

CREDIT AGRICOLE - EGYPT
Egyptian Joint Stock Company
Condensed Separate Financial Statements
And Auditors' Limited Review Report
For The Period Ended 30 June 2023

PricewaterhouseCoopers Ezzeldeen, Diab & Co.

MAZARS Mostafa Shawki
Public Accountants & Consultants

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Limited Review Report on Condensed Separate Interim Financial Statements

To : Board of Directors of Credit Agricole - Egypt (SAE)

Introduction

We have performed a limited review on the accompanying condensed separate interim statement of financial position of Credit Agricole Egypt (SAE) (the Bank) as at 30 June 2023 and the related condensed separate interim statements of income, comprehensive Income, changes in equity and cash flows for the six months then ended, and other explanatory notes. 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 banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulation issued on February 26, 2019 and its subsequent interpretive instructions and central bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed separate 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 limited review.

Scope of Limited Review

We conducted our limited review in accordance with the Egyptian standard on review engagements (2410) "Review of interim financial information 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 accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with the rules of preparation and presentation of banks' financial statements and basis of recognition and measurement issued by the Central Bank of Egypt on December 16, 2008 as amended by the regulation issued on February 26, 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed separate interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations.

Cairo, 1 August 2023



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Condensed Separate Interim Statement of Financial Position – As of 30 June 2023

(All amounts are in thousand Egyptian pounds)

	Notes	30 June 2023	31 December 2022*
Assets			
Cash and balances with Central Bank of Egypt	14	7,441,385	5,236,268
Due from banks	15	31,224,931	20,763,931
Loans to banks*		-	3,278
Loans and advances to customers	16	35,103,831	33,510,642
Derivative financial assets		27,961	55,294
Financial Investments			
Fair value through other comprehensive income	17	16,806,592	13,095,005
Fair value through profit or loss	17	8,335	11,336
Investments in subsidiaries	18	143,822	143,822
Intangible assets	19	148,607	115,197
Other assets	20	1,935,396	1,597,091
Deferred tax assets	12	72,302	9,401
Fixed assets	21	592,854	570,750
Total assets		93,506,016	75,112,015
Liabilities and Owners' Equity			
Liabilities			
Due to banks	22	1,015,816	460,912
Treasury bills Sold with repurchase agreements		5,951	6,576
Customers' deposits	23	74,987,872	60,492,822
Derivative financial instruments		2,904	38,605
Other Loans	24	926,907	742,302
Other liabilities	25	2,996,454	2,260,787
Current income tax liability		838,072	640,552
Other provisions	26	614,186	353,486
Retirement benefit obligations		190,979	190,979
Total liabilities		81,579,141	65,187,021
Owners' Equity			
Paid-in Capital		5,000,000	5,000,000
Reserves		888,655	1,001,127
Retained earnings		6,038,220	3,923,867
Total owners' equity		11,926,875	9,924,994
Total liabilities and owners' equity		93,506,016	75,112,015



Cairo 1 August 2023

*Loans to banks presentation was amended as in Note 33
- The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.
- Limited Review report attached.

Jean-Pierre Trinelle
Managing Director



Condensed Separate Interim Income Statement for The Period Ended 30 June 2023

(All amounts are in thousand Egyptian pounds)

	Notes	From 1/1/2023 To 30/6/2023	From 1/1/2022 To 30/6/2022	From 1/4/2023 To 30/6/2023	From 1/4/2022 To 30/6/2022
Interest on loans and similar income	4	5,010,957	2,795,326	2,722,416	1,441,157
Interest on deposits and similar expenses	4	(1,779,848)	(1,169,380)	(991,075)	(588,604)
Net interest income		3,231,109	1,625,946	1,731,341	852,553
Fees and commission income	5	1,115,284	528,838	576,122	284,989
Fees and commission expenses	5	(279,579)	(208,528)	(146,159)	(105,159)
Net fee and commission income		835,705	320,310	429,963	179,830
Dividend income	6	8,399	16,151	8,399	16,151
Net trading income	7	235,119	136,594	81,851	63,370
Gains from financial investments	8	109,475	29,619	58,087	11,731
Impairment (charge) for credit losses	9	(10,576)	(91,319)	(13,915)	(13,947)
Administrative expenses	10	(932,824)	(758,787)	(487,850)	(385,156)
Other net operating income (Expense)	11	(144,910)	110,385	(85,022)	(1,643)
Profit before income tax		3,331,497	1,388,899	1,722,854	722,889
Income tax expense	12	(822,384)	(370,027)	(434,919)	(190,397)
Profit for the period		2,509,113	1,018,872	1,287,935	532,492
Earnings per share	13	1.81	0.74	0.93	0.39

-The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.

Condensed Separate Interim Statement of Comprehensive Income for The Period Ended 30 June 2023

(All amounts are in thousand Egyptian pounds)

	From 1/1/2023 To 30/6/2023	From 1/1/2022 To 30/6/2022	From 1/4/2023 To 30/6/2023	From 1/4/2022 To 30/6/2022
Net profit for the period	2,509,113	1,018,872	1,287,935	532,492
Items that will not be reclassified to the Profit or Loss:				
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	-	23,791	-	23,791
Items that is or may be reclassified to the profit or loss:				
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(274,139)	(94,198)	86,940	(99,019)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	32,628	16,095	16,795	12,694
	<u>(241,511)</u>	<u>(54,312)</u>	<u>103,735</u>	<u>(62,534)</u>
Total other comprehensive income items for the period	2,267,602	964,560	1,391,670	469,958

-The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.

Condensed Separate Interim Statement of Changes in Owners' Equity for The Period Ended 30 June 2023

(All amounts are in thousand Egyptian pounds)

30 June 2022

	Paid in capital	Reserves	Retained earnings	Total
Balance at 1 January 2022	5,000,000	871,248	2,797,685	8,668,933
Dividends declared related to 2021	-	-	(1,071,583)	(1,071,583)
Transfer to Capital reserve	-	48,914	(48,914)	-
Transfer to Legal reserve	-	77,177	(77,177)	-
Transfer to Banking general risks reserve	-	535	(535)	-
Transfer to Banking Sector Support & Development Fund	-	-	(15,430)	(15,430)
Balances after profit distribution	5,000,000	997,874	1,584,046	7,581,920
Net change in other comprehensive income	-	(54,312)	-	(54,312)
Net profit for the period	-	-	1,018,872	1,018,872
Balance as at 30 June 2022	5,000,000	943,562	2,602,918	8,546,480

30 June 2023

	Paid in capital	Reserves	Retained earnings	Total
Balance at 1 January 2023	5,000,000	1,001,127	3,923,867	9,924,994
Dividends declared related to 2022	-	-	(241,612)	(241,612)
Transfer to Capital reserve	-	2,998	(2,998)	-
Transfer to Legal reserve	-	120,806	(120,806)	-
Transfer to Banking general risks reserve	-	5,235	(5,235)	-
Transfer to Banking Sector Support & Development Fund	-	-	(24,109)	(24,109)
Balances after profit distribution	5,000,000	1,130,166	3,529,107	9,659,273
Net change in other comprehensive income	-	(241,511)	-	(241,511)
Net profit for the period	-	-	2,509,113	2,509,113
Balance as at 30 June 2023	5,000,000	888,655	6,038,220	11,926,875

-The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.

Condensed Separate Interim Statement of Cash Flows for The Period Ended 30 June 2023

(All amounts are in thousand Egyptian pounds)

	Notes	For the period ended	
		30 June 2023	30 June 2022
<u>Cash flows from operating activities</u>			
Net profit before income tax		3,331,497	1,388,899
Adjustments to reconcile net profit to cash flow from operating activities:			
Depreciation and amortization		81,119	70,226
Impairment charge for credit losses	9	10,576	91,319
Other provision (release) / charge	26	220,560	(86,161)
Used provision - other than loans provision	26	(103)	(656)
Amortization of discount/premium on investments through OCI	17	(481,753)	(319,984)
Foreign currencies revaluation of provisions rather than LLP		60,619	27,423
Foreign currencies revaluation of investments rather than through P&L	17	(751,516)	(9,879)
Revaluation of investments at fair value through profit / Loss	17	412	15,851
(Profit) on sale of fixed assets		(6,203)	(201)
Foreign currencies revaluation of other loans		184,605	92,583
Operating profit before changes in operating assets & liabilities		2,649,813	1,269,420
<u>Net decrease (increase) in assets and liabilities</u>			
Due from Central Bank of Egypt		(1,940,706)	1,007,214
Due from banks		(495,787)	820,386
Loans and advances		(1,582,712)	(2,595,988)
Derivative financial instruments (net)		(23,300)	11,573
Other assets		(338,305)	(161,555)
Due to banks		554,904	585,296
Customers' deposits		14,495,050	897,625
Other liabilities		710,933	272,048
Income taxes paid		(687,765)	(356,521)
Net cash flow generated from operating activities		13,342,125	1,749,498
<u>Cash flows from investing activities</u>			
Purchase of assets & branches leasehold improvements		(137,063)	(40,969)
Proceeds from sale of fixed assets & Intangible assets		6,633	201
Proceeds from sale and redemption of financial investments		77,071,581	114,963,043
Purchases of securities other than trading other investments		(78,752,241)	(115,527,791)
Net cash flow (used in) investing activities		(1,811,090)	(605,516)
<u>Cash flows from financing activities</u>			
Dividends paid		(241,612)	(1,071,583)
Net cash (used in) financing activities		(241,612)	(1,071,583)

Net change in cash and cash equivalents during the period		11,289,423	72,399
Cash and cash equivalents at beginning of the Period		20,781,456	11,420,372
Cash and cash equivalents at the end of the period		32,070,879	11,492,771
<u>Cash and cash equivalents are represented in :</u>			
Cash and due from Central Bank of Egypt	14	7,441,385	4,386,495
Due from banks	15	31,238,156	8,274,457
Treasury bills	17	10,818,057	9,032,736
Balances with Central Bank of Egypt (Reserve ratio)		(5,365,730)	(2,363,202)
Deposits with banks (Maturity more than three months)		(2,419,289)	(250,000)
Treasury bills (Maturity more than three months)		(9,641,700)	(7,587,715)
Cash and cash equivalents at the end of the period	28	32,070,879	11,492,771

-The accompanying notes from note 1 to 34 are an integral part of these condensed financial statements.

Notes to the condensed separate interim financial statements for the period ended 30 June 2023

1. General Information

Credit Agricole - Egypt Bank (S.A.E.) provides corporate banking, retail, and investment banking services in the Arab Republic of Egypt through its head office at 5th Settlement and 83 branches that employs over 2,541 people at the balance sheet date.

The bank is an Egyptian Joint Stock Company incorporated in accordance with law 159 of 1981 in the Arab Republic of Egypt. The head office of the bank is at the Touristic Area, land piece (9/10/11/12/13)A - 5th Settlement, Cairo Governance, Egypt. The bank is listed in the Egyptian Stock Exchanges.

This financial statements have been approved for issuance by the board of directors on August 1, 2023.

This is the first separate periodic condensed financial statements issued by the bank instead of the full periodic financial statements in accordance with the instructions of the Central Bank dated 3 May 2020 to prepare condensed periodic financial statements

2. Basis of preparation

The Condensed separate financial statements have been prepared in accordance with the Central Bank of Egypt approved by the Board of Directors on December 16, 2008, Also according to the instructions for applying IFRS 9 issued by the Central Bank of Egypt on February 2019. The bank issued condensed financial statements based on the Central Bank of Egypt instructions on May 5, 2020, Which allows banks to issue condensed Interim financial statements.

The bank also prepared the condensed consolidated interim financial statements and its subsidiaries in accordance with the rules of preparation and presentation of the banks' financial statements approved by Central Bank of Egypt as mentioned previously, Subsidiaries 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 accounts for investments in subsidiaries companies in the separate financial statements at cost net of impairment loss

References is made to what not mentioned in the instructions of Central Bank of Egypt to the Egyptian accounting standards.

These condensed separate interim financial statements do not include all the information and disclosures required for the full annual separate financial statements prepared in accordance with the CBE rules as mentioned above and should be read in conjunction with the bank's financial statements and for the year ended 31 December 2022

In preparing these condensed separate interim financial statements, significant judgments made by the management in applying the bank's accounting policies and key sources of estimation were the same as those were applied to the separate financial statements and for the year ended 31 December 2022.

These interim condensed separate financial statements are not indicative of the financial results of the bank for the full financial year ended 31 December 2023.

A. Credit risk exposure before guarantees

(All amounts are in thousand Egyptian pounds)

	<u>30 June</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
Credit risk exposures relating to on-balance sheet items :		
Cash and balances with central bank of Egypt	5,365,730	3,425,024
Due from banks	31,238,157	20,771,634
Loans to banks	-	3,278
<u>Loans to customers</u>		
Loans to Individuals:		
- Overdrafts	104,582	124,051
- Credit cards	1,183,522	1,172,542
- Personal Loans	8,032,824	8,116,570
- Real Estate Loans	705,229	486,036
<u>Loans To corporate entities:</u>		
- Overdrafts	8,580,736	7,170,554
- Direct Loans	16,329,137	15,540,329
- Syndicated loans	1,374,561	1,598,834
- Other Loans	315,405	792,937
Derivative financial instruments	27,961	55,294
<u>Investment securities</u>		
- Fair value through other comprehensive income	16,566,393	12,884,675
Other Assets	920,395	690,426
Total	<u>90,744,632</u>	<u>72,832,184</u>
	<u>30 June</u> <u>2023</u>	<u>31 December</u> <u>2022</u>
Credit risk exposures relating to off-balance sheet items:		
Customer Liabilities Under Acceptances	2,905,271	2,512,516
Commitments (Loans and liabilities – irrevocable)	2,621,676	2,811,864
Letter of credit	1,020,680	1,471,500
Letters of guarantee	15,719,466	14,237,198
Total	<u>22,267,093</u>	<u>21,033,078</u>

The above table represents a worse-case scenario of credit risk exposure to the bank at 30 June 2023 and 31 December 2022, without taking into account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on gross carrying amounts before deducting their excepted credit losses.

The following table provides information on the quality of financial assets during the period:

Due from banks

30 June 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	25,695,408	2,419,289	-	28,114,697
Normal watch-list	3,123,460	-	-	3,123,460
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(13,226)	-	(13,226)
Net	28,818,868	2,406,063	-	31,224,931

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	17,996,338	1,923,502	-	19,919,840
Normal watch-list	851,794	-	-	851,794
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(7,703)	-	(7,703)
Net	18,848,132	1,915,799	-	20,763,931

Retail loans

30 June 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	103,968	-	-	103,968
Normal watch-list	9,139,656	226,108	-	9,365,764
Special watch-list	-	357,408	-	357,408
Non-performing loan	-	-	199,017	199,017
Allowance for impairment losses	(59,415)	(46,163)	(120,282)	(225,860)
Net	9,184,209	537,353	78,735	9,800,297

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	123,528	-	-	123,528
Normal watch-list	8,977,325	199,372	-	9,176,697
Special watch-list	-	385,876	-	385,876
Non-performing loan	-	-	213,098	213,098
Allowance for impairment losses	(59,816)	(46,041)	(131,038)	(236,895)
Net	9,041,037	539,207	82,060	9,662,304

Corporate loans

30 June 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	19,223,077	4,872,952	-	24,096,029
Normal watch-list	313,050	1,512,588	-	1,825,638
Special watch-list	1,383	1,602	-	2,985
Non-performing loan	-	-	777,346	777,346
Allowance for impairment losses	(195,557)	(456,742)	(629,474)	(1,281,773)
Net	19,341,953	5,930,400	147,872	25,420,225

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	18,603,810	4,312,152	-	22,915,962
Normal watch-list	309,059	1,109,945	-	1,419,004
Special watch-list	-	77,592	-	77,592
Non-performing loan	-	-	777,125	777,125
Allowance for impairment losses	(213,014)	(386,262)	(648,904)	(1,248,180)
Net	18,699,855	5,113,427	128,221	23,941,503

Debt instruments at fair value through other comprehensive income

30 June 2023	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	-	-	-	-
Normal watch-list	13,176,426	3,389,967	-	16,566,393
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(105,738)	-	(105,738)
Total - fair value	13,176,426	3,284,229	-	16,460,655

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Credit rating	Months-12	Life time	Life time	
Good debts	-	-	-	-
Normal watch-list	9,813,780	3,070,895	-	12,884,675
Special watch-list	-	-	-	-
Non-performing loan	-	-	-	-
Allowance for impairment losses	-	(73,110)	-	(73,110)
Total - fair value	9,813,780	2,997,785	-	12,811,565

The following table shows changes in impairment credit losses between the beginning and ending of the period as a result of these factors:

Due from banks

30 June 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the period	-	7,703	-	7,703
New financial assets purchased or issued	-	11,273	-	11,273
Financial assets have been matured or derecognised	-	(7,703)	-	(7,703)
Foreign exchange translation differences	-	1,953	-	1,953
Balance at the period end	-	13,226	-	13,226

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the year	34	3,647	-	3,681
New financial assets purchased or issued	43	4,955	-	4,998
Financial assets have been matured or derecognised	(80)	(3,647)	-	(3,727)
Foreign exchange translation differences	3	2,748	-	2,751
Balance at the year end	-	7,703	-	7,703

Retail loans

30 June 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the period	59,816	46,041	131,038	236,895
Transfer to Stage 1	14,448	(14,448)	-	-
Transfer to Stage 2	(11,222)	13,854	(2,632)	-
Transfer to Stage 3	(579)	(21,414)	21,993	-
Changes in PDs/LGDs/EADs	1,748	22,877	36,553	61,178
Financial assets have been matured or derecognised	(4,796)	(747)	(5,365)	(10,908)
Collections of loans previously written-off	-	-	39,778	39,778
Loans written-off during the period	-	-	(101,083)	(101,083)
Balance at the year period	59,415	46,163	120,282	225,860

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the year	52,727	59,098	133,777	245,602
Transfer to Stage 1	28,431	(28,401)	(30)	-
Transfer to Stage 2	(34,218)	45,024	(10,806)	-
Transfer to Stage 3	(3,085)	(63,391)	66,476	-
Changes in PDs/LGDs/EADs	25,057	37,067	86,010	148,134
Financial assets have been matured or derecognized	(9,096)	(3,356)	(20,887)	(33,339)
Collections of loans previously written-off	-	-	91,524	91,524
Loans written-off during the year	-	-	(215,026)	(215,026)
Balance at the year end	59,816	46,041	131,038	236,895

Corporate loans

30 June 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the period	213,014	386,262	648,904	1,248,180
Transfer to Stage 1	10,507	(10,507)	-	-
Transfer to Stage 2	(36,221)	36,221	-	-
Transfer to Stage 3	(243)	(241)	484	-
Changes in PDs/LGDs/EADs	2,303	20,900	(46,496)	(23,293)
Financial assets have been matured or derecognized	(15,522)	(13,559)	(5,095)	(34,176)
Collections of loans previously written-off	-	-	8,577	8,577
Loans written-off during the period	-	-	(3,565)	(3,565)
Foreign exchange translation differences	21,719	37,666	26,665	86,050
Balance at the year period	195,557	456,742	629,474	1,281,773

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the year	309,184	399,881	560,599	1,269,664
Transfer to Stage 1	142,212	(142,212)	-	-
Transfer to Stage 2	(262,257)	262,257	-	-
Transfer to Stage 3	-	(197,451)	197,451	-
Changes in PDs/LGDs/EADs	17,587	49,993	58,006	125,586
Financial assets have been matured or derecognized	(28,960)	(22,307)	-	(51,267)
Collections of loans previously written-off	-	-	632	632
Loans written-off during the year	-	-	(231,710)	(231,710)
Foreign exchange translation differences	35,248	36,101	63,926	135,275
Balance at the year end	213,014	386,262	648,904	1,248,180

Debt instruments at fair value through other comprehensive income

30 June 2023	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the period	-	73,110	-	73,110
Changes in PDs/LGDs/EADs	-	(36,674)	-	(36,674)
New financial assets purchased or issued	-	123,989	-	123,989
Financial assets have been matured or derecognized	-	(73,110)	-	(73,110)
Foreign exchange translation differences	-	18,423	-	18,423
Balance at the year period	-	105,738	-	105,738

31 December 2022	Stage 1 Months 12	Stage 2 Life time	Stage 3 Life time	Total
Balance at the beginning of the year	-	42,951	-	42,951
Changes in PDs/LGDs/EADs	-	(3,172)	-	(3,172)
New financial assets purchased or issued	-	47,813	-	47,813
Financial assets have been matured or derecognized	-	(42,066)	-	(42,066)
Foreign exchange translation differences	-	27,584	-	27,584
Balance at the year end	-	73,110	-	73,110

B. Market risk

The bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products all of which to expect are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads foreign exchange rates and equity prices The bank separates exposures to market risk into either trading or non-trading portfolios.

The market risks arising from trading and non-trading activities are concentrated in Risk management and monitored by two teams separately. Regular reports are submitted to the Board of Directors and heads of each business unit regularly.

Trading portfolios include those positions arising from market-making transactions where the bank acts as principal with clients or with the market.

Non-trading portfolios primarily arise from the interest rate management of the entity's retail and commercial banking assets and liabilities. Non-trading portfolios also consist of foreign exchange and equity risks arising from the bank's held-to-maturity and available-for-sale investments.

C. Interest rate risk

- Interest rate risk is the risk to income or capital arising from fluctuating interest rates. Interest rate risk is a vital part of the Bank's business activity as taking on excessive interest rate risk exposure can potentially threaten earnings and the Bank's equity.
- Accordingly, interest rate risk is measured to manage the level of exposure to adverse movements of interest rates and limit the potential risk that can be derived.

D. Liquidity risk

- Liquidity risk management is the ability to accurately identify and quantify the main sources of the bank's liquidity risk in a timely manner.
- Liquidity risk arises from either the bank's inability to meet its obligations as they fall due or to fund increases in assets without incurring undesirable cost or losses.
- Liquidity risks are categorized into two risk types:
 - o Funding liquidity risk when the Bank cannot fulfill its payment obligations because of an inability to obtain funding.
 - o Market liquidity risk when the Bank is unable to sell or transform its Liquidity buffer into cash without significant losses.

3. Segment analysis

Segment activity involves operating activities, assets used in providing banking services, and risk and return management associated with this activity, which might differ from other activities. Segment analysis for the banking operations involves the following:

Large, medium, and small enterprises:

Including current account, deposit, overdraft account, loan, credit facilities, and financial derivative activities.

Investment:

Encompasses money management activities.

Retail:

Encompasses current account, saving account, deposit, credit card, personal loans, and real estate loans activities,

Asset and liability management:

Encompasses other banking operations, such as asset and liability management. It also encompasses administrative expenses that can hardly be classified with other sectors.

Transactions among segments are performed according to the bank's operating cycle, and include operating assets and liabilities as presented in the bank's statement of financial position.

a. Segment reporting analysis

pounds)

(All amounts are in thousand Egyptian

<u>30 June 2023</u>	Corporate banking	SMEs	Investment banking	Retail	Assets and liabilities management	Total
Revenues and expenses according to the sector activity						
Revenues of the sector activity(net)*	1,804,624	563,876	207,794	1,280,039	563,474	4,419,807
Expenses of the sector	(416,055)	(133,766)	(18,927)	(523,414)	3,852	(1,088,310)
Result of the sector operations	1,388,569	430,110	188,867	756,625	567,326	3,331,497
Profit before tax	1,388,569	430,110	188,867	756,625	567,326	3,331,497
Taxes	(344,195)	(106,250)	(48,267)	(184,407)	(139,265)	(822,384)
Net profit	1,044,374	323,860	140,600	572,218	428,061	2,509,113
Assets and Liabilities according to the sector activity						
Assets of the sector activity	23,618,966	1,684,567	37,087,401	9,800,297	21,314,785	93,506,016
Total assets	23,618,966	1,684,567	37,087,401	9,800,297	21,314,785	93,506,016
Liabilities of the sector activity	38,203,287	8,987,146	1,019,541	28,245,965	5,103,202	81,559,141
Total Liabilities	38,203,287	8,987,146	1,019,541	28,245,965	5,103,202	81,559,141
<u>30 June 2022</u>	Corporate banking	SMEs	Investment banking	Retail	Assets and liabilities management	Total
Revenues and expenses according to the sector activity						
Revenues of the sector activity(net)*	688,588	179,209	109,112	834,380	317,331	2,128,620
Expenses of the sector	(134,385)	(73,727)	(77,172)	(480,333)	25,896	(739,721)
Result of the sector operations	554,203	105,482	31,940	354,047	343,227	1,388,899
Profit before tax	554,203	105,482	31,940	354,047	343,227	1,388,899
Taxes	(143,517)	(31,361)	(9,269)	(93,325)	(92,555)	(370,027)
Net profit	410,686	74,121	22,671	260,722	250,672	1,018,872
Assets and Liabilities according to the sector activity						
Assets of the sector activity	21,352,105	729,761	13,633,928	9,655,029	16,777,673	62,148,496
Total assets	21,352,105	729,761	13,633,928	9,655,029	16,777,673	62,148,496
Liabilities of the sector activity	18,726,876	5,491,541	925,728	25,036,897	3,420,974	53,602,016
Total Liabilities	18,726,876	5,491,541	925,728	25,036,897	3,420,974	53,602,016

* Revenues of the sector activity includes Net interest income, Net fee and commission income, Dividend income, Net trading income and Gains from financial investments

b. Geographical sector analysis

(All amounts are in thousand Egyptian pounds)

<u>30 June 2023</u>	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenues & Expenses according to the geographical sectors				
Revenues of the Geographical sectors	5,927,878	441,330	110,026	6,479,234
Expenses of the Geographical sectors	(2,787,091)	(300,806)	(59,840)	(3,147,737)
Result of sector operations	3,140,787	140,524	50,186	3,331,497
Profit before tax	3,140,787	140,524	50,186	3,331,497
Tax	(779,474)	(31,618)	(11,292)	(822,384)
Profit of the period	2,361,313	108,906	38,894	2,509,113

<u>30 June 2022</u>	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenues & Expenses according to the geographical sectors				
Revenues of the Geographical sectors	3,093,239	311,508	101,781	3,506,528
Expenses of the Geographical sectors	(1,790,462)	(263,398)	(63,769)	(2,117,629)
Result of sector operations	1,302,777	48,110	38,012	1,388,899
Profit before tax	1,302,777	48,110	38,012	1,388,899
Tax	(350,649)	(10,825)	(8,553)	(370,027)
Profit of the period	952,128	37,285	29,459	1,018,872

	30 June 2023 LE,000	30 June 2022 LE,000
4. <u>Net interest income</u>		
Interest on loans and similar income		
To customers	2,772,481	1,837,419
	2,772,481	1,837,419
Treasury bills	520,744	336,975
Balances with banks	1,304,719	178,428
Investments in debt instruments	413,013	442,504
	2,238,476	957,907
	5,010,957	2,795,326
Interest on deposits and similar expenses		
Deposits and current accounts:		
- To banks	(20,216)	(52,804)
- To customers	(1,722,312)	(1,107,239)
- Other Loans	(37,229)	(9,087)
- Others	(91)	(250)
	(1,779,848)	(1,169,380)
Net interest income	3,231,109	1,625,946
5. <u>Net fee and commission income</u>		
Fee and Commission income :		
Credit related fees and commissions	892,852	413,876
Trust and other custody fees	25,747	14,356
Other fees	196,685	100,606
	1,115,284	528,838
Fee and Commission expense :		
Other fees and commissions paid	(279,579)	(208,528)
	(279,579)	(208,528)
Net fee and Commission income	835,705	320,310
6. <u>Dividend Income</u>		
	30 June 2023 LE,000	30 June 2022 LE,000
Subsidiaries	-	10,999
Investment at Fair value through OCI	8,399	5,152
Total	8,399	16,151

7. <u>Net trading income</u>	30 June 2023 LE,000	30 June 2022 LE,000
Foreign exchange:		
Gains from foreign currencies transactions	220,854	124,158
Gain on revaluation of currency swap contracts	7,629	6,463
Gain on revaluation of option deals	2,073	7,756
Net changes in fair value through profit / Loss	(412)	(15,855)
Interest Income from investment at fair value through profit / Loss	3,819	12,650
Gain on investment at fair value through profit / Loss	1,156	1,422
	235,119	136,594
8. <u>Gains from financial investments</u>	30 June 2023 LE,000	30 June 2022 LE,000
Gain on sale of investments at fair value through OCI	109,475	29,619
	109,475	29,619
9. <u>Impairment (charge) for credit losses</u>	30 June 2023 LE,000	30 June 2022 LE,000
Loans and advances to customers	7,199	(81,927)
Due from banks	(3,570)	(1,759)
Debt instruments at fair value through other comprehensive income	(14,205)	(7,633)
	(10,576)	(91,319)
10. <u>Administrative expenses</u>	30 June 2023 LE,000	30 June 2022 LE,000
Staff costs		
Wages and salaries	(375,252)	(299,380)
Social insurance costs	(76,636)	(64,269)
	(451,888)	(363,649)
Other Administrative expenses	(480,936)	(395,138)
	(932,824)	(758,787)

11. <u>Other operating (expense) / income</u>	30 June 2023 LE,000	30 June 2022 LE,000
Other provisions	(220,560)	86,161
Revaluation on foreign currencies assets & Liabilities rather than those held for trading	34,130	20,193
Profit on sale of fixed assets	6,203	201
Others	35,317	3,830
	(144,910)	110,385

Other provisions includes (176,411) thousand EGP (Charge) Provision for contingent liabilities for financial period ended on June 30, 2023 (June 30, 2022 : 59,295 thousand EGP release)

12. <u>Income tax expense</u>	30 June 2023 LE,000	30 June 2022 LE,000
Current tax	(885,285)	(383,135)
Deferred tax	62,901	13,108
	(822,384)	(370,027)

	30 June 2023 LE,000	30 June 2022 LE,000
Profit before tax	3,331,497	1,388,899
Tax calculated at applied tax rate	(749,587)	(312,502)
Nondeductible expenses including deferred tax	(181,254)	(164,512)
Tax on interest from T-bills and G-bonds	(189,199)	(160,084)
Tax exempted income	281,027	267,071
Prior years adjustment	16,629	-
Income tax expense	(822,384)	(370,027)
Effective tax rate	24.7%	26.6%

Movement of deferred tax assets

	30 June 2023 LE,000	31 December 2022 LE,000
Deferred tax assets:		
Provisions	110,387	61,728
	110,387	61,728
Deferred tax liabilities:		
Fixed assets	38,085	39,539
Provisions	-	12,788
	38,085	52,327
Net balance of deferred tax assets	72,302	9,401

13. <u>Earnings per share</u>	30 June 2023 LE,000	30 June 2022 LE,000
Net profit for the period	2,509,113	1,018,872
Employees share in profit	(250,291)	(96,774)
Profit attributable to shareholders of the bank (1)	2,258,822	922,098
Weighted average number of ordinary shares in issue (2)	1,250,000	1,250,000
Basic earnings per share (Egyptian pound) (1:2)	1.81	0.74

14. <u>Cash and balances with Central Bank of Egypt</u>	30 June 2023 LE,000	31 December 2022 LE,000
Cash on hand	2,075,655	1,811,244
Balances with the Central Bank of Egypt -reserve ratio	5,365,730	3,425,024
	7,441,385	5,236,268
Non-interest bearing balances	7,441,385	5,236,268
Balance	7,441,385	5,236,268

15. <u>Due from banks</u>	30 June 2023 LE,000	31 December 2022 LE,000
Current accounts	5,257,829	2,432,585
Placements with other banks	25,980,328	18,339,049
	31,238,157	20,771,634
Expected credit loss	(13,226)	(7,703)
Balance	31,224,931	20,763,931
Central bank of Egypt	15,563,648	13,513,637
Local banks	3,923,460	1,551,794
Foreign banks	11,751,049	5,706,203
	31,238,157	20,771,634
Expected credit loss	(13,226)	(7,703)
Balance	31,224,931	20,763,931
Non-interest bearing balances	5,257,829	2,432,585
Interest bearing balances	25,980,328	18,339,049
	31,238,157	20,771,634
Expected credit loss	(13,226)	(7,703)
Balance	31,224,931	20,763,931

The movement in expected credit loss - Due from banks	30 June 2023 LE,000	31 December 2022 LE,000
Balance at 1 January 2022	7,703	3,681
Impairment charge	3,570	1,271
Exchange differences	1,953	2,751
Balance	13,226	7,703
16. <u>Loans and advances to customers (net)</u>	30 June 2023 LE,000	31 December 2022 LE,000
Individual		
Overdrafts	104,582	124,051
Credit cards	1,183,522	1,172,542
Personal Loans	8,032,824	8,116,570
Real Estate Loans	705,229	486,036
Total (1)	10,026,157	9,899,199
Corporate entities		
Overdrafts	8,580,736	7,170,554
Direct Loans	16,329,137	15,540,329
Syndicated loans	1,374,561	1,598,834
Other Loans	315,405	792,937
Total (2)	26,599,839	25,102,654
Total Loans and advances (1+2)	36,625,996	35,001,853
Less :		
Unearned Income	(14,532)	(6,136)
Allowance for impairment	(1,507,633)	(1,485,075)
Net	35,103,831	33,510,642
Current Balances	24,221,462	24,037,108
Non-Current Balances	12,404,534	11,051,774
	36,625,996	35,088,882

Allowance for impairment
30 June 2023

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at 1 January 2023	523	46,917	187,200	2,255	236,895
Impairment charge	91	4,794	44,933	452	50,270
Loans written off during the period	-	(12,243)	(88,840)	-	(101,083)
Amount recoveries during the period	-	6,727	33,051	-	39,778
Balance at the period end	614	46,195	176,344	2,707	225,860
Corporate entities	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
Balance at 1 January 2023	761,438	358,848	125,663	2,231	1,248,180
Impairment (release) / charge	41,074	14,412	(115,412)	2,457	(57,469)
Loans written off during the period	(3,565)	-	-	-	(3,565)
Amount recoveries during the period	8,577	-	-	-	8,577
Exchange differences	26,959	27,613	31,478	-	86,050
Balance at the period end	834,483	400,873	41,729	4,688	1,281,773
Total					1,507,633

31 December 2022

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at 1 January 2022	411	46,030	198,886	275	245,602
Impairment charge	112	9,366	103,337	1,980	114,795
Loans written off during the year	-	(23,530)	(191,496)	-	(215,026)
Amount recoveries during the year	-	15,051	76,473	-	91,524
Balance at the year end	523	46,917	187,200	2,255	236,895
Corporate entities	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
Balance at 1 January 2022	516,926	705,405	46,495	838	1,269,664
Impairment (release) / charge	252,256	(240,455)	61,177	1,341	74,319
Loans written off during the year	(76,531)	(155,179)	-	-	(231,710)
Amount recoveries during the year	632	-	-	-	632
Exchange differences	68,155	49,077	17,991	52	135,275
Balance at the year end	761,438	358,848	125,663	2,231	1,248,180
Total					1,485,075

17. Financial Investments	30 June 2023 LE,000	31 December 2022 LE,000
Fair value through other comprehensive income		
Debt instruments at fair value unlisted - Treasury bills	10,630,774	6,956,595
Debt instruments at fair value listed - Bonds	5,935,619	5,928,080
Equity instruments at fair value unlisted	37,573	37,573
Mutual fund Certificates - according to law requirements*	202,626	172,757
Total investment measured at fair value through other comprehensive income	16,806,592	13,095,005
Fair value through other profit or loss		
Governmental Bonds	8,335	11,336
Total investment measured at fair value through profit or loss	8,335	11,336
Total Financial investments	16,814,927	13,106,341
Current Balances	13,483,419	8,774,983
Non-current balances	3,331,508	4,331,358
	16,814,927	13,106,341
Debt instruments with fixed interest rates	16,574,728	12,896,011
	16,574,728	12,896,011
<u>Treasury bills according to the following maturities:</u>	30 June 2023 LE,000	31 December 2022 LE,000
Treasury bills, maturity 91 days	1,220,823	122,389
Treasury bills, maturity 182 days	2,105,382	220,828
Treasury bills, maturity 273 days	1,437,159	918,462
Treasury bills, maturity 364 days	6,504,115	5,962,738
Unearned interest	(636,705)	(267,822)
	10,630,774	6,956,595

18. Investment in subsidiaries

The bank's participation in subsidiary represents 99.99% and the subsidiary is unlisted in the Egyptian stock exchange.

	30 June 2023 LE,000	31 December 2022 LE,000
Balance at cost	143,822	143,822

The bank's interest in its subsidiary is as follows:

Company	Country	Assets	Liabilities	Revenues	Profit/(Loss)
EHFC June 30, 2023	Egypt	614,972	488,667	51,478	3,863
EHFC December 31, 2022	Egypt	672,018	548,368	99,881	12,724

19. Intangible assets
Balance at beginning of the period

	30 June 2023 LE,000	31 December 2022 LE,000
Cost	433,409	405,362
Accumulated amortization	(318,212)	(267,833)
Net book value	115,197	137,529

Balance for the current period

Net Book value at the beginning of the period	115,197	137,529
Additions	60,665	28,047
Amortization expense	(27,255)	(50,379)
Net Book Value at the end of the current period	148,607	115,197

Balance at the end of the current period

Cost	494,074	433,409
Accumulated amortization	(345,467)	(318,212)
Net book value	148,607	115,197

20. Other assets

	30 June 2023 LE,000	31 December 2022 LE,000
Accrued revenues	920,395	690,426
Prepaid expenses	357,162	286,539
Advance payments for purchase of fixed assets	221,628	144,388
Assets reverted to the Bank in settlement of debts	117,971	117,971
Deposits with others and imprest fund	16,957	14,321
Other	301,283	343,446
Total	1,935,396	1,597,091

21. Fixed Assets

	Land	Buildings	Computer systems	Vehicles	Fixtures	Machinery and equipment	Furniture	Other	Total
Balance as of 31 January 2022									
Cost	56,822	408,369	306,547	25,268	296,641	49,832	38,233	130,425	1,312,137
Accumulated Depreciation	-	(155,263)	(230,170)	(17,802)	(234,352)	(34,108)	(24,480)	(56,260)	(752,435)
Net book value as of 31 January 2022	56,822	253,106	76,377	7,466	62,289	15,724	13,753	74,165	559,702
Additions	-	-	45,401	4,137	31,974	2,140	1,387	21,940	106,979
Disposals – Cost	-	(539)	(21,571)	(147)	(2,640)	(187)	-	(88)	(25,172)
Depreciation expense	-	(13,711)	(36,496)	(3,167)	(22,147)	(4,066)	(3,288)	(12,933)	(95,808)
Disposals – Accumulated Depreciation	-	537	21,466	147	2,626	185	-	88	25,049
Net book value as of 31 December 2022	56,822	239,393	85,177	8,436	72,102	13,796	11,852	83,172	570,750
Balance as of 1 January 2023									
Cost	56,822	407,830	330,377	29,258	325,975	51,785	39,620	152,277	1,393,944
Accumulated Depreciation	-	(168,437)	(245,200)	(20,822)	(253,873)	(37,989)	(27,768)	(69,105)	(823,194)
Net Book value as of 1 January 2023	56,822	239,393	85,177	8,436	72,102	13,796	11,852	83,172	570,750
Additions	-	-	62,886	2,828	658	776	1,100	8,150	76,398
Disposals – Cost	-	(1,416)	(71)	(1,931)	-	(6,687)	(12)	(419)	(10,536)
Depreciation expense	-	(6,808)	(22,229)	(1,653)	(12,728)	(1,746)	(1,713)	(6,987)	(53,864)
Disposals – Accumulated Depreciation	-	1,373	63	1,758	-	6,585	12	315	10,106
Net book value as of 30 June 2023	56,822	232,542	125,826	9,438	60,032	12,724	11,239	84,231	592,854
Balance as of 30 June 2023									
Cost	56,822	406,414	393,192	30,155	326,633	45,874	40,708	160,008	1,459,806
Accumulated Depreciation	-	(173,872)	(267,366)	(20,717)	(266,601)	(33,150)	(29,469)	(75,777)	(866,952)
Net book value as of 30 June 2023	56,822	232,542	125,826	9,438	60,032	12,724	11,239	84,231	592,854

22. <u>Due to banks</u>		30 June 2023 LE,000	31 December 2022 LE,000
Current accounts		1,015,816	460,912
		1,015,816	460,912
Local banks		2,917	1,945
Foreign banks		1,012,899	458,967
		1,015,816	460,912
Non-interest bearing		1,015,816	460,912
Current Balances		1,015,816	460,912
23. <u>Customers' deposits</u>		30 June 2023 LE,000	31 December 2022 LE,000
Demand deposits		34,626,178	27,954,750
Time and call deposits		22,299,723	13,592,655
Certificates of deposits		9,673,741	10,957,805
Saving accounts		5,621,072	5,364,285
Other deposits		2,767,158	2,623,327
Total		74,987,872	60,492,822
Corporate Deposits		50,163,985	36,220,465
Retail Deposits		24,823,887	24,272,357
		74,987,872	60,492,822
Current Balances		54,439,168	38,585,663
Non-current balances		20,548,704	21,907,159
		74,987,872	60,492,822
Non-interest bearing balances		19,120,792	15,758,766
Fixed interest rate balances		48,719,969	38,289,767
Variable interest rate balances		7,147,111	6,444,289
		74,987,872	60,492,822
24. <u>Other Loans</u>	Interest Rates*	30 June 2023 LE,000	31 December 2022 LE,000
Credit Agricole Paris (13/6/2027)	SOFR+2.97%	308,969	247,434
Credit Agricole Paris (11/5/2028)	SOFR +2.955%	308,969	247,434
Credit Agricole Paris (13/4/2029)	SOFR +3.407%	308,969	247,434
		926,907	742,302

*The interest rates applied according to the signed contracts since April 2017

25. <u>Other Liabilities</u>	30 June 2023 LE,000	31 December 2022 LE,000
Accrued interest	348,532	221,042
Unearned revenue	55,947	53,753
Accrued expenses	498,510	558,300
Other credit balances	2,093,465	1,427,692
	2,996,454	2,260,787

26. <u>Other provisions</u>	30 June 2023 LE,000	31 December 2022 LE,000
Balances At 1 January	353,486	347,152
Exchange differences	40,243	53,651
Charged (release) to the income statement	220,560	(39,568)
Utilized during period	(103)	(7,749)
	614,186	353,486

Other provisions represent the following:

	30 June 2023 LE,000	31 December 2022 LE,000
Provision for claims	144,840	87,667
Provision for contingent liabilities	469,346	265,819
Balance	614,186	353,486

27. Contingent liabilities and commitments

A. Loans, advances and Guarantees Commitments	30 June 2023 LE,000	31 December 2022 LE,000
Letters of guarantee	15,719,466	14,237,198
Commercial letters of credit (import and export)	1,020,680	1,471,500
Acceptances	2,905,271	2,512,516
Other contingent liability	2,621,676	2,811,864
Total	22,267,093	21,033,078

B. Operational Lease:

There is no commitment for operational lease at the financial statement Period or year.

C. Legal Claims

There were a number of legal proceedings outstanding against the bank with provision amounted 29,019 thousand Egyptian pounds.

D. Capital Commitments

The bank had capital commitments of 115,191 thousand Egyptian pounds in respect of fixed assets purchases and branches fixtures and have not been implemented yet till the balance sheet date.

28. Cash and cash equivalents

For the purposes of the cash flow statement presentation, cash and cash equivalents comprise the following balances with less than three months maturity from the date of acquisition.

	30 June 2023 LE,000	30 June 2022 LE,000
Cash and balances with central banks	2,075,655	2,023,293
Due from banks	28,818,867	8,024,457
Treasury bills	1,176,357	1,445,021
	32,070,879	11,492,771

29. Mutual funds

Credit Agricole Bank mutual fund no. (1)

The fund is one of the banking activities licensed by the capital law no. 95 for 1992 and its executive rules. The number of investment certificates in the fund have reached 3,000,000 certificates and their value 300,000,000 EGP. The bank owned 150 000 investment certificates (par value 15,000,000 EGP) Credit Agricole 1st fund managed by EFG Hermes, the redeemable price per IC amounted to EGP 656.29 at balance sheet date and the total value is 98,443,500 EGP.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 366,051 EGP as of **30 June 2023** that was classified as fees and commission in the income statement.

Credit Agricole Bank mutual fund no. (2)

The mutual fund owns about 3,000,000 certificates (amounted 300,000,000 EGP) of which the bank owns 150,000 certificates (par value 15,000,000) for managing the mutual fund activity, their redemption value at the balance sheet date is 44,659,500 EGP with a redeemable price of 297.73 EGP per IC.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 209,072 EGP as of **30 June 2023** that was classified as fees and commission income in the income statement.

Credit Agricole Bank mutual fund no. (3)

The mutual fund owns about 4,000,000 certificates (amounted 4,000,000,000 EGP) of which the bank owns 39,000 Certificates (par value 39,000,000EGP) for managing the mutual fund activity, their redemption value at the balance sheet date is 41,757,690 EGP and a redeemable price of 1,070.71 EGP per IC.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 1,338,158 EGP as of **30 June 2023** that was classified as fees and commission income n in the income statement.

Credit Agricole Bank mutual fund no. (4)

The mutual fund owns about 1,000,000 certificates (amounted 100,000,000 EGP) of which the bank owns 50,000 certificates (par value 5,000,000) for managing the mutual fund activity, their redemption value at the balance sheet date is 17,765,500 EGP with a redeemable price of 355.31 EGP per IC.

According to the mutual fund management contract and prospects, CA obtains management fees and commission for monitoring and other managerial services, the total commissions amounted 75,424 EGP as of **30 June 2023** that was classified as fees and commission income in the income statement.

30. Related party transactions

The Bank's parent company is Credit Agricole (France) which holds 52.19% of the common stock and the remaining portion of 47.81% is held by other shareholders presented in the capital disclosure.

The Bank had transactions with its related parties on an arm's length basis. The nature of such transactions and related balances as presented at the balance sheet date are as follows:

A) Loans and advances to related parties

	Subsidiary	
	30 June 2023 LE,000	31 December 2022 LE,000
Loans outstanding at 1 January	274,991	355,026
Loans issued (repayment)	(6,702)	(80,035)
Loans outstanding	268,289	274,991
Interest income earned	21,319	34,948

B) Deposits from related parties

	Subsidiary	
	30 June 2023 LE,000	31 December 2022 LE,000
Deposits at 1 January	232	6,360
Deposits received (repaid)	5,930	(6,128)
Deposits	6,162	232
Interest expense on deposits	722	1,032

C) Other transactions with related parties

	Credit Agricole Group	
	30 June 2023 LE,000	31 December 2022 LE,000
Due from banks	118,500	704,808
Due to banks	982,848	166,927
General and Administrative expenses	16,836	18,537
Other Loans	926,907	742,302
	Subsidiaries and associates	
	30 June 2023 LE,000	31 December 2022 LE,000
Investment in subsidiary	143,822	143,822
Dividends	-	10,999

31. Short term wages and benefits

The monthly average of net total annual income of the banks' twenty employees with the largest wages and salaries collectively during the period amounted to 7,939 thousand EGP compared to 5,374 thousand for the previous year, and the total outstanding loans for the top management during the period amounted to 10,118 thousand EGP compared to 11,479 thousand for the previous year.

32. Tax position

The tax position of Credit Agricole Bank Egypt includes the tax position of the bank to American Express Bank and Egyptian American bank and Calyon before the merger, due to the merger of all these banks ended in its final form, Credit Agricole Bank Egypt.

1- Corporate Income Tax

Period from Start-up date to 31 Dec. 2018

Tax examination was done together with internal committees & tax challenge committees, and due tax was paid.

from 2019 to 2020

Tax examination was done together with internal committees and due tax was paid.

2021

Tax report has been submitted and due tax paid..

2022

Tax report has been submitted and due tax paid.

2- Salaries Tax

Period from Start-up date to 31 Dec. 2018

Tax examination was done; due tax was paid.

Year 2019/2020

Tax examination was done; due tax was paid.

3- Stamp Duty

Stamp Duty under Law no. 143/2006

Tax examination was done together with internal committees and due tax was paid until December 2015.

2016 & 2017

Tax Examination was done, object to the claim and Internal committees ended and due tax was paid.

2018

Tax Examination was done, internal committees ended and due tax was paid.

2019, 2020 and 2021

Tax Examination was done, and due tax was paid.

2022

Tax Examination was done, and due tax was paid.

33. Comparative Figures

Some comparative figures for the Year ended 31 December 2022 have been reclassified to be matched with the disclosure presented for the figures for the current period. The Bank has carried out the reclassification operations after studying some facilities and has no effect on total assets and amending its presentation on the balance sheet, the statement of changes in owners' equity and previously recorded profits.

The table below shows a summary of the significant reclassifications that have been made.

<u>Separate statement of financial position</u>	Previous disclosure	Reclassification	Current disclosure
Loans to banks	689,042	(685,764)	3,278
Loans and advances to customers	32,824,878	685,764	33,510,642

34. Translation

These financial statements are a translation into English from the original Arabic statements. The original Arabic statements are the official financial statements.
