



Consolidated Financial Statements

June 2022 - Interim Condensed



PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

Limited Review Report on Condensed Consolidated Interim Financial Statements

To: The Board of Directors of Commercial International Bank Egypt

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Commercial International Bank Egypt (S.A.E) as of June 30, 2022 and the related condensed consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated 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



Auditors

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"

PricewaterhouseCoopers Ezzeldeen, Diab & Co.

Public Accountants



Farid Samir
Financial Regulatory Authority
Register Number "110"

Deloitte - Saleh, Barsoum & Abdel Aziz

Accountants & Auditors



Condensed Consolidated 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	41,970,190	43,492,248
Due from banks	9	56,928,062	80,141,769
Loans and advances to banks, net	11	1,308,243	312,216
Loans and advances to customers, net	12	170,618,940	145,575,243
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	216,824,006	193,198,894
- Financial Assets at Amortized cost	13	19,989,504	20,547,465
- Investments in associates	14	210,529	205,315
Other assets	15	11,673,059	11,207,128
Goodwill	26	116,896	137,525
Intangible assets	27	29,371	34,554
Deferred tax assets (Liabilities)		457,693	456,002
Property and equipment	16	2,457,931	2,461,116
Total assets		523,463,209	498,235,838
Liabilities and equity			
Liabilities			
Due to banks	17	2,958,999	866,056
Due to customers	18	428,866,287	407,241,538
Derivative financial instruments		34,934	265,470
Current income tax liabilities		2,330,166	2,234,985
Other liabilities	19	10,016,342	8,085,545
Issued debt instruments	20	1,864,924	1,557,263
Other loans		5,987,651	5,140,782
Other Provisions	21	5,356,851	3,541,462
Total liabilities		457,416,154	428,933,101
Equity			
Issued and paid up capital		19,825,134	19,702,418
Reserves		36,096,343	33,774,990
Reserve for employee stock ownership plan (ESOP)		1,555,725	1,674,392
Retained earnings *		8,045,041	13,696,402
Total equity and net profit for the period / year		65,522,243	68,848,202
Minority interest		524,812	454,535
Total minority interest, equity and net profit for the period / year		66,047,055	69,302,737
Total liabilities and equity		523,463,209	498,235,838

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



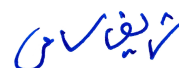
Sherif Samy
Chairman

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

	<i>Notes</i>	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
Interest and similar income		12,306,957	24,313,000	10,895,085	21,016,794
Interest and similar expense		<u>(5,295,544)</u>	<u>(10,584,315)</u>	<u>(4,875,713)</u>	<u>(9,319,909)</u>
Net interest income		<u>7,011,413</u>	<u>13,728,685</u>	<u>6,019,372</u>	<u>11,696,885</u>
Fee and commission income		1,208,252	2,411,504	957,460	1,801,723
Fee and commission expense		<u>(557,764)</u>	<u>(1,072,889)</u>	<u>(353,568)</u>	<u>(687,236)</u>
Net fee and commission income		<u>650,488</u>	<u>1,338,615</u>	<u>603,892</u>	<u>1,114,487</u>
Dividend income		16,757	54,557	63,481	63,572
Net trading income	5	281,458	1,014,279	165,841	278,559
Profits (Losses) on financial investments	13	25,146	1,065,443	108,232	601,887
Administrative expenses		<u>(1,599,462)</u>	<u>(3,270,349)</u>	<u>(1,470,734)</u>	<u>(2,945,811)</u>
Other operating (expenses) income	6	<u>(1,079,219)</u>	<u>(2,511,186)</u>	<u>(588,599)</u>	<u>(1,115,219)</u>
Goodwill amortization	26	<u>(10,315)</u>	<u>(20,629)</u>	<u>(10,315)</u>	<u>(20,629)</u>
Intangible assets amortization	27	<u>(2,592)</u>	<u>(5,183)</u>	<u>(2,592)</u>	<u>(5,183)</u>
Impairment release (charges) for credit losses		<u>(112,669)</u>	<u>(73,977)</u>	<u>(318,132)</u>	<u>(1,020,214)</u>
Bank's share in the profits of associates		<u>2,373</u>	<u>5,214</u>	<u>733</u>	<u>11,794</u>
Profit before income tax		<u>5,183,378</u>	<u>11,325,469</u>	<u>4,571,179</u>	<u>8,660,128</u>
Income tax expense	28	<u>(1,641,505)</u>	<u>(3,014,444)</u>	<u>(1,381,567)</u>	<u>(2,590,814)</u>
Deferred tax assets (Liabilities)	28	<u>(21,164)</u>	<u>(530,698)</u>	<u>25,083</u>	<u>18,844</u>
Net profit for the period		<u>3,520,709</u>	<u>7,780,327</u>	<u>3,214,695</u>	<u>6,088,158</u>
Minority interest		<u>9,581</u>	<u>15,530</u>	<u>(2,131)</u>	<u>(1,712)</u>
Bank shareholders		<u>3,511,128</u>	<u>7,764,797</u>	<u>3,216,826</u>	<u>6,089,870</u>
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 Consolidated 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	3,520,709	7,780,327	3,214,695	6,088,158
Change in fair value of debt instruments measured at fair value through other comprehensive income after income tax	(3,415,968)	(7,377,135)	49,893	(1,625,170)
Transferred from reserve on disposal of financial assets at fair value through OCI	(26)	(4,227)	-	(104,406)
Cumulative foreign currencies translation differences	28,688	81,324	(4,898)	(4,044)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	2,586	104,188	(39,469)	(54,113)
Total other comprehensive income	135,989	584,477	3,220,221	4,300,425
As follows:				
Bank's shareholders	126,408	568,947	3,222,352	4,302,137
Minority interest	9,581	15,530	(2,131)	(1,712)
Total comprehensive income for the period	135,989	584,477	3,220,221	4,300,425

Condensed Consolidated Interim Cash flows for the period ended June 30 2022

	Notes	Jun. 30, 2022 EGP Thousands	Jun. 30, 2021 EGP Thousands
Cash flow from operating activities			
Profit before income tax from continued operations		11,325,469	8,660,128
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	16	445,305	411,612
Impairment charge for credit losses (Loans and advances to customers and banks)		(41,818)	1,061,426
Other provisions charges	21	1,513,929	350,039
Impairment charge for credit losses (due from banks)		4,970	12,901
Impairment (Released) charge for credit losses (financial investments)		110,825	(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
Goodwill amortization	26	20,629	48,134
Intangible assets amortization	27	5,183	12,094
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	(782)	(9,145)
Exchange differences of other provisions	21	303,949	(9,196)
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)
Impairment (Released) charges of investments in associates		-	(14,093)
Shares based payments		384,255	316,514
Bank's share in the profits of associates		(5,214)	(11,794)
Operating losses (profits) before changes in operating assets and liabilities		9,879,893	10,216,853
Net decrease (increase) in assets and liabilities			
Due from banks		13,218,002	(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	(25,997,906)	(12,747,967)
Other assets		(280,761)	(1,921,109)
Due to banks	17	2,092,943	(7,501,843)
Due to customers	18	21,624,749	44,831,706
Current income tax obligations paid		(684,278)	(974,323)
Other liabilities		2,750,906	791,514
Net cash used in (generated from) operating activities		21,960,795	24,184,028
Cash flow from investing activities			
Proceeds (payments) for investment in associates.		-	(158,360)
Payment for purchases of property, equipment and branches constructions		(331,846)	(530,638)
Proceeds from selling property and equipment		1,142	1,250
Proceeds from redemption of financial assets at amortized cost		622,072	2,688,858
Payment for purchases of financial assets at amortized cost		(41,770)	(2,617)
Payment for purchases of financial assets at fair value through OCI		(67,715,983)	(111,888,471)
Proceeds from selling financial assets at fair value through OCI		44,348,943	69,864,103
Net cash generated from (used in) investing activities		(23,117,442)	(40,025,875)

Condensed Consolidated 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	(3,133,076)	(3,480,806)
Net (decrease) increase in cash and cash equivalent during the period	(4,289,723)	(19,322,653)
Beginning balance of cash and cash equivalent	61,065,822	75,796,375
Cash and cash equivalent at the end of the period	56,776,099	56,473,722
Cash and cash equivalent comprise:		
Cash and balances at the central bank	41,970,190	31,958,480
Due from banks	56,974,029	79,415,055
Treasury bills and other governmental notes	76,380,971	58,679,906
Obligatory reserve balance with CBE	(36,172,792)	(26,358,215)
Due from banks with maturities more than three months	(10,530,558)	(28,800,903)
Treasury bills with maturity more than three months	(71,845,741)	(58,420,601)
Total cash and cash equivalent	56,776,099	56,473,722

Condensed Consolidated 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>Reserve for transactions under common control</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>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
	EGP Thousands													
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	8,183	14,906	3,975,514	6,423	10,539,715	1,064,648	(3,684)	59,475,756	483,055	59,958,811
Transferred to reserves	-	514,939	8,420,479	-	-	1,094	-	-	(8,936,512)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,360,652)	-	-	(1,360,652)	-	(1,360,652)
Net profit of the year	-	-	-	-	-	-	-	-	6,089,870	-	-	6,089,870	(1,712)	6,088,158
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	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	-	(1,625,170)	-	-	-	-	(1,625,170)	-	(1,625,170)
Transferred (from) to banking 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)	-	(54,113)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	316,514	-	316,514	-	316,514
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(360)	(360)	-	(360)
Balance at the end of the period	<u>14,776,813</u>	<u>3,293,074</u>	<u>33,186,137</u>	<u>1,549,445</u>	<u>8,183</u>	<u>16,000</u>	<u>2,191,825</u>	<u>9,141</u>	<u>6,442,442</u>	<u>1,381,162</u>	<u>(4,044)</u>	<u>62,850,178</u>	<u>481,343</u>	<u>63,331,521</u>

Condensed Consolidated 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>Reserve for transactions under common control</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>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
Beginning balance	19,702,418	3,293,074	28,260,532	1,550,906	8,183	16,000	641,372	9,141	13,696,402	1,674,392	(4,218)	68,848,202	454,535	69,302,737
Capital increase	122,716	-	-	-	-	-	-	-	-	-	-	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)	-	(4,410,322)
Net profit of the year	-	-	-	-	-	-	-	-	7,764,797	-	-	7,764,797	15,530	7,780,327
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	-	(4,227)	-	4,227	-	-	-	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	-	(7,377,135)	-	-	-	-	(7,377,135)	-	(7,377,135)
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	-	104,188
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	384,255	-	384,255	-	384,255
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	85,542	85,542	54,747	140,289
Balance at the end of the period	19,825,134	3,963,946	37,096,858	1,550,906	8,183	18,947	(6,635,802)	11,981	8,045,041	1,555,725	81,324	65,522,243	524,812	66,047,055

EGP Thousands

Notes to the condensed consolidated 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.

The bank owns investments in subsidiaries “C-Ventures”, “May Fair”, “Commercial international for finance” and “Damietta Shipping” in which the bank’s shares are 99.99%, 51%, 99.8% and 49.95% respectively.

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 consolidated financial statements have been prepared in accordance with the Central Bank of Egypt approved by the Board of Directors on December 16, 2008 consistent with the principles referred to.

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.

These condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated 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 consolidated 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 consolidated financial statements as at and for the year ended 31 December 2021.

2.2. Basis of consolidation

The basis of the consolidation is as follows:

- Eliminating all balances and transactions between the Bank and group companies.
- The cost of acquisition of subsidiary companies is based on the company's share in the fair value of assets acquired and obligations outstanding on the acquisition date.
- Minority shareholders represent the rights of others in subsidiary companies.

3.1. Loans and advances

Loans and advances are summarized as follows:

	Jun.30, 2022		Dec.31, 2021	
	EGP Thousands		EGP Thousands	
	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>
Gross Loans and advances	191,269,160	1,316,196	163,938,827	314,334
Less:				
ECL	19,424,358	7,953	17,917,363	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	170,618,940	1,308,243	145,575,243	312,216

Impairment provision losses for loans and advances reached EGP 19,432,311 thousand

During the period, the Bank's total loans and advances increased by 17.25%.

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:

EGP Thousands

Jun.30, 2022

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Individuals	42,102,526	4,460,522	804,579	47,367,627
Institutions and Business Banking	77,154,444	58,231,858	8,515,231	143,901,533
Total	119,256,970	62,692,380	9,319,810	191,269,160

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

Jun.30, 2022

	<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>Total</u>
Individuals	982,188	143,868	271,850	1,397,906
Institutions and Business Banking	1,746,601	8,368,353	7,911,498	18,026,452
Total	2,728,789	8,512,221	8,183,348	19,424,358

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

Jun.30, 2022

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
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

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Facilities and guarantees	70,924,032	36,583,226	4,401,755	111,909,013
Expected credit losses	(2,498,653)	(1,344,972)	(1,157,459)	(5,001,084)
Net	68,425,379	35,238,254	3,244,296	106,907,929

Total balances of loans and facilities to customers 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	36,579,875	3,904,276	668,181	41,152,332
Institutions and Business Banking	<u>65,511,996</u>	<u>49,532,625</u>	<u>7,741,874</u>	<u>122,786,495</u>
Total	<u>102,091,871</u>	<u>53,436,901</u>	<u>8,410,055</u>	<u>163,938,827</u>

Expected credit losses for loans and facilities to customers divided by stages:
Dec.31, 2021

	<u>Stage 1: Expected</u> <u>credit losses over 12</u> <u>months</u>	<u>Stage 2: Expected credit</u> <u>losses</u> <u>Over a lifetime that is not</u> <u>creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Individuals	826,702	91,111	264,646	1,182,459
Institutions and Business Banking	<u>1,484,973</u>	<u>7,600,199</u>	<u>7,649,732</u>	<u>16,734,904</u>
Total	<u>2,311,675</u>	<u>7,691,310</u>	<u>7,914,378</u>	<u>17,917,363</u>

Loans, advances and expected credit losses 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	<u>-</u>	<u>(2,118)</u>	<u>-</u>	<u>(2,118)</u>
Net	<u>-</u>	<u>312,216</u>	<u>-</u>	<u>312,216</u>

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	60,720,384	30,943,446	168,459	91,832,289
Expected credit losses	<u>(1,925,355)</u>	<u>(1,113,857)</u>	<u>(165,893)</u>	<u>(3,205,105)</u>
Net	<u>58,795,029</u>	<u>29,829,589</u>	<u>2,566</u>	<u>88,627,184</u>

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

Jun.30, 2022

Due from banks

EGP Thousands

	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2022	20,283	20,714	-	40,997
New financial assets purchased or issued	1	16,686	-	16,687
Matured or disposed financial assets	(209)	(20,383)	-	(20,592)
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	8,799	76	-	8,875
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	28,874	17,093	-	45,967

Individual Loans:

	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2022	826,702	91,111	264,646	1,182,459
Impairment during the period	155,486	52,757	66,963	275,206
Write off during the period	-	-	(102,958)	(102,958)
Recoveries	-	-	43,199	43,199
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	982,188	143,868	271,850	1,397,906

Corporate and Business Banking loans:

	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2022	1,484,973	7,600,199	7,649,732	16,734,904
New financial assets purchased or issued	745,058	717,406	1,718	1,464,182
Matured or disposed financial assets	(405,724)	(472,518)	(56,215)	(934,457)
Transferred to stage 1	2,840	(4,129)	-	(1,289)
Transferred to stage 2	(43,597)	61,914	(2,252)	16,065
Transferred to stage 3	(224)	(2,272)	2,532	36
Changes in the probability of default and loss in case of default and the exposure at default	(192,198)	(1,074,117)	(163,894)	(1,430,209)
Changes to model assumptions and methodology	134,108	421,126	7,579	562,813
Recoveries	-	-	8,182	8,182
Write off during the period	-	-	(728,026)	(728,026)
Cumulative foreign currencies translation differences	21,365	1,120,744	1,192,142	2,334,251
Ending balance	1,746,601	8,368,353	7,911,498	18,026,452

Financial Assets at Fair Value through OCI

	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2022	515,177	9,721	-	524,898
New financial assets purchased or issued	174,839	50,252	-	225,091
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	571,985	56,630	-	628,615

Amortized cost

	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2022	1,113	-	-	1,113
New financial assets purchased or issued	7,336	-	-	7,336
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	8,221	-	-	8,221

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

Dec.31, 2021

Due from banks	EGP Thousands			
	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2021	24,189	-	-	24,189
New financial assets purchased or issued	394	20,714	-	21,108
Matured or disposed financial assets	(4,737)	-	-	(4,737)
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	20,283	20,714	-	40,997
Individual Loans:	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2021	711,711	25,326	356,726	1,093,763
Impairment during the year	114,991	65,785	126,900	307,676
Write off during the year	-	-	(298,324)	(298,324)
Recoveries	-	-	79,344	79,344
Ending balance	826,702	91,111	264,646	1,182,459
Corporate and Business Banking loans:	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL on 1 January 2021	1,403,518	8,760,972	5,176,560	15,341,050
New financial assets purchased or issued	898,640	1,303,833	1,386	2,203,859
Matured or disposed financial assets	(598,685)	(492,548)	(2,903)	(1,094,136)
Transferred to stage 1	10,898	(19,271)	(92)	(8,465)
Transferred to stage 2	(53,721)	94,243	(1,260)	39,262
Transferred to stage 3	(17,878)	(2,364,361)	2,571,074	188,835
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	(63,082)	649,455	(15,278)	571,095
Recoveries	-	-	45,431	45,431
Write off during the year	-	-	(4,366)	(4,366)
Cumulative foreign currencies translation differences	(1,786)	(64,994)	(36,767)	(103,547)
Ending balance	1,484,973	7,600,199	7,649,732	16,734,904
Financial Assets at Fair value through OCI	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL 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
Financial assets at Amortized cost	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
	ECL	ECL	ECL	ECL
ECL 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
Loans and advances to	EGP Thousands	EGP Thousands
Corporate		
- Direct loans	14,088,956	10,927,093
Total	14,088,956	10,927,093

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	19,989,504	-	-	-	19,989,504
Not rated	-	-	-	-	-
Total	19,989,504	-	-	-	19,989,504

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	215,882,002	-	-	-	215,882,002
Not rated	-	-	-	-	-
Total	215,882,002	-	-	-	215,882,002

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	636,836	-	-	-	636,836
Not rated	-	-	-	-	-
Total	636,836	-	-	-	636,836

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	20,547,465	-	-	-	20,547,465	
Not rated	-	-	-	-	-	
Total	20,547,465	-	-	-	20,547,465	

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	190,855,901	-	-	-	190,855,901	
Not rated	-	-	-	-	-	
Total	190,855,901	-	-	-	190,855,901	

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	38,875,096	1,761,120	492,423	83,667	757,884	41,970,190
Gross due from banks	6,648,265	42,862,314	6,340,036	987,780	135,634	56,974,029
Gross loans and advances to banks	-	1,316,196	-	-	-	1,316,196
Gross loans and advances to customers	138,091,303	48,340,209	3,848,855	16,195	972,598	191,269,160
Derivative financial instruments	402,405	474,732	-	-	-	877,137
Financial investments						
Gross financial investment securities	208,104,621	29,652,944	2,198,446	-	916,566	240,872,577
Investments in associates	210,529	-	-	-	-	210,529
Total financial assets	392,332,219	124,407,515	12,879,760	1,087,642	2,782,682	533,489,818
Financial liabilities						
Due to banks	682,373	2,247,811	22,016	6,278	521	2,958,999
Due to customers	310,016,568	105,845,227	10,400,666	1,041,588	1,562,238	428,866,287
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	310,752,475	115,907,670	10,442,025	1,047,866	1,562,759	439,712,795
Net on-balance sheet financial position	81,579,744	8,499,845	2,437,735	39,776	1,219,923	93,777,023
Total financial assets as of December 31, 2021	387,547,286	104,776,065	9,986,321	439,675	1,924,247	504,673,594
Total financial liabilities as of December 31, 2021	312,354,583	92,006,965	8,255,848	1,117,614	1,336,099	415,071,109
Net on-balance sheet financial position as of December 31, 2021	75,192,703	12,769,100	1,730,473	(677,939)	588,148	89,602,485

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 their 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	56,974,029	80,182,766	57,562,674	80,609,895
Gross loans and advances to banks	1,316,196	314,334	1,316,196	314,334
Gross loans and advances to customers	191,269,160	163,938,827	190,645,973	164,228,916
Financial investments:				
Financial Assets at Amortized cost	19,997,725	20,547,465	20,184,564	21,310,034
Total financial assets	269,557,110	264,983,392	269,709,407	266,463,179
Financial liabilities				
Due to banks	2,958,999	866,056	2,093,454	836,273
Due to customers	428,866,287	407,241,538	431,680,329	409,825,357
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	439,693,217	414,820,046	441,144,737	417,360,648

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.

Jun.30, 2022	Date of Valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
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	216,824,006	138,029,203	78,794,803	-
Total		216,825,654	138,030,851	78,794,803	-
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	20,184,564	-	20,184,564	-
Loans and advances to banks	30-Jun-22	1,316,196	-	-	1,316,196
Loans and advances to customers	30-Jun-22	190,645,973	-	-	190,645,973
Total		212,146,733	-	20,184,564	191,962,169
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	431,680,329	-	-	431,680,329
Total		439,051,283	-	7,370,954	431,680,329
Dec.31, 2021	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
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	193,198,894	148,072,372	45,126,522	-
Total		193,439,881	148,313,359	45,126,522	-
Derivative financial instruments					
Financial assets	31-Dec-21	225,376	-	-	225,376
Financial liabilities	31-Dec-21	265,470	-	205	265,265
Total		490,846	-	205	490,641
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-21	21,310,034	-	21,045,985	264,049
Loans and advances to banks	31-Dec-21	314,334	-	-	314,334
Loans and advances to customers	31-Dec-21	164,228,916	-	-	164,228,916
Total		185,853,284	-	21,045,985	164,807,299
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	409,825,357	-	-	409,825,357
Total		416,524,375	-	6,699,018	409,825,357

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

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Jun.30, 2022						
Net revenue according to business segment *	7,138,864	1,218,505	4,097,804	4,279,208	472,412	17,206,793
Expenses according to business segment	<u>(3,084,675)</u>	<u>(642,942)</u>	<u>(135,765)</u>	<u>(2,026,703)</u>	<u>(6,769)</u>	<u>(5,896,854)</u>
Profit before tax	4,054,189	575,563	3,962,039	2,252,505	465,643	11,309,939
Income tax	<u>(1,177,545)</u>	<u>(180,726)</u>	<u>(1,325,567)</u>	<u>(715,093)</u>	<u>(146,211)</u>	<u>(3,545,142)</u>
Profit for the period	<u>2,876,644</u>	<u>394,837</u>	<u>2,636,472</u>	<u>1,537,412</u>	<u>319,432</u>	<u>7,764,797</u>
Total assets	<u>147,388,894</u>	<u>4,800,769</u>	<u>238,201,616</u>	<u>46,989,294</u>	<u>86,082,636</u>	<u>523,463,209</u>

*Represents the net interest income and other income

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Jun.30, 2021						
Net revenue according to business segment	5,927,536	869,534	2,980,024	3,669,807	320,283	13,767,184
Expenses according to business segment	<u>(2,776,307)</u>	<u>(510,683)</u>	<u>(62,963)</u>	<u>(1,741,308)</u>	<u>(14,083)</u>	<u>(5,105,344)</u>
Profit before tax	3,151,229	358,851	2,917,061	1,928,499	306,200	8,661,840
Income tax	<u>(932,979)</u>	<u>(106,693)</u>	<u>(867,220)</u>	<u>(574,039)</u>	<u>(91,039)</u>	<u>(2,571,970)</u>
Profit for the period	<u>2,218,250</u>	<u>252,158</u>	<u>2,049,841</u>	<u>1,354,460</u>	<u>215,161</u>	<u>6,089,870</u>
Total assets at 31 December 2021	<u>158,526,753</u>	<u>3,193,320</u>	<u>218,836,949</u>	<u>40,659,292</u>	<u>77,019,524</u>	<u>498,235,838</u>

4.2. By geographical segment

	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
Jun.30, 2022					
Revenue according to geographical segment	15,064,268	1,792,481	307,305	42,739	17,206,793
Expenses according to geographical segment	<u>(4,874,820)</u>	<u>(769,739)</u>	<u>(211,884)</u>	<u>(40,411)</u>	<u>(5,896,854)</u>
Profit before tax	10,189,448	1,022,742	95,421	2,328	11,309,939
Income tax	<u>(3,194,587)</u>	<u>(321,140)</u>	<u>(29,962)</u>	<u>547</u>	<u>(3,545,142)</u>
Profit for the period	<u>6,994,861</u>	<u>701,602</u>	<u>65,459</u>	<u>2,875</u>	<u>7,764,797</u>
Total assets	<u>479,395,592</u>	<u>33,259,507</u>	<u>8,439,215</u>	<u>2,368,895</u>	<u>523,463,209</u>

	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
Jun.30, 2021					
Revenue according to geographical segment	11,963,159	1,510,174	285,725	8,126	13,767,184
Expenses according to geographical segment	<u>(4,072,685)</u>	<u>(890,209)</u>	<u>(134,495)</u>	<u>(7,955)</u>	<u>(5,105,344)</u>
Profit before tax	7,890,474	619,965	151,230	171	8,661,840
Income tax	<u>(2,342,679)</u>	<u>(184,327)</u>	<u>(44,964)</u>	<u>-</u>	<u>(2,571,970)</u>
Profit for the period	<u>5,547,795</u>	<u>435,638</u>	<u>106,266</u>	<u>171</u>	<u>6,089,870</u>
Total assets at 31 December 2021	<u>462,689,580</u>	<u>26,469,030</u>	<u>7,203,609</u>	<u>1,873,619</u>	<u>498,235,838</u>

5 . Net trading income	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 (Loss) from foreign exchange transactions	298,456	560,962	273,133	408,169
Profit (Loss) from forward foreign exchange deals revaluation	(53,842)	442,770	(102,163)	(106,033)
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	281,458	1,014,279	165,841	278,559

6 . Other operating (expenses) income	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
Profits (losses) from revaluation of non-trading assets and liabilities by FCY	(129,948)	(332,612)	2,021	2,825
Profits of selling property and equipment	1,092	1,142	-	1,250
Release (charges) of other provisions	(476,607)	(1,235,379)	(245,911)	(366,859)
Other income/expenses	(473,756)	(944,337)	(344,709)	(752,435)
Total	(1,079,219)	(2,511,186)	(588,599)	(1,115,219)

7 . Earning per share	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
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

* Based on separate financial statement profits.

8 . Cash and balances at the central bank	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
	Cash	5,797,398
Obligatory reserve balance with CBE		
- Current accounts	36,172,792	38,100,936
Total	41,970,190	43,492,248
Non-interest bearing balances	41,970,190	43,492,248

9 . Due from banks	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
	Current accounts	3,626,031
Deposits	53,347,998	77,464,504
Expected credit losses	(45,967)	(40,997)
Total	56,928,062	80,141,769
Central banks	21,189,766	51,720,551
Local banks	20,972,449	13,433,149
Foreign banks	14,765,847	14,988,069
Total	56,928,062	80,141,769
Non-interest bearing balances	3,595,280	1,423,922
Floating interest bearing balances	12,155,578	9,413,404
Fixed interest bearing balances	41,177,204	69,304,443
Total	56,928,062	80,141,769

Due from banks

	Stage 1	Stage 2
Gross due from banks	51,265,931	5,708,098
Expected credit losses	(28,886)	(17,081)
Net due from banks	51,237,045	5,691,017

10 . Treasury bills and other governmental notes

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
91 Days maturity	5,374,450	550
182 Days maturity	11,893,850	84,175
364 Days maturity	63,853,452	44,529,537
Unearned interest	<u>(4,057,419)</u>	<u>(2,327,382)</u>
Total	77,064,333	42,286,880
Repos - treasury bills	<u>(683,362)</u>	<u>(707,376)</u>
Net	76,380,971	41,579,504

Governmental bonds

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
	Financial Assets at Fair Value through OCI	Financial Assets at Fair Value through OCI
Governmental bonds	127,877,153	143,250,063
Repo	-	<u>(3,536,336)</u>
Net	127,877,153	139,713,727

11 . Loans and advances to banks, net

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

Analysis for ECL of loans and advances to banks

	Stage 2	Stage 2
Beginning Balance	<u>(2,118)</u>	(9,625)
Released (charged) during the period / year	<u>(5,835)</u>	7,507
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	1,676,175	1,268,376
- Credit cards	6,418,955	5,716,197
- Personal loans	36,451,843	31,683,161
- Mortgage loans	2,820,654	2,484,598
Total 1	47,367,627	41,152,332
Corporate		
- Overdraft	36,077,425	29,333,541
- Direct loans	64,941,030	50,357,437
- Syndicated loans	42,845,136	43,062,028
- Other loans	37,942	33,489
Total 2	143,901,533	122,786,495
Total Loans and advances to customers (1+2)	191,269,160	163,938,827
Less:		
Unamortized bills discount	(411,973)	(68,410)
Unamortized syndicated loans discount	(266,457)	(312,682)
ECL	(19,424,358)	(17,917,363)
Suspended credit account	(547,432)	(65,129)
Net loans and advances to customers	170,618,940	145,575,243
Distributed to		
Current balances	81,961,055	64,258,073
Non-current balances	88,657,885	81,317,170
Total	170,618,940	145,575,243

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	(10,115)	(305,005)	(817,525)	(49,814)	(1,182,459)
Released (charged) during the period	(1,064)	(2,613)	(242,351)	(29,178)	(275,206)
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	(10,845)	(303,795)	(1,004,397)	(78,869)	(1,397,906)
Corporate and Business Banking loans:	Jun.30, 2022				
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,650,580)	(10,896,531)	(4,180,998)	(6,795)	(16,734,904)
Released (charged) during the period	(47,404)	(58,500)	428,669	94	322,859
Written off during the period	-	728,026	-	-	728,026
Recoveries during the period	-	(8,182)	-	-	(8,182)
foreign currencies translation differences	(222,473)	(1,504,776)	(607,002)	-	(2,334,251)
Ending balance	(1,920,457)	(11,739,963)	(4,359,331)	(6,701)	(18,026,452)
Dec.31, 2021	Individual				
	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
Released (charged) during the year	408	(124,535)	(196,022)	12,473	(307,676)
Written off during the year	3,072	100,263	194,989	-	298,324
Recoveries during the period	(1)	(38,456)	(40,887)	-	(79,344)
Ending balance	(10,115)	(305,005)	(817,525)	(49,814)	(1,182,459)
Dec.31, 2021	Corporate				
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)
Released (charged) during the year	(337,127)	(374,226)	(743,733)	(1,250)	(1,456,336)
Written off during the year	-	4,366	-	-	4,366
Recoveries during the period	(80)	(45,351)	-	-	(45,431)
foreign currencies translation differences	7,615	73,245	22,687	-	103,547
Ending balance	(1,650,580)	(10,896,531)	(4,180,998)	(6,795)	(16,734,904)

13 . Financial investments securities

Jun.30, 2022				
<u>Financial Assets at Fair Value through P&L</u>	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Amortized cost</u>	<u>Total</u>	
			<u>EGP Thousands</u>	
Investments listed in the market				
Governmental bonds	-	127,877,153	19,989,504	147,866,657
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	-	76,380,971	-	76,380,971
Securitized bonds	-	1,616,616	-	1,616,616
Equity instruments	-	507,892	-	507,892
Mutual funds	-	289,324	-	289,324
Total	1,648	216,824,006	19,989,504	236,815,158

Dec.31, 2021				
<u>Financial Assets at Fair Value through P&L</u>	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Amortized cost</u>	<u>Total</u>	
			<u>EGP Thousands</u>	
Investments listed in the market				
Governmental bonds	-	139,713,727	20,547,465	160,261,192
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	-	507,674	-	507,674
Mutual funds	-	264,679	-	264,679
Total	240,987	193,198,894	20,547,465	213,987,346

13.1 . Profits (Losses) on financial investments

	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 (Loss) from selling FVOCI financial instruments	25,146	1,065,443	94,139	514,837
Released (Impairment) charges of FVOCI	-	-	-	72,957
Released (Impairment) charges of investments in associates	-	-	14,093	14,093
Total	25,146	1,065,443	108,232	601,887

14 . Investments in associates

Jun.30, 2022	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	EGP Thousands	
						Investment book value	Stake %
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	56,012	26,244	24,922	1,228	31,400	39.34
- Fawry Plus	Egypt	124,963	68,226	36,716	12,607	20,769	14.99
- International Co. for Security and Services (Falcon)	Egypt	837,530	810,342	102,534	(66,140)	-	30.00
Total		1,018,505	904,812	164,172	(52,305)	210,529	

Dec.31, 2021	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	EGP Thousands	
						Investment book value	Stake %
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	65,623	37,788	51,796	3,945	30,193	39.34
- Fawry Plus	Egypt	124,845	97,088	76,903	14,473	16,762	14.99
- International Co. for Security and Services (Falcon)	Egypt	1,084,916	791,149	509,571	(931)	-	30.00
Total		1,275,384	926,025	638,270	17,487	205,315	

15 . Other assets	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Accrued revenues	9,087,403	8,938,356
Prepaid expenses	518,412	428,777
Advances to purchase of fixed assets	1,046,590	1,139,188
Accounts receivable and other assets*	899,953	581,254
Assets acquired as settlement of debts	153,423	153,423
Insurance	46,278	45,130
Gross	11,752,059	11,286,128
Impairment of other assets	(79,000)	(79,000)
Net	11,673,059	11,207,128

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

16 . Property and equipment

	Jun.30, 2022							Total EGP Thousands
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	
Cost at Jan 01, 2022 (1)	64,709	1,170,322	3,194,730	161,744	955,100	868,478	159,247	6,574,330
Additions during the period	164,960	20,371	176,306	12,879	28,773	32,187	6,644	442,120
Disposals during the period	-	(4,081)	(3,081)	-	(9,827)	(13,523)	(922)	(31,434)
Cost at end of the period (2)	229,669	1,186,612	3,367,955	174,623	974,046	887,142	164,969	6,985,016
Accumulated depreciation at beginning of the period (3)	-	506,634	2,128,401	68,539	715,756	587,823	106,061	4,113,214
Depreciation for the period	-	27,483	271,062	7,634	79,608	51,030	8,488	445,305
Disposals during the period	-	(4,081)	(3,081)	-	(9,827)	(13,523)	(922)	(31,434)
Accumulated depreciation at end of the period (4)	-	530,036	2,396,382	76,173	785,537	625,330	113,627	4,527,085
Ending net assets (2-4)	229,669	656,576	971,573	98,450	188,509	261,812	51,342	2,457,931
Beginning net assets (1-3)	64,709	663,688	1,066,329	93,205	239,344	280,655	53,186	2,461,116

Property and equipment

	Dec.31, 2021							Total EGP Thousands
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	
Cost at Jan 01, 2021 (1)	64,709	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Additions during the year	-	43,433	618,349	28,261	167,994	150,631	26,361	1,035,029
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	1,170,322	3,194,730	161,744	955,100	868,478	159,247	6,574,330
Accumulated depreciation at beginning of the year (3)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Current year depreciation	-	53,402	499,782	14,585	168,893	130,806	17,592	885,060
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Accumulated depreciation at end of the year (4)	-	506,634	2,128,401	68,539	715,756	587,823	106,061	4,113,214
Ending net assets (2-4)	64,709	663,688	1,066,329	93,205	239,344	280,655	53,186	2,461,116
Beginning net assets (1-3)	64,709	673,657	947,762	79,529	240,243	260,830	44,417	2,311,147

17 . Due to banks

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Current accounts	2,309,959	666,659
Deposits	649,040	199,397
Total	2,958,999	866,056
Central banks	639,467	198,234
Local banks	7,195	5,234
Foreign banks	2,312,337	662,588
Total	2,958,999	866,056
Non-interest bearing balances	1,938,411	414,135
Floating bearing interest balances	447,695	117,516
Fixed interest bearing balances	572,893	334,405
Total	2,958,999	866,056
Current balances	2,958,999	866,056

18 . Due to customers

	Jun.30, 2022	Dec.31, 2021
	EGP Thousands	EGP Thousands
Demand deposits	152,315,397	134,443,380
Time deposits	81,082,463	80,220,124
Certificates of deposit	106,632,222	102,119,393
Saving deposits	84,230,952	86,467,822
Other deposits	4,605,253	3,990,819
Total	428,866,287	407,241,538
Corporate deposits	197,524,363	180,309,337
Individual deposits	231,341,924	226,932,201
Total	428,866,287	407,241,538
Non-interest bearing balances	69,765,211	64,908,030
Floating interest bearing balances	12,155,681	17,531,166
Fixed interest bearing balances	346,945,395	324,802,342
Total	428,866,287	407,241,538
Current balances	314,752,645	297,947,782
Non-current balances	114,113,642	109,293,756
Total	428,866,287	407,241,538

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	1,804,788	1,612,875
Accounts payable	5,916,603	4,764,115
Other credit balances	451,862	154,926
Total	10,016,342	8,085,545

20 . Issued debt instruments

	<u>interest rate</u>		Jun.30, 2022	Dec.31, 2021
	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	<u>Beginning balance</u>	<u>Charged during the period</u>	<u>Exchange differences of other provisions</u>	<u>Net utilized / recovered during the period</u>	<u>Provisions no longer used</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims*	7,184	-	226	(174)	(267)	6,969
Provision for contingent	3,205,105	1,509,405	287,089	-	(515)	5,001,084
Provision for other claim	329,173	4,524	16,634	(1,533)	-	348,798
Total	3,541,462	1,513,929	303,949	(1,707)	(782)	5,356,851
Dec.31, 2021	<u>Beginning balance</u>	<u>Charged during the year</u>	<u>Exchange differences of other provisions</u>	<u>Net utilized / recovered during the year</u>	<u>Provisions no longer used</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	52,604	-	857	(43,826)	(2,451)	7,184
Provision for contingent	2,930,743	308,837	(34,475)	-	-	3,205,105
Provision for other claim	240,154	72,301	18,375	(1,657)	-	329,173
Total	3,223,501	381,138	(15,243)	(45,483)	(2,451)	3,541,462

* 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	Dec.31, 2021
	<u>No. of shares in</u>	<u>No. of shares in</u>
	<u>thousand</u>	<u>thousand</u>
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

	Income	Expenses
	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	0	338
Al ahly computer	2	-
TCA Properties	62,961	-

25 . 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).

26 . Goodwill

	Mayfair Bank Jun.30, 2022 EGP Thousands	Mayfair Bank Dec.31, 2021 EGP Thousands
Acquisition cost	560,963	560,963
Net assets value	(354,676)	(354,676)
Goodwill	206,287	206,287

	Mayfair Bank Jun.30, 2022 EGP Thousands	Mayfair Bank Dec.31, 2021 EGP Thousands
Goodwill at acquisition date	206,287	206,287
Amortization	(89,391)	(68,762)
Net book value	116,896	137,525

According to Central Bank of Egypt regulation issued on Dec 16, 2008, an amortization of 20% annually has been applied on Goodwill starting from acquisition date.

27 . Intangible assets

	Mayfair Bank Jun.30, 2022 EGP Thousands	Mayfair Bank Dec.31, 2021 EGP Thousands
Intangible Assets at acquisition date	51,831	51,831
Amortization	(22,460)	(17,277)
Net book value	29,371	34,554

28 . Adjustments to calculate the effective tax rate

	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 before tax	5,183,378	11,325,469	4,571,179	8,660,128
Tax rate	22.50%	22.50%	22.50%	22.50%
Income tax based on accounting profit	1,166,260	2,548,231	1,028,515	1,948,529
Add / (Deduct)				
Non-deductible expenses	807,372	1,693,517	575,857	1,153,951
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	1,662,669	3,545,142	1,356,484	2,571,970
Effective tax rate	32.08%	31.30%	29.67%	29.70%

