovered during the year	Provisions no longer used	Ending balance
						EGP Thousands
Provision for legal claims	52,604	-	857	(43,826)	(2,451)	7,184
Provision for contingent	2,928,494	309,300	(34,475)	-	-	3,203,319
Provision for other claim	240,154	72,301	18,375	(1,657)	-	329,173
Total	3,221,252	381,601	(15,243)	(45,483)	(2,451)	3,539,676

* There is a number of existing cases against the bank on June 30, 2022 for which no provisions are made as the bank doesn't expect to incur losses from it.

A provision for legal cases that are expected to generate losses has been created.

22 . Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date, otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting period (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest (True up model). The fair value for such equity instruments is measured using the Black-Scholes pricing model.

Details of the rights to share outstanding during the year are as follows:

	Jun.30, 2022 No. of shares in thousand	Dec.31, 2021 No. of shares in thousand
Outstanding at the beginning of the period / year	64,056	51,611
Granted during the period / year	31,177	26,491
Forfeited during the period / year	(235)	(1,774)
Exercised during the period / year	(16,658)	(12,272)
Outstanding at the end of the period / year	78,340	64,056

Details of the outstanding tranches are as follows:

Maturity date	EGP	EGP	No. of shares in thousand
	<u>Exercise price</u>	<u>Fair value</u>	
2022	10.00	36.45	21,379
2023	10.00	26.34	25,784
2024	10.00	28.43	31,177
Total			78,340

The fair value of granted shares is calculated using Black-Scholes pricing model with the following:

	<u>16th tranche</u>	<u>15th tranche</u>
Exercise price	10	10
Current share price	42.65	52.55
Expected life (years)	3	3
Risk free rate %	14.65%	13.63%
Dividend yield%	2.50%	0.00%
Volatility%	25.73%	25.27%

Volatility is calculated based on the daily standard deviation of returns for the last five years.

23 . Legal claims

- There is a number of existing cases against the bank on June 30, 2022 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

24 . Transactions with related parties

All banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

24.1 . Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans, advances and other assets	1,065,658
Deposits	139,224
Contingent liabilities	38

24.2 . Other transactions with related parties

	<u>Income</u>	<u>Expenses</u>
	EGP Thousands	EGP Thousands
International Co. for Security & Services	69	87,928
CVenture Capital	79	33
Mayfair bank	37	-
Damietta shipping & marine services	1	394
Commercial International Finance Company	-	338
Al ahly computer	2	-
TCA Properties	62,961	-

25. Adjustments to calculate the effective tax rate	Last 3 Months	Last 6 Months	Last 3 Months	Last 6 Months
	Jun.30, 2022	Jun.30, 2022	Jun.30, 2021	Jun.30, 2021
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Profit before tax	5,290,863	11,415,242	4,556,998	8,648,784
Tax rate	22.50%	22.50%	22.50%	22.50%
Income tax based on accounting profit	1,190,444	2,568,429	1,025,325	1,945,976
Add / (Deduct)				
Non-deductible expenses	876,983	1,769,428	578,519	1,155,976
Tax exemptions	(1,488,191)	(2,919,711)	(1,073,656)	(2,044,214)
Withholding tax	1,177,228	2,223,105	825,768	1,513,704
Income tax / Deferred tax	1,756,464	3,641,251	1,355,956	2,571,442
Effective tax rate	33.20%	31.90%	29.76%	29.73%

26. Important events

- On March 21, 2022 issued and Paid in Capital increased by an amount of EGP 122,716 thousand to reach EGP 19,825,134 thousand, according to Ordinary General Assembly Meeting decision on March 30, 2021, by issuance of 12th tranche for E.S.O.P program.
- During the second quarter, the Bank established a subsidiary company called Commercial International for Finance. The Bank holds a 99.8% ownership stake with a value of 49.9 million Egyptian pounds after obtaining initial approvals from the regulatory authorities. The company's financial statements have not yet been issued as it has not yet started operating its business activities.

The Monetary Policy Committee of the Central Bank of Egypt affirmed in its extraordinary meeting on 21 March 2022 that the Central Bank of Egypt believes in the importance of exchange rate flexibility, as global inflationary pressures began to appear again, after signs of recovery of the global economy from the turmoil caused by the Coronavirus pandemic, due to developments of the Russian-Ukrainian conflict.

To maintain the targeted inflation rates, the Central Bank of Egypt raised the overnight deposit and lending rates and the main transaction price by 100 basis points to reach 9.25%, 10.25% and 9.75%, respectively. The credit and discount rate was also raised by 100 basis points to reach 9.75%, which may affect the bank's policies in pricing current and future banking products.

Based on the change in the US dollar exchange rate from 15.72 pounds per dollar to 18.80 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency positions in the history of the financial position. For more details, refer to notes (5 & 6)

In addition to the above, the impairment of the expected credit losses increased at the end of the second quarter of the year due to the increase in risks related to the borrowers' ability to pay - in light of the impact of the global and Egyptian economy as a result of the Russian-Ukrainian conflict - and its effects on the macro-economy, and micro-economy of some industries from. For more details, refer to note (3.1)

The impact of the aforementioned status over the economic position is considered judgmental & uncertain, and management will keep assessing the current position and its related impact regularly.

- On 19 May 2022, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 11.25 percent, 12.25 percent, and 11.75 percent, respectively. The discount rate was also raised by 200 basis points to 11.75 percent.

- LIQUIDITY MANAGEMENT

The Bank's approach is to maintain a prudent Liquidity position with a Liability driven strategy, as almost the entire funding base is customer based rather than wholesale funding; which is a core component of the Risk Appetite. This is coupled with ample amounts of Liquid Assets. To limit potential Liquidity shocks, the Bank has a well-established Contingency Funding Plan (CFP), where Liquidity Risk is assessed in line with all Regulatory and Internal Liquidity Measurements, and Basel II and III requirements; including Liquidity Stress Testing; and Basel III Ratios; Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR).

