ANNUAL REPORT &
AUDITED FINANCIAL STATEMENTS
FOR YEAR ENDED 2021

البنك الأهلي الكويتي - مصر
AL AHLI BANK OF KUWAIT - EGYPT

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OUR VISION
Reimagining a Simpler Bank.

OUR MISSION
To consistently provide experiences that simplify and enrich people’s lives.

OUR CORE VALUES

TRANSPARENCY

We will be clear and open in all our dealings with our customers and stakeholders; although excessive transparency may create a backlash, we accept the consequences.

INTEGRITY

We will be driven by what is good for customers and the shareholders, not what is good for our short-term bottom line, because in the end, customer satisfaction will lead to long-term shareholder value.

SIMPLICY

We will constantly strive to make banking simpler for our customers with easy documentation and processes, friendly people, quick delivery, and therefore better products and services to the end user: 'Doing things simply' is not 'doing simple things.'

EXCELLENCE

Is just a consequence of the aforementioned and can be defined as: 'Simpler, Faster, Better.'

ABK GROUP RATINGS

MOODY'S	FITCH
A2	A+

A Glimpse of ABK Group

Al Ahli Bank of Kuwait (ABK) was established in Kuwait in 1967. Today it operates 29 branches in Kuwait, 44 Branches in Egypt, and 3 branches in the UAE located in Abu Dhabi, Dubai and the DIFC. Over the past 50 years, ABK has grown to become one of the most respected banks in the region.

ABK-Egypt History

The Bank was originally founded in Egypt in 1978 under the name of Alexandria Kuwait International Bank (AKIB). AKIB was one of the first private banks in Egypt and was later re-branded to Egyptian Commercial Bank. In 2005, Piraeus Bank Group acquired Egyptian Commercial Bank and changed the name to Piraeus Bank Egypt.

In November 2015, Al Ahli Bank of Kuwait (ABK) acquired Piraeus Bank Egypt as part of its plans to expand its regional presence, reinforce ABK's competitive position and provide additional value to clients and stakeholders. Piraeus Bank Egypt was rebranded ABK-Egypt and currently operates 44 branches spread across 19 governorates.

Since the acquisition, the Bank has witnessed impressive growth in terms of both market share and revenue, with the Balance Sheet growing from EGP 9.2 Billion to over EGP 56.8 Billion in 2021 and Net Profits reaching EGP 833 Million in 2021.

Furthermore, the Bank's ratio of non-performing loans is low, and the customer base has grown considerably across corporate, SMEs and retail banking segments.

The Bank has made significant investments in digital banking, enabling customers to execute a broad range of transactions from the convenience of their homes. These investments ensured that during the global pandemic, customers were able to effectively manage all their banking needs remotely. ABK-Egypt was one of the first banks in the country to spearhead the introduction of wearable payment solutions and avail an electronic platform (E-KYC) to authenticate the identities of customers and validate their information when registering on ABK Mobile Wallet.

After six years of double-digit growth and measurable progress, ABK-Egypt looks forward with great optimism and enthusiasm to continue cementing its leading position in the Egyptian market through offering clients the best - in - class service while ensuring its core values of Transparency, Integrity, Simplicity and Excellence are at the heart of all business operations.

In line with ABK's Mission, the Bank will strive to consistently provide experiences that simplify and enrich people's lives, and will continue to offer clients the best in-class service levels while ensuring the core values of Transparency, Integrity, Simplicity and Excellence at the heart of everything we do.

ABK-Egypt's Journey... 6 Years of Success

TOTAL ASSETS
In EGP Mn.

2015	2021
9,228	56,751

Total Assets grew by an average of 35% every year since acquisition

TOTAL DEPOSITS
In EGP Mn.

2015	2021
8,208	47,885

As ABK-Egypt acquired new customers, deposits grew 6 times since 2015

GROSS LOANS
In EGP Mn.

2015	2021
3,988	27,406

Both corporate and individual portfolios witnessed healthy & balanced growth

NET PROFITS
In EGP Mn.

2015	2021
(103)	833

Net Profits turned from losses and grew steadily year on year, reaching EGP 833 Mn by end of 2021

NET OPERATING PROFITS
In EGP Mn.

2015	2021
123	1,673

Net Operating Profits increased by 54% on average annually, as business grew significantly stronger than cost

NET INTEREST INCOME
In EGP Mn.

2015	2021
289	2,129

Consistent expansion of business volume led to an annual growth of around 39% in Net Interest Income

2015

2021

BOARD OF DIRECTORS

ALI EBRAHIM HEJJI HUSSAIN MARAFI
Chairman

Mr. Ali E. Marafi is the Non – Executive Chairman of Al Ahli Bank of Kuwait – Egypt since 2015 and a Non-Executive Board Member of Al Ahli Bank of Kuwait since 2004. Mr. Marafi was appointed to the Board of Commercial Facilities Company in 1992 where he is the Chairman since 2013. In 1995 he was appointed to the Board of United Real Estate Company (K.S.C.P) and from 1998-2019 he was Vice-Chairman. He was a Board Member of Financial and General Bank, London from 1998-2003. In 2004 he joined the Board of Union de Banques Arabes et Françaises (UBAF) – Paris (2004-2020) and Union De Banques Arabes et Françaises - Hong Kong (2004-2017). He joined the Board of UBAC in 2004 and remains a Board Member until today. He was the Chairman of American Real Estate Services Co. (1995-1998) and the General Manager of Al Noor International Holding Company (1999-2014). In 1976 he joined the family business dealing in import & export, as well as real estate and trading on the stock markets in Kuwait, London & the USA. In the same year he established Ebrahim Hussein Marafi & Sons Contracting Co., where he held the position of General Manager until 2019. Mr. Marafi was born in Kuwait in 1949 and holds a Bachelor's Degree in Economics from Kuwait University (1973).

KHALED NABIL EL SALAWY
Chief Executive Officer &
Managing Director and Board Member

Mr. Khaled El Salawy is the CEO & Managing Director of Al Ahli Bank of Kuwait - Egypt, and is an Executive Board Member of ABK-Egypt. He started his banking career in 1994 with Arab International Bank in the Treasury Division and in 1995, he joined the Egyptian American Bank, Corporate Banking Division, which was later acquired by Credit Agricole. During his tenor in Credit Agricole Egypt, he held several positions of increasing responsibilities, the last of which was in 2002, when he was promoted to Assistant Vice President, Corporate Banking Division. In 2008, Mr. El Salawy joined AlexBank – Intesa SanPaolo Group as Deputy General Manager, Head of Large Corporates, Corporate Banking Division, and in the same year he was promoted to General Manager, Head of Corporate Banking Division. In 2013, he joined Union National Bank as a Deputy Chief Executive Officer, managing the Corporate Banking Group, Treasury and Investments, SME's and Financial Institutions. Mr. El Salawy was born in Sweden (1970) and holds a Bachelor of Arts Degree in Political Science from the American University in Cairo (1993).

KHALED MAHMOUD ABDEL AZIZ MAHMOUD
Board Member

Eng. Khaled Abdel Aziz is an Independent Non-Executive Board Member of Al Ahli Bank of Kuwait – Egypt. He is a former Minister of Youth and Sports of Egypt in the cabinets of Prime Minister Eng. Sherif Ismail (2015-2018) and Prime Minister Eng. Ibrahim Mehleb (2014-2015) and a Minister of Youth in the cabinet of Prime Minister Dr. Hazem El Biblawi (2013-2014). He was the President of the National Youth Council (Dec. 2011-Aug. 2012), President of the Executive Office of the Arab Ministers of Youth and Sports Council (2013- 2018), Member of the Board of Trustees of the Egyptian Family House and Member of the Supreme Council for Combating Terrorism and Extremism of Egypt. He was also President of the National Financing Fund for Youth and Sports (Mar. 2014-Jun. 2018 and Dec. 2011- Aug. 2012). Among Eng. Abdel Aziz's other roles and responsibilities were: Chairman of the International Cairo Stadium Authority (Mar. 2014-Jun. 2018) and Board Member of the National Sports Council of Egypt (2012) and Sports Excellence Project (2009-2012). He was the Tournament Director of FIFA (International Football Federation) U-20 World Cup (Egypt 2009), Tournament Director of Africa Cup of Nations (Egypt 2006) and General Coordinator of FIFA and the African Football Confederation. Eng. Abdel Aziz was born in Egypt (1959), and holds a Bachelor's Degree in Engineering, Department of Electronics and Communications from Cairo University (1981).

KHALED LOTFY HASSAN MOHAMED EL ATTAR
Board Member

Eng. Khaled El Attar is an Independent Non- Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He is the Vice Minister - Digital Transformation, Automation and Administrative Development at the Ministry of Communications and Information Technology (MCIT) of Egypt since June 2018 and is leading the country's digital transformation with many projects related to universal healthcare coverage, digital payments, government digital services, law enforcement, investments, and nation big data initiative. Eng. El Attar was the Undersecretary of the MCIT of Egypt (May 2015-Jun. 2018), Financial Software & Systems Executive of IBM Global Services, Dubai for the Financial Institutions in the Middle East (Feb. 2013-May 2015), Software Group Leader of IBM Egypt (Nov. 2010-Jan. 2013), Application Innovation Services Manager for Middle East & Africa and Associate Partner, IBM UAE (Jan. 2009- Nov. 2010) and Senior Managing Consultant, Al Inma Bank, Saudi Arabia, Launch Program Director (Jan. 2007-Dec. 2008). He has more than 35 years of experience in the field of Informatics, supervising more than 150 projects in this field in Egypt, Saudi Arabia, UAE, Bahrain, Germany and USA. He has held multiple managerial positions at IBM for 28 years, as well as Raya, and worked as a lecturer at Cairo University. Eng. El Attar was born in Egypt (1961), and holds a Bachelor's Degree in Engineering with honors, Department of Communication and Electronics and a Master's Degree in Business Administration from the Arab Academy for Science, Technology and Maritime Transport.

BALWANT SINGH BAINS
Board Member

Mr. Balwant Bains is a Non-Executive Board Member of Al Ahli Bank of Kuwait – Egypt. He is the Group Chief Internal Auditor of Al Ahli Bank of Kuwait since 2008. Mr. Bains has over 25 years' experience in the financial services industry, having worked in banks and consulting firms in the UK and Kuwait. Before joining Al Ahli Bank of Kuwait, he was the Head of Market & Operational Risk Management Division (Dec. 2005 - Aug. 2008) and Head of Banking Operations Audit (2005) at National Bank of Kuwait. He was the Head of Business and Financial Risk Management at Kuwait Financial Centre – Markaz, Kuwait (2002-2004), a Senior Manager within Business Risk Services at Ernst & Young, London & Kuwait (2001-2002), an Internal Auditor responsible for brokerage operations throughout Europe, Hong Kong and Tokyo at Cantor Fitzgerald International, London (2000-2001), Assistant Vice President in Treasury & Capital Market Audit at Citibank N.A. London (1997-2000) and an Assistant Treasurer in the Derivative Customer Valuation Group at Bankers Trust, London (1995-1997). He is a Certified Internal Auditor and Certified Information System Auditor, and a Member of the Kuwait Banking Association's Internal Audit Committee in Kuwait. Mr. Bains was born in the United Kingdom (1965) and holds a Higher National Certificate in Business Information Technology from Luton University, UK (1991) and a Bachelor's Degree in Business Studies from London Guildhall University, UK (1995).

BOARD OF DIRECTORS

JAMAL AHMAD SYED IQBAL
Board Member

Mr. Jamal Ahmad is a Non-Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He is the Group Chief Risk Officer of Al Ahli Bank of Kuwait since 2016. He joined Al Ahli Bank of Kuwait in 2000 as the Manager of Credit Risk Management, and has more than 37 years' experience in different banking sectors, including corporate finance, international syndications, investment, merchant banking and trade finance. Before joining Al Ahli Bank of Kuwait, Mr. Ahmad was a Senior Credit Executive with the Risk Management Department of Burgan Bank in Kuwait (1994- 2000) and worked at State Bank of India Capital Market (1993 1994) and State Bank of Travancore (1983-1993). He is a Member of Kuwait Banking Association's Risk Committee. Mr. Ahmad was born in India (1959), and holds a bachelor's degree in Economics (Honors) from St. Xaviers College (1978) and a Master of Arts in Economics from the University of Calcutta, India (1981).

SHIAMAK EDUL SOONAWALLA
Board Member

Mr. Shiamak Soonawalla is a Non-Executive Board Member of Al Ahli Bank of Kuwait - Egypt. He is the Group Chief Financial Officer of Al Ahli Bank of Kuwait since 2016. Mr. Soonawalla joined Al Ahli Bank of Kuwait in 2004 as an Assistant General Manager in the Finance Division and has more than 30 years' experience in the financial services industry, covering financial management, auditing, strategic planning and consulting practices in the Middle East. Before joining Al Ahli Bank of Kuwait, he held senior executive and executive positions with Ernst & Young in Saudi Arabia and Kuwait as an Executive Manager (2001-2004), a Senior Manager (1999-2001) and an Audit Manager (1994- 1996), and with National Commercial Bank in Saudi Arabia as an Audit Manager-Treasury & Investment Banking (1996-1999). He is a Chartered Accountant (India), a Fellow Member of the Institute of Chartered Accountants of India and a Member of Kuwait Banking Association Financial Controllers' Committee. Mr. Soonawalla was born in India (1963) and holds a Bachelor of Commerce Degree from the University of Bombay (1984).

LAILA AHMED MOHAMED EL KHAWAGA
Board Member

Dr. Laila El Khawaga is an Independent Non-Executive Board Member of Al Ahli Bank of Kuwait - Egypt. She has been a Board Member of Central of Bank of Egypt (CBE; 2011-2019) and a Member of CBE's Monetary Policy Committee (2011-2019) and Investment Committee (2015- 2019). She has also been a Board Member of Center for Economics and Financial Research and Studies (CEFRS), Faculty of Economics and Political Science, Cairo University (2015-2018), Head of Economics Dept., Faculty of Economics and Political Science, Cairo University (2015- 2018), Senator of Shura Council (independent; 2001-2010) and a Member of the Board of Trustees of the General Authority for Investment and Free Zones (GAFI). Dr. El Khawaga is a professor of Economics, Faculty of Economics and Political Science, Cairo University. She has published extensively on the topics of macroeconomics and labor economics both locally and internationally in Arabic, English & French and has received the State Encouragement Award in Economics, Egypt (1996) for two of her published researches. She also received an award for Best Dissertation in Economics, Paris II University, France (Jan. 1985). She works as an expert and consultant for some international (United Nations Development Programme & International Labour Organization) and regional organizations (Arab Labour Organization, United Nations Economic and Social Commission for Western Asia and Arab Women's Council). Dr. El Khawaga was born in Egypt (1952), and holds a Bachelor's Degree in Economics, Faculty of Economics and Political Science, Cairo University (Jun. 1974 - Highest Honors), a DEA (MSc.) in Advanced Macroeconomics, Paris I University, France (1978) and a PhD in Economics, Paris II University (Jun. 1984-Highest Honors).

DIMITRI SCOUFARIDIS
Secretary of the Board of Directors

Mr. Dimitri Scoufaridis is the Secretary of the Board of Directors. He started his banking career in 1981 with Saudi American Bank, Jeddah (an affiliate of Citibank N.A. now known as Samba Financial Group). During this period he worked in Operations Management as a Production Officer (1982-1984), Senior Production Officer (1985-1988), Unit Head (1988-1992), Division Head & Deputy Country Trade Products Div. Head (1992-1998) and Country Compliance Officer for Economic Sanctions & Trade Embargoes (1994-1998). He established and headed the Trade Products Management Division (1998-2001). He also lectured at the Center of Banking and Finance, Riyadh (1990-1991 & 1993- 1994). In 2002 he joined National Commercial Bank, Jeddah as a Trade Specialist. He also served as the Regional Trade Product & Customer Service Management Head (2003- 2005) and the Regional Trade Services Head (2005-2007). In 2007 he joined Piraeus Bank-Egypt (acquired by Al Ahli Bank of Kuwait in Nov. 2015) as Deputy Director in the Operations Division. He was the Director of Operations Division from 2008 and the Acting Head of Human Resources (2011). In 2013 he was also appointed Secretary of the Board of Directors and in 2017 he was promoted to Chief Operating Officer. Mr. Scoufaridis was born in Cairo (1955), and holds a Bachelor of Arts in Economics (1977) and a Master of Arts in Economics (1981) from the American University in Cairo.

EXECUTIVE MANAGEMENT

KHALED NABIL EL SALAWY
Chief Executive Officer &
Managing Director and Board Member

Mr. Khaled El Salawy is the CEO & Managing Director of Al Ahli Bank of Kuwait - Egypt, and is an Executive Board Member of ABK-Egypt. He started his banking career in 1994 with Arab International Bank in the Treasury Division and in 1995, he joined the Egyptian American Bank, Corporate Banking Division, which was later acquired by Credit Agricole. During his tenor in Credit Agricole Egypt, he held several positions of increasing responsibilities, the last of which was in 2002, when he was promoted to Assistant Vice President, Corporate Banking Division. In 2008, Mr. El Salawy joined AlexBank – Intesa SanPaolo Group as Deputy General Manager, Head of Large Corporates, Corporate Banking Division, and in the same year he was promoted to General Manager, Head of Corporate Banking Division. In 2013, he joined Union National Bank as a Deputy Chief Executive Officer, managing the Corporate Banking Group, Treasury and Investments, SME's and Financial Institutions. Mr. El Salawy was born in Sweden (1970) and holds a Bachelor of Arts Degree in Political Science from the American University in Cairo (1993).

TAREK ABDOU
Deputy Chief Executive Officer -
Wholesale Banking

Mr. Tarek Abdou is the Deputy Chief Executive Officer - Wholesale Banking of Al Ahli Bank of Kuwait - Egypt. He joined Al Ahli Bank of Kuwait in 2016 heading Wholesale Banking where he is leading the Corporate Banking, SMEs, GTS and Financial Institutions Divisions. He is also Chairman of Al Ahli Kuwait – Egypt Leasing Company. He began his banking career in 1992 when he joined the Operations and Customer Service Department at Barclays Bank and in 1993, he joined the Corporate Banking Division in Arab Bank. In 2006, Mr. Abdou moved to Bank Audi as Senior Relationship Manager – Corporate Banking for Alexandria & Delta, and in 2012, he was promoted to Head of Corporate Banking and Syndications, where he was responsible for leading the growth of the Corporate Banking business until he left in 2014 to join Union National Bank as Head of Corporate Banking and Syndications.
He was born in Alexandria, Egypt in (1969) and holds a Bachelor of Commerce degree from Alexandria University (1992).

AMR TANTAWI
Chief Risk Officer

Mr. Amr Tantawi joined Al Ahli Bank of Kuwait – Egypt as Chief Risk Officer in 2021. Prior to this he was Head of Enterprise Credit & Risk Management Group of Al Baraka Banking Group in Bahrain, where he was headed the Risk Management functions in 14 subsidiaries and managed the IFRS 9 project across
these countries. He was also a Member of the Credit and Risk Committees in several of these subsidiaries from 2013 to 2021. Previously, he served at Arab National Bank Saudi Arabia as Assistant General Manager, Credit and Risk Management Group (2005 – 2013), Arab Banking Corporation Egypt – Corporate & Investment Banking Division (2000 – 2005), and at Egyptian American Bank Egypt (1997 – 2000).
He started his banking career in Arab African International Bank Egypt in the Money Markets and Treasury Division and moved across several functions until he became Senior Credit Officer in the Corporate Banking Division (1992 – 1997).
He holds a Bachelor of Commerce degree in Finance & Accounting from Cairo University, Egypt (1992).

KHALED BARAKAT
Head of Consumer Banking

Mr. Khaled Barakat joined Al Ahli Bank of Kuwait – Egypt in 2021 as Head of Consumer Banking, managing Retail, Branches, Direct Sales, Small Businesses, and Digital Banking. Prior to joining ABK-Egypt, he was Head of Retail Banking for Arab Banking Corporation Egypt (2017 – 2021).
He started his career in Citibank Egypt's Credit Department in 1999 and held several positions in the Consumer Banking Division, the last of which was Head of Consumer Loans Business (2005 – 2008). He moved to Commercial International Bank as Head of Consumer Assets Products and Channels and later became Head of Liabilities, Investments and Overdrafts (2008 – 2017).
Mr. Barakat was born in Egypt (1975) and holds a Bachelor's degree from the Faculty of Commerce – English Section, Ain Shams University in Egypt (1997).

AMR BAHGAT
Head of Treasury & Capital Markets

Mr. Amr Bahgat joined Piraeus Bank Egypt (acquired by Al Ahli Bank of Kuwait in 2015), as Head of the Dealing Room in 2007, before being promoted to Head of Treasury & Capital Markets in 2015. He started his banking career with MI Bank (Misr International Bank) back in 2000, and in 2003 he joined the MI Bank strategy team as the Treasury & Capital Markets representative to set the Bank strategy that led to restructuring.
He graduated from the Faculty of Commerce - English section, Ain Shams University in Egypt (1999).

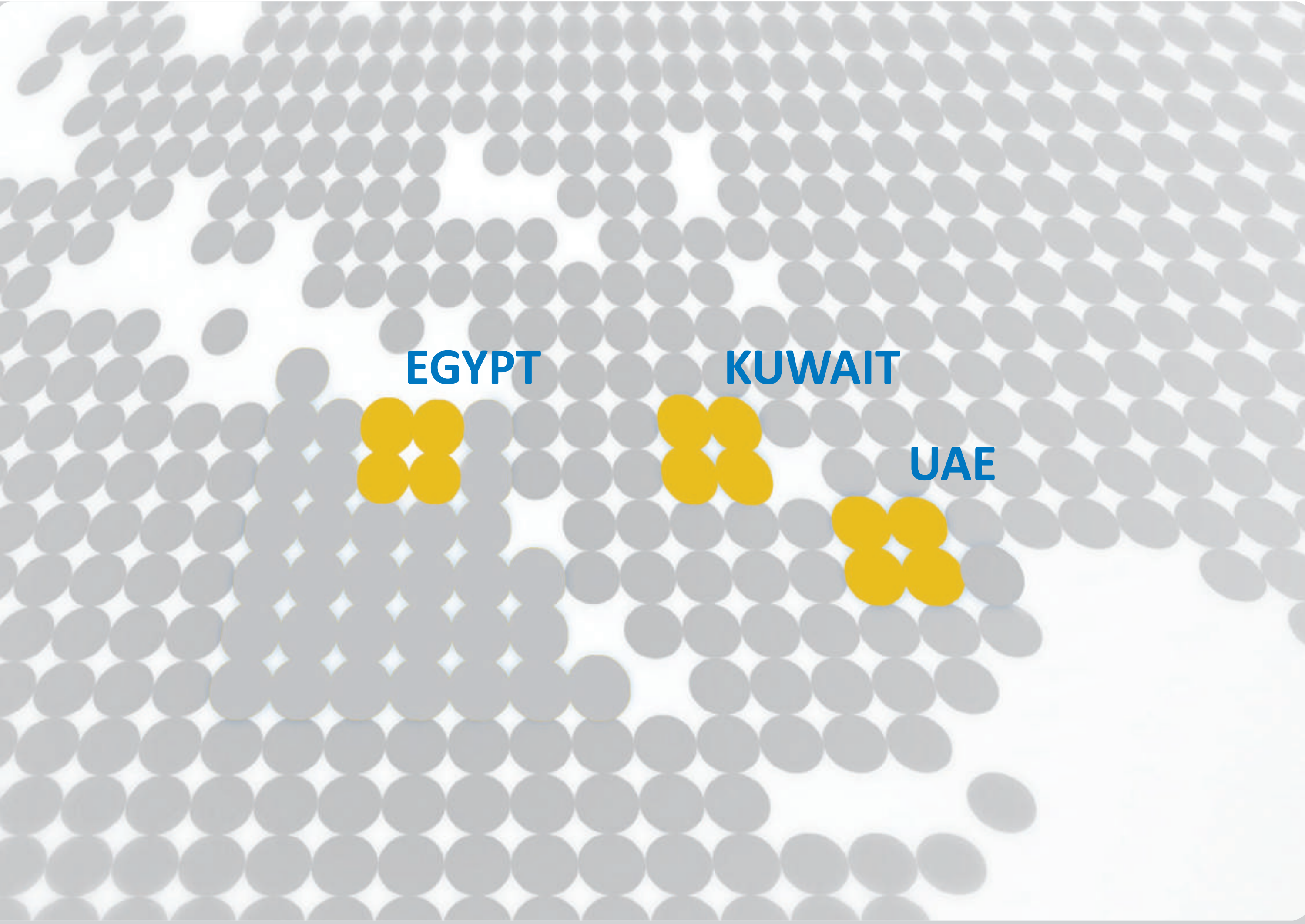
EXECUTIVE MANAGEMENT

HISHAM GHONEIM
Chief Financial Officer

Mr. Hisham Ghoneim joined Al Ahli Bank of Kuwait – Egypt as Chief Financial Officer in December 2020. Prior to this he held a number of key positions in local, regional and international banks, the most recent of which was Executive Board Director at Cairo International Bank – Uganda, overlooking Finance, Operations & Technology, and Treasury Divisions (2018 – 2020). He is also an active member of the Association of Financial Professionals (AFP) since 2014.
He started his banking career in Commercial International Bank in 1997 and moved to CitiBank, where he held a number of positions in the Finance Department in Cairo and Istanbul, and completed several international assignments in the UK, Czech Republic, Greece and Turkey (2000 – 2006).
Mr. Ghoneim was born in Egypt (1975) and graduated from the Faculty of Commerce – English Section, Ain Shams University in Egypt (1997).

HISHAM SHERIF
Chief Operating Officer

Mr. Hisham Sherif is Chief Operating Officer of Al Ahli Bank of Kuwait – Egypt. He joined Piraeus Bank – Egypt in 2003, which was acquired by Al Ahli Bank of Kuwait in 2015. Over the past 15 years, he has held
a number of positions in the IT Division with a focus on IT Solutions, Information Security and Operations. In 2019, he was appointed as Chief Operating Officer leading the IT, Administration, Procurement, and Operations Divisions as well as the Project Management Office.
Mr. Sherif was born in Egypt (1975) and holds a Bachelor of Science degree from the Faculty of Engineering, Cairo University (1998). He also has an Executive Master's degree in Business Administration from Alexandria University accredited by Georgia State University (2013.



AT YOUR SERVICE ACROSS THE REGION

Enjoy ABK’s simpler banking services in Kuwait, Egypt, and UAE.

CHAIRMAN'S MESSAGE

Dear Shareholders,

In 2021, Al Ahli Bank of Kuwait-Egypt celebrated its sixth anniversary since the acquisition of Piraeus Bank Egypt in 2015. So far, our journey together has been revolutionary, challenging and rewarding. It has encouraged us to be more dynamic, more agile and resilient as we adapt to the ever-changing economic and digital landscape.

We've grown by 273 percent since the acquisition of Piraeus Bank in Egypt in 2015. Today, ABK-Egypt has a strong presence in 18 Egyptian governorates, operating a network of 44 branches, 104 ATMs and over 1,200 employees. On our journey to position ABK as the bank of choice in Egypt, the Bank experienced a positive cultural and digital transformation. This I attribute to ABK-Egypt's hands-on executive management team, our investment in employees, as well as technology solutions that ensure customer service excellence supported with exceptional products and services.

On behalf of the Board of Directors, I am delighted to present to you the Annual Report and Audited Financial Statements of ABK-Egypt for the Financial Year ended 31st December 2021. I take this opportunity to thank you for your continued trust in the long-term value of ABK-Egypt, at a time when we are all facing economic upheaval due to the ongoing effects of the pandemic.

The Bank has had another solid year, with Net Profit for the year ended December 2021 of EGP 833 Million, Net Operating Profit of EGP 1.7 Billion, an increase of 25 percent compared to last year. Similarly, Net Interest Income grew by 14 percent and reached of EGP 2.13 Billion. The Bank's Total Assets recorded growth at 38 percent compared to the previous financial year, now standing at EGP 56.75 Billion.

In line with our commitment to the communities in which we operate, ABK-Egypt had a full social responsibility calendar for the year focused on the development of communities in Egypt including but not limited to contributing towards the healthcare of underprivileged children across Egypt in collaboration with the Ibrahim Badran Foundation (IBF). Additionally, we supported the Egyptian Paralympic Committee with training necessities, also supported the empowerment of women in society through financing small businesses led by women who head their households. The Bank also focused on supporting health care in local communities through financial donations in favor of several non-profit hospitals such as Ahl Masr Burn Hospital, Baheya Sheikh Zayed Breast Cancer Hospital, and Dr. Moustafa Mahmoud Association Medical Center.

Undoubtedly, 2021 was full of opportunities and growth; continuing our passion, we move into 2022 with full confidence and dedication. Guided by our governance standards, we will continue to diversify our revenue stream and explore new avenues for business.

In closing, I would like to extend our gratitude to the Government of Egypt and the Governor of the Central Bank of Egypt for their continuous guidance and support. I would also like to thank our Board of Directors and Shareholders for their support. Finally, I thank our Executive Management Team and all our employees for their unwavering hard work and dedication.

I wish you all health and prosperity.

Ali E. Marafi
Chairman

CEO & MD'S MESSAGE

Dear Stakeholders,

2021 has again been a good year for ABK-Egypt, where we worked endlessly to ensure long-term sustainable growth. Although the market conditions have slightly improved compared to the previous year; the global economic challenges due to the pandemic were still vastly witnessed. Nevertheless, ABK-Egypt has shown promising growth, maintaining momentum with a strong balance sheet and steady operating performance.

This has been a challenging and highly competitive year, but I am pleased to report that we have ended 2021 with a Net Profit of EGP 833 Million and Net Operating Profit of EGP 1.7 Billion, showing a 25% year-on-year increase compared to EGP 1.4 Billion in 2020. ABK-Egypt Customer Deposits increased by 43% year-on-year to reach EGP 47.9 Billion compared to EGP 33.6 Billion in 2020, while the Bank's loan portfolio grew by 26% to reach EGP 27.4 Billion in December 2021. Non-Performing Loan (NPL) ratio reached 2%, with a coverage ratio of 130%.

Throughout the year, ABK-Egypt has demonstrated the prowess of its ambitious growth strategy, which has enabled us to surge all financial indicators and maintain a strong position in the Egyptian market. The exceptional performance of ABK-Egypt in these challenging times underpins our commitment to managing the interests of all our stakeholders, including customers, employees, and shareholders.

We believe that investing in technology and adapting to the latest innovative banking solutions is the future. In this regards, a number of initiatives were launched throughout the year to strengthen our position as a leading bank in the digital banking arena and fulfil our promise to make customers' lives easier. In 2021, we continued to cement our commitment to boosting digital payments through launching the card-less ATM services and introducing ABK Pay Sticker in collaboration with Mastercard, which is the latest addition to the Bank's contactless digital payment services in response to the country's increasing demand for cashless payment solutions.

Another key pillar of ABK-Egypt's strategy is to strengthen the SME segment in line with Egypt's national direction, and moving into 2022, the Bank will further extend its focus on supporting this segment with a strong SME proposition to enable this high impact sector to grow and drive economic prosperity.

Staying true to our vision and values, we actively worked alongside the Central Bank of Egypt (CBE) to support Financial Inclusion and eliminate the barriers that exclude some segments from joining the financial sector. ABK-Egypt is dedicated to creating awareness on financial literacy through empowering unbanked segments with the basic knowledge and incentives required to adopt banking services. Our efforts, in line with our Simpler Banking strategy has meant simplifying our processes and tailoring banking solutions to ease every customer's banking journey significantly. Moreover, in line with Central Bank of Egypt's Youth Day initiative, we introduced a special account for youth above 16 years old and used ABK-Egypt's platforms to raise awareness among Egyptian youth on digital and conventional banking services.

At ABK-Egypt, we believe in the importance of giving back to the communities in which we operate in, and our Chairman has covered some of the areas we supported during 2021. We will continue to collaborate with different organizations to support the community, in line with our Corporate Social Responsibility Strategy.

In closing, I would like to thank our Chairman and Board of Directors for their ongoing support. I also want to acknowledge the exceptional efforts of our executive management team and all our employees throughout the year. It is only due to their extraordinary agility, flexibility, and dedication that we could ensure our success.

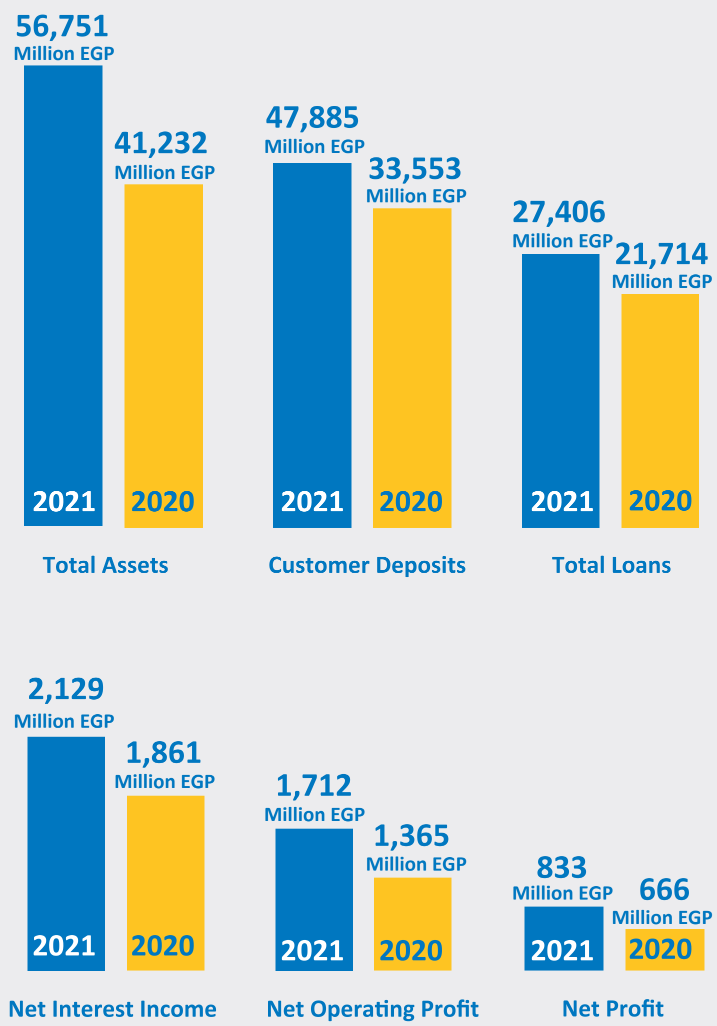
Lastly, I would like to extend my gratitude to the Central Bank of Egypt for their continuous support and guidance during a very challenging period, ensuring the stability of the entire local banking sector.

Khaled Nabil El Salawy
CEO & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

MANAGEMENT DISCUSSION AND ANALYSIS

ABK-EGYPT'S FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021



25%
Net Operating Profit

38%
Total Assets

43%
Customer Deposits

26%
Total Loans (Bank portfolio)

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The Management Discussion and Analysis gives an overview of the ABK-Egypt financial position, business and operations performance and outlook. The document is based on the published financial statements, management's vision and best judgment, and is considered to be complete. The document contains certain forward-looking statements that do not relate strictly to historical or current facts and represents current expectations, plans or forecasts about future business and economic conditions and results that management considers relevant to assessing future prospects of the Bank. The forward-looking statements reflect the position as on the date they are made. Risks, uncertainties and changes to assumptions that are difficult to predict and beyond the Bank's control may eventually affect actual outcomes and results.

The Egyptian economy remained resilient in 2021 as GDP growth recorded was 3.3% for FY 2020/21 despite continuing pressures from the COVID-19 crisis. Structural reforms and macroeconomic stability have contributed significantly to Egypt's positive growth and have laid a strong foundation on which growth is expected to exceed 5% and outperform peers in coming years. Private consumption continued to drive the economy and the Central Bank's continued focus on boosting SME lending by banks is expected to help support increases in private sector investment in the coming period. Additionally, the CBE's sustained measures to support the economy and the government's large-scale infrastructure projects are expected to be supportive of growth. Prudent monetary policy has been effective in keeping inflation in check despite global price pressures stemming from the pandemic. The overall stability and strength of the economy have continued to attract foreign investors into the local debt market pushing their holdings of local currency T-bills and bonds to all-time highs, which has helped support the external sector.

ABK-Egypt has completed almost 6-years of operation in the Egyptian market, a significant milestone marking a period of extraordinary growth on all levels. The balance sheet today is more than 5 times the size it was before the acquisition, loans and deposits have grown similarly and profitability measures are approaching top-of the market levels.

ABK-Egypt's strategy during 2021, in line with its ambitious 5-year strategy was to offer customers speed & convenience across channels, drive customization of products & services, maintain a healthy risk profile & cost structure and ensure alignment across the organization. 2021 has been a remarkably successful year despite of the challenges posed by the ongoing COVID-19 pandemic. Total Assets reached EGP 56,751 Billion, Customer and Bank Loans grew by 26% year - on -year to reach EGP 27,406 Billion and Customer Deposits increased by 43% to reach EGP 47,885 Billion. Net Profit in 2021 reached EGP 833 Million, a substantial increase of 25% over 2020 and Net Operating Profit increased by 25% year - on - year to reach EGP 1,712 Billion, while Net Interest Income grew by 14% to reach EGP 2,129 Billion.

Key Performance Indicators	2021	2020
Earnings Per Share	4.02	6.42
Return on Assets (%)	1.73%	1.8%
Return on Equity (%)	19.08%	18.0%
Pre Provision Income to Assets (%)	3.5%	3.4%
Cost to Income Ratio (%)	33.9%	38.9%
NPL Ratio (%)	2.41%	2.40%
Capital Adequacy Ratio (%)	15.29%	17.07%

The figures in the Annual Report from pages 4-53 are based on ABK-Egypt's standalone financial statements for the period ending 31st December, 2021

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Corporate Banking & Syndications

Corporate Banking & Syndications participated strongly in building ABK-Egypt's reputation as a significant player in the Egyptian market. The Corporate Banking Division followed a very aggressive growth strategy, whereby its portfolio multiplied several times over the span of 6 years. This unprecedented growth was supported by well-experienced and dedicated staff, who were able to support customers and the economy by providing excellent service and solutions, forming a bridge to recovery during difficult periods of the Egyptian Pounds devaluation and COVID-19 pandemic.

Despite a challenging year, The Bank's Corporate Loans Portfolio grew to reach EGP 14.7 Billion in 2021. The Corporate Banking customer base grew to reach 370 diverse customers, serviced through the centralized Corporate Banking Division in Smart Village, and two Corporate hubs located in Alexandria and East Cairo.

Consumer Banking Retail Banking

2021 had witnessed exceptional growth rates on both sides of the balance sheet in-spite of magnified market challenges. Backed with a fully revamped product bouquet in addition to the introduction of new payment solutions and sales campaigns, ABK Egypt managed to strengthen its brand equity and take consumer banking to the next level. The Deposits portfolio grew by EGP 10.97 Billion to reach EGP 37.4 Billion. The Assets portfolio grew by EGP 2.2 Billion to reach 10.43 Billion. Balance sheet growth coupled with expanded portfolio management initiatives reflected a sizable impact on the consumer P&L.

Products and Segments:

Broadened products suite that fit different customer segments:

- launching Personal loans and Credit Cards programs targeting different segments; Compound owners, Medical professionals, Card holders, Armed forces and Deposits' holders.
- launching Retail Small Business loans to support very small businesses in line with CBE initiative to increase bank penetration into small business segments.

launching exotic cars program targeting high net-worth customers.

- launching Certificates of Deposit for individuals and companies with tenors from 2 to 10 years with different payment frequencies.
- launching Future saving account for youth under financial inclusion umbrella .
- Launching ABK Pay Sticker; a contactless payment solution to enable the growth of Egypt's digital economy and provide cardholders with a seamless payment experience.
- Launched Credit Cards zero interest installments program with a wide range of select merchants allowing customers to purchase goods and pay on equal monthly installments at zero interest.
- launching numerous Credit Cards spend campaigns on different occasions to ensure customer experience (back to school, summer campaign….etc.).
- launching several contests on loans, cards and liabilities to boost sales and motivate front liners.

To enhance customers' experience and facilitate redemption process, registration on ABK Xtra Points is introduced through Pay with Rewards application

Digital Communication & ATM Network

- Increased the number of Cash Deposit Machines by 38% out of the total ATM fleet, in line with Central Bank of Egypt initiatives.
- Expanded ABK-Egypt ATM Network by 25%, resulting in transitions volume increase by 91% for Cash Deposits and 24% on withdrawal transactions.
- Launched the e-wallet service through ABK-Egypt ATMs in Aug 21 resulting in a total amount of EGP 60.5 Million cash withdrawal & EGP 7 Million cash deposit. The service enables ABK-Egypt customers and other bank customers to deposit and withdraw cash from/to their wallets.
- Enhanced customer experience by launching the Cardless deposit into accounts service through ABK-Egypt ATMs. The service enables ABK-Egypt customers to deposit cash into their individual accounts (current/saving) without their cards.

Online & Mobile Banking, e-Statements & Alerts

- During 2021, the number of Individual & Corporate customers registered for Online and Mobile Banking increased by 37% to reach 20,646 users.
- The number of financial transactions executed on these channels increased by 60% and their value by 400% due to the increase of daily and monthly limits for Individuals and to the more active usage by Corporate users.
- Channel-wise, 65% of the transfers were executed on Mobile Banking (available for Individuals only). Project-wise, the bank updated the systems in line with the changes required by CBE IBAN mandate.
- Increased the number of Individuals registered for Phone Banking services by 132% to reach 10,106 users.

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Online & Mobile Banking, e-Statements & Alerts (continued)

- The Phone Banking inquiries (balance and last 5 transactions) increased by 96% to a total of 25,501 and these represent a decrease in Agents' handling inquiries.
- Registered 196 unique customers for e-Statements, up from 124 last year, with the vast majority being Individuals (188 customers).
- Created two new alerts for Individuals: account debit for outgoing remittances (SMS and email) and account credit for payroll executed thru Online Banking (SMS).

Branch Network

- Optimized branch network by opening and relocating branches and renovating 7 branches.
- Re-structured the Tele-sales team and revamped cross sell and top-up processes.
- Extended focus on Payroll acquisitions.

Al-Ahli Bank of Kuwait - Egypt opened a new Branch in Beni Suef

Small and Medium Enterprises (SMEs)

Despite the challenging market environment, SMEs expanded its loans portfolio over the course of 2021 to reach EGP 2 Billion, compared to EGP 1.4 Billion in 2020, serving a total of 240 customers. The team continued serving their customers through their centralized departments in Smart Village, Alexandria & Delta and the hub in East Cairo. The recently introduced mid-cap segment continued to offer services to customers with annual turnover EGP 200 - 400 Million building a segment portfolio of EGP 507 Million.

Treasury & Capital Markets

Treasury & Capital Markets provides customers with access to the global foreign exchange market by offering competitive pricing in the spot and forward markets. Additionally, the Capital Markets team supports the bank's corporate customers in managing their excess liquidity by providing them with access to the local Treasury Bill and Treasury Bond markets in addition to international bond markets.

Treasury plays an active role in managing the Bank's balance sheet by managing overall interest rate risk exposures while working closely with the various business lines to ensure that their liquidity needs are met. The bank's balance sheet structure and effective utilization of excess liquidity have played a large role in boosting the bank's profitability.

Financial Institutions & GTS Division

One of ABK-Egypt's main objectives is to expand the scope of the Financial Institutions Division from being a support function for Corporate customers to an independent income generating line of business.

The Financial Institutions Division continued to maintain solid & close relations with its worldwide correspondent network. In addition, over the last 3 years, the Division was able to successfully turn into a new income generating line of business by adding new products.

Moreover, contributing to the ABK-Egypt assets with a total Loan Portfolio of EGP 565.8 Million and due from banks reading EGP 408.6 Million by the end of 2021, and a total Deposits base of EGP 3.3 Billion.

The Global Transaction Services Division (GTS) integrates with the entire Bank Lines of Business (LOBs) to provide trade finance, cash management, supply chain finance, data driven solutions, foreign exchange to small businesses, middle market companies, multinational corporations and financial institutions.

Operations

The ongoing target of the Operations Division is to provide an efficient backend operation while maintaining quality of service and to ensure customer excellence. Below are 2021 highlights:

- Increase of Transactions' volume by 27% in Trade Finance and Remittances during the pandemic period compared to 2020.
- Applied CBE requirements to comply with the Central Bank of Egypt instructions covering system implementations and operational procedures to ensure the Inward remittances are instantly credited to the account once received in our bank within the STP applied limits.
- Applied USD and EURO cheques clearing system in accordance to Central Bank of Egypt mandate using same rules, procedures and infrastructure used in EGP cheques.
- Applied system change to implement USD Automated Clearing House (ACH) and awaiting CBE instructions to activate.
- Compliance with the new International Bank Account Number (IBAN)
- Implementation of new Treasury system that automated the end-to-end Fixed income, FX and Money Market processes
- Implementation of new Post Dated Cheques system (PDC) which enhanced operational Turnaround Time by

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Operations (continued)

64% allowing the bank to serve 80% more cheques per day

Information Technology Division

ABK-Egypt has worked endlessly on digital transformation to deliver on the strategy of simpler banking through continuously utilizing and building on existing digital platforms. Below are the key highlights for 2021:

• Implemented Treasury system which automated end-to-end Fixed income, FX and Money Market processes covering front and back office

• Upgraded the Trade Finance system to the latest version. The upgrade covered more than 15 enhancements that automate and simplify the daily operations which in results in better client service levels

• From Technology perspective and in order to fulfill the urgent business needs to comply with CBE's new regulations regarding " SMEs portfolio ratio ", ABK-Egypt launched 2 solutions:

a. The Very Small Business Loan Solution (VSBL) that automates the SMEs loans booking covering data entry, approvals, documents, and New CIF creation.

b. The SMEs Credit Program Application that automates the SMEs data entry and approval cycle.

• The newly implemented Post-Dated Cheques automate the cheques data entry process and eliminated the risk of manual data entry from branches, which resulted in 64% enhancement in the operational Turnaround Time from 15 minutes to 5 minutes allowing the bank to pass 80% more cheques per day. This is in addition to the elimination of an average of 100,000 paper prints per year due to cheque scanning in branches as per procedures to mitigate possible cheque loss in transportation to central operations.

• Implemented the Procurement and Sourcing Invoices automated workflow for a tracked workflow for the bank invoices covering the approval matrix.

Anti-Money Laundring (AML) & Combating Financing Terrorism (CFT)

ABK-Egypt is fully compliant with Anti-Money Laundering (AML) & Combating Financing Terrorism (CFT) laws and regulations set by the Central Bank of Egypt & the Egyptian Money Laundering Combating Unit (EMLCU) and Financial Action Task Force (FATF) recommendations. The AML & CFT unit is a dedicated unit under the Compliance & Corporate Governance Division, that is independent and reports directly to the Board Audit Committee. The Compliance & Corporate Governance Head reports any suspicious ML/FT cases to the EMLCU after ensuring that proper enhanced due diligence took place.

The unit presents an annual AML & CFT report covering all AML/Sanctions activities to the EMLCU approved by the Board as stipulated by article # 38 of the Ex. Regulations of AML law No. 80 /2002. It receives EMLCU as well as CBE directives and regulations related to AML/CFT to be circulated to different stakeholders in the bank. A Sanctions program in line with international & local laws and standards is in place to guard the Bank against any violations. The AML/CFT team is comprised of experienced staff aware and updated with all local & international laws and regulations in order to conduct their job requirements as required.

The unit regularly provides specialized training programs Internally via E-Learning to all Bank staff & externally through the Egyptian Banking Institute to keep them up-to-date on measures and regulations regarding AML & CFT. The Internal Audit Division assesses the adequacy of ABK-Egypt's AML & CFT Program to ensure that it is current and robust.

Risk Management Division

ABK-Egypt has established a comprehensive risk framework for managing all material Pillar I and II risks that incorporates identification, measurement and monitoring processes across the Bank and ensures oversight by Group Risk Management based in Kuwait. Risk Management Frameworks at ABK- Egypt include Risk Policies, Risk Appetite statement, Risk Measurement & Stress Testing models and Methodologies and Capital Adequacy Assessment Matrices, which are approved by the Board and embedded in the decision-making process on all risk types to facilitate management of the risks within the overall approved risk appetite.

Credit Risk is the most significant risk to which the Bank is exposed to and its proactive management is key to ensuring long-term success. In this regard, the Bank has a comprehensive due diligence system in place to assess and approve credit facilities and well-defined policies for controlling and managing credit risk at counter-party, Group, economic sector and country levels. The soundness of credit risk is enhanced through a robust system of Obligor's risk ratings to assess the default risk probabilities of Corporate & SME borrowers incorporating international best practices. The Obligor's risk rating model takes into consideration key risk factors, such as business and financial risk factors including country,

MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Risk Management Division (continued)

industry, competitive position, cash-flow & leverage parameters, and other factors such as management and governance, financial policy, capital structure and business diversification which are duly weighted to arrive at the rating on a scale of 1 to 10, with "1" being "excellent" and "10" being loss. The Obligor risk rating models is complemented with a Facility Risk Rating Model in order to derive a composite rating that is derives the "Expected Credit Loss – ECL" from the customer relationship in line with the IFRS 9 accounting practices, Central Bank of Egypt and best international practices.

For International borrowers and Foreign Financial Institutions, the Bank relies on ratings from external credit rating agencies and deals mainly with investment grade borrowers and countries. The Bank uses Standard & Poor's, Moody's and Fitch Ratings for sovereign and bank exposures, choosing the higher of the lowest two ratings for assigning the appropriate risk weight to the exposures.

In addition to the above, the Bank has prudent internal portfolio exposure limits to manage concentration in various sectors which are reviewed at regular intervals to facilitate timely corrective action. To mitigate risks arising from any financial turbulences or geopolitical risks, the Bank proactively reviews its portfolio exposures to various transaction types, counter parties, sectors, banks and countries and revise exposure limits as appropriate.

For management of retail credit, the Bank, in line with Central Bank of Egypt regulations has the necessary policies, controls and processes in place. Retail loans that comply with policy criteria are processed when approved by the necessary approving authorities and exceptions are reviewed and approved by the credit committee.

Enterprise Risk Management, as part of risk management functions reporting to CRO, had completed major milestones in the following areas during 2021: The Bank continued its mitigation strategies against the COVID - 19 pandemic by insuring active participation of the crisis management team to assist with the development of preventative actions to safeguard the Bank's staff and clients. ABK Egypt follow the CBE guidelines for Pillar II and BASEL III measurements and further enhanced and introduced new capital assessment models to compute the Pillar II - Internal Capital Adequacy Assessment Process (ICAAP) in line with Group methodologies, best international practices and CBE guidelines for all types of risks. ABK Egypt also introduce on an annual basis within its ICAAP report plausible stress testing exercise under three different scenarios (mild, medium and severe) for each type of risk in line with macroeconomic and regulatory changes including but not limited to any unfavorable conditions that may result from COVID 19 pandemic. ABK Egypt had simulated different scenarios to capture the impact of supply chain disruption and COVID 19 pandemic to assess its impact on the financing portfolio in terms of credit risk profile, risk ratings, delinquencies, past dues and Expected Credit Losses (ECLs). Liquidity Risk Dashboard is initiated and presented on daily basis for the assessment of COVID 19 impact on the Bank's liquidity risk profile to safeguard and maintain smooth operations for the Bank and depositors. Additionally ABK Egypt risk management simulated different interest rate shocks scenarios to assess the bank capability to absorb any losses that may result from Interest Rate volatilities on its investment portfolio. Proactive management of Assets and Liabilities (ALM) of the Bank to ensure healthy level of concentrations, minimal liquidity gaps and robust funding resources. Articulated clear and robust Risk Appetite Statement encompassing all business lines activities with clear highlight on target indicators and periodic monitoring of actual records versus thresholds set. Preparedness for Operational Risk Standardized approach - SA to comply with CBE guidelines for formulating full implementation of BASEL III. Preparedness for new Market Risk Standardized approach - SA to comply with CBE guidelines for formulating Quantitative Impact Study QIS. ABK Egypt took the initial actions to cope with CBE instructions and develop a comprehensive recovery plan which will enable the Bank to comply with the article 94 of the New Banking Law No. 194/2020 and ensure the bank's readiness to confront economic downturns and financial crisis

Internal Audit Division

The Internal Audit Division's main role is to provide an independent assessment on the adequacy of and compliance with the Bank's internal processes and operations. Internal Audit helps the different functions improve their processes by evaluating the quality and effectiveness of the Bank's control system according to a risk-based audit methodology. The Internal Audit Division at ABK-Egypt takes its authority from its direct reporting line to the Bank's Board Audit Committee.

Management Discussion And Analysis (Continued)

Internal Audit Division (continued)

Through the automated dashboards and scheduled reports, Internal Audit is able to provide an ongoing auditing mechanism that helps the management detect alarm indicators at an early stage.

Human Resources Division

During 2021, the HR Division focused on productivity, accountability & human capital development through the following key initiatives:

- **Staff Rewards & Performance**

In cooperation with business leaders, HRD worked on revamping the staff incentive schemes for better productivity and business alignment.

"The Power of One" & "ExtraMile" Reward Programs are fully utilized to help leadership recognize and reward correct behavior. In addition, the engagement survey for 2021 was launched to enable employees from all departments to speak up and contribute to culture building and innovation.

- **Talent & Leadership Development**

To continue last year's focus aiming at exploring talent & high potential employees, the HR team developed the Corporate High Potential Development Program. In parallel; developing leadership qualities for middle & senior management is one of the major programs that took place in 2021.

The focus was on 3 main streams: Graduate Programs; Retail Academy & Credit Academy 2nd round, Continuous functional development, and Talent Market Development; our Summer Training Program remains one of the most inclusive & practical programs in the market.

- **Employees Engagement**

HRD steered staff engagement surveys to help the overall staff engagement and bridge expectations gaps.

- **COVID-19 Crisis Management**

In cooperation with the leadership team, HRD supported and coordinated with the Crisis Management task force to provide close monitoring & tracking of potential staff needs, extended medical services to cover medical requirements, and developed internal medical protocol to help managers deal with positive staff cases.

Marketing Division

Through 2021, ABK-Egypt launched a number of new products/campaigns covering all retail offerings. The bank launched campaigns for different Personal Loan programs for specific target segments and professions such as bankers, doctors & dentists, university professors, and compound owners. On the Liabilities side, a series of digital campaigns were launched in support of the new saving schemes that were introduced to appeal to various customer profiles, including but not limited to; Companies Certificates of Deposit, Cumulative Certificates of Deposit with different tenors, Saving account bundled with insurance program, and the Certificate of Deposit with different tenors. The Bank also launched a targeted campaign for the first youth account as part of the Central Bank of Egypt's Financial Inclusion initiative for youth, "Future Saving Account".

Throughout 2021, extensive promotions took place to showcase the benefits and rewards linked to ABK Cards, seasonal campaigns and promotions were planned throughout the year, resulting in higher acquisition volumes and a rise in spend and activation. Credit Card campaigns included; Summer Cash Back, Back to School (Cash Back & Tuition Fees Installments), Credit Cards 0% interest installments program, ABK Loyalty program "ABK Xtra", Credit Card free issuance fees and the Black Friday spend campaign. ABK-Egypt was also the first bank to launch ABK Pay Mobile Sticker as a convenient contactless payment tool.

ABK-Egypt continuously communicated through all channels to encourage clients to use digital alternative channels for more safety and convenience

Financial Inclusion

As part of the Bank's commitment to foster financial inclusion amongst unbanked segments, ABK-Egypt participated in Central Bank of Egypt's countrywide initiatives that focused on promoting financial inclusion through providing easier and faster access to digital payment platforms as well as conventional banking products among youth, women, farmers, and individuals with disabilities. In addition, during the year 2021, ABK-Egypt offered a selection of carefully curated products and services aimed at supporting these segments including but not limited to free account opening and free debit card issuance. In line with this nation-wide direction, the Bank launched "ABK Future" account, offering youth between 16 & 21 years of age access to a free of charge saving account with no minimum balance requirement, daily interest calculation, and free Debit Card issuance.

Al Ahli Bank of Kuwait - Egypt Headquarters

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Introduction

ABK- Egypt upholds the highest standards of Corporate Governance, where it recognizes the complexity and the very concept of good Corporate Governance. Its Board of Directors provides oversight on the Bank affairs and constantly works to improve and build on the Bank's strong Corporate Governance framework..

The principal responsibility of ABK-Egypt Board is to set and oversee the implementation of the Bank's strategy whilst ensuring Executive Management who are responsible for the execution of the strategy remain focused on long-term profitable growth and sustainable shareholder value.

In 2021 a self-assessment was conducted for the Corporate Governance requirements to ensure full compliance with governance regulations and best international practices. Also a gap analysis was conducted in order to identify any areas that need enhancement in order to comply with the new Central Bank of Egypt Law no. 194/2020 requirements.

ABK- Egypt is fully compliant with the Corporate Governance Code and the CBE Code of Governance.

Composition of ABK-Egypt's Board

ABK-Egypt's Board consists of 8 members including its Chairman of which 1 member is an Executive Director, 4 are Non-Executive Directors and 3 are Independent Non-Executive Directors as outlined below:

(1) Mr. Ali Ebrahim Hejji Hussain Marafi, Chairman and Non-Executive Board Member

(2) Mr. Khaled Nabil El Salawy, CEO & Managing Director and Executive Board Member

(3) Eng. Khaled Mahmoud Abdel Aziz Mahmoud, Independent Non-Executive Board Member

(4) Eng. Khaled Lotfy Hassan Mohamed El Attar, Independent Non-Executive Board Member

(5) Mr. Balwant Singh Bains, Non-Executive Board Member

(6) Mr. Jamal Ahmad Syed Iqbal, Non-Executive Board Member

(7) Mr. Shiamak Edul Soonawalla, Non-Executive Board Member

(8) Dr. Laila Ahmed Mohamed El Khawaga, Independent Non-Executive Board Member

Note: Mr. Dimitri Scoufaridis is the Secretary of the Board.

The summary biographies of the Board Members are included under pages (6 – 9) of this report.

The Board convenes on a periodical basis not less than eight times a year or whenever the Chairman deems it necessary to convene additional meetings. During 2021 the Board met 8 times and the agenda and related information was circulated in advance of the meetings to allow Board Members time to study and familiarize themselves with the topics on the agenda.

Structure of ABK-Egypt's Board

To discharge its responsibilities the Board in line with Central Bank of Egypt's Corporate Governance Code, has set up the following Board Committees whose authorities are defined in their respective charters:

- Board Audit Committee (BAC)
- Board Risk Committee (BRC)
- Board Remuneration Committee (REMCO)
- Board Nomination and Corporate Governance Committee (BNCG)

The Chairman of ABK-Egypt's Board regularly follows up on the work of the Board Committees on a continuous basis to ensure their assigned responsibilities are being discharged. All the Board Members are fully aware that the existence of the Board Committees does not exempt the Board from assuming overall direct responsibility for all matters relating to ABK-Egypt.

The details of the meetings held by the ABK-Egypt Board and its committees during 2021 together with Members' attendance are summarized below:

CORPORATE GOVERNANCE (continued)

Structure of ABK-Egypt's Board (continued)

	AGM[1]	Board	BAC	BRC	RemCo	BNCG	ExCo
Board Members	Total Number of Meetings and Attendance						
Mr. Ali Ebrahim Hejji Hussain Marafi, Non-Executive Board Member and Chairman	3/3	8/8	-	-	-	2/2	-
Mr. Khaled Nabil El Salawy CEO & Managing Director, Executive Board Member[2]	3/3	8/8		6/6	2/2	-	2/2
Eng. Khaled Mahmoud Abdel Aziz Mahmoud, Independent Non-Executive Board Member[4]	3/3	8/8			2/2	2/2	-
Eng. Khaled Lotfy Hassan Mohamed El Attar, Independent Non-Executive Board Member[5]		7/8	6/7	6/6			-
Mr. Balwant Singh Bains, Non-Executive Board Member[6]	-	7/8	6/7	5/6	2/2	-	
Mr. Jamal Ahmad Syed Iqbal, Non-Executive Board Member[7]	-	8/8	-	6/6	-	-	-
Mr. Shiamak Edul Soonawalla, Non-Executive Board Member[8]	-	8/8	6/7	-	-	-	-
Dr. Laila Ahmed Mohamed El Khawaga, Independent Non-Executive Board Member[9]	-	6/8	-	-	1/2	1/2	-

[1]As per the Companies Law 159/1981 (article nos. 60 and 77) and in accordance with ABK-Egypt's amended (article Articles of Association 26), published in the General Authority For Investment and Free Zones journal (issue no. 59949 47246, dated 11 August 2020), the minimum attendance at the general assembly meeting is three Board members inclusive of the Chairman. (b) During 2021, three general assembly meetings were held as follows: The annual ordinary general assembly meeting was held on March 23, 2021. An ordinary general assembly meeting and an extraordinary general assembly meeting were held on October 27, 2021.

[2]As per the Central Bank of Egypt's instructions and as per the Board of Directors' amended Charter approved by the Board of Directors during its meeting of July 28, 2021, the Executive Committee is no longer a Board Committee.

[3]Attended the RemCo meetings as invitee.

The key activities of the Board committees during 2020 were as follows:

Board Audit Committee (BAC)

Chaired by Mr. Shiamak Edul Soonawalla, Non-Executive Board Member

During 2020, BAC met (7) times to review, approve During 2021, BAC met (7) times to review, approve and/ or recommend the (i) Interim and annual financial statements including adequacy of provisions and estimates (ii) External auditors' scope, independence and performance (iii) Internal audit plan and activities and (iv) Compliance activities and Regulatory inspection updates.

Board Risk Committee (BRC)

Chaired by Eng. Khaled Lotfy Hassan Mohamed El Attar, Independent Non-Executive Board Member

During 2021, BRC met (6) times to review, approve and/or recommend risk policies, models and frameworks related to the Bank's risk appetite, risk profile, emerging risks and exposures across all categories of risk including credit, market, capital and liquidity management, strategic, reputational, operational and information security risks.

CORPORATE GOVERNANCE (Continued)

Remuneration Committee (REMCO)

Chaired by Eng. Khaled Mahmoud Abdel Aziz Mahmoud, Independent Non-Executive Board Member

During 2021, REMCO met (2) times to review, approve and/or recommend the (i) Medical and Life insurance Contracts (ii) Employee salary increase, bonus and profit share distribution, bonus distribution to ABK-Egypt Board Members and their attendance and transportation allowance.

Board Nomination & Corporate Governance (BNCG)

Chaired by Mr. Ali Ebrahim Hejji Hussain Marafi, Non-Executive Board Member

During 2021, BNCG met (2) times to (i) provide advice to the Board on Corporate Governance related matters (ii) review the Corporate Governance plan and Corporate Governance Code/policies (iii) Review the Corporate Governance statement (iv) review and recommend the nomination of the Board Members and Executive/Senior Management staff.

Management Committees

The following 15 management level committees including the ExCo whose authorities are included in the respective charters.

Executive Committee (ExCo)

According to the new CBE law No 194/2020 Article No. 119, Board Executive Committee was excluded from the Board committees and embedded into the Management Committees Chaired by Mr. Khaled Nabil El Salawy, CEO & Managing Director, Executive Board Member. The Committee reviews key business issues and makes recommendations to the Board of Directors. ExCo consists of 7 members from the Executive Management recommended by the CEO & Managing Director and approved by the Board of Directors. These members are currently:

- CEO & Managing Director
- Deputy CEO Wholesale Banking
- Head of Consumer Banking
- Chief Financial Officer
- Chief Risk Officer
- Chief Operating Officer
- Head of Treasury & Capital Markets

Asset-Liability Management Committee (ALCO)

ALCO is responsible to set, monitor & approve all polices and strategies related to the management of the Bank's Assets & Liabilities in terms of funding, liquidity, pricing, profitability, investment & risk, and to oversee the Bank's FX portfolio, positions & strategy to ensure bank's adherence with the Bank's and Central Bank of Egypt's limits and guidelines.

Provision & Business Recovery Committee

The Committee follow-ups on non-performing Corporate, SME's & Retail client's portfolio as well as recommends restructuring & settlement agreements that include write-offs and approve all local/ IFRS impairment provisions within Central Bank of Egypt's directives/H.Q. guidelines.

Executive Credit Committee

The Committee acts as a forum to review, recommend and approve credit requests and to handle other credit related matters and is chaired by the CEO and Managing Director. It also provides direction and advice to ABK Group Board Credit and Investment Committee (BCIC) on credit and investment granting to support and facilitate decision-making process.

Credit Committee

This Committee is a sub-committee of the Executive Credit Committee, created with the purpose of facilitating the credit process, ironing out issues, and agreeing on conditions before seeking approval from the higher committee. It is responsible for reviewing, recommending and approving credit requests and other credit related matters.

Procedures Committee

The Committee reviews and approves operating procedures to meet the business needs and to enhance & accelerate the approval cycle to issue the Bank's procedures.

Market Funds Committee

The Committee aims to control and supervise the activity of funds established by the Bank, and to approve the creation/ sponsorship of additional funds and to obtain the Central Bank of Egypt approval (as applicable) related to increase in the Bank's capital fund contribution.

CORPORATE GOVERNANCE (Continued)

Branch Premises Committee

The Committee governs the approval of new branch locations, relocation and or renovation of existing branches across the network.

Crisis Management Committee

The Committee is set up in case of a crisis and is responsible for deciding the activation of the Business Continuity Plan (BCP) and the supervision of the recovery action.

Human Resources Committee

The Committee is a senior management forum to discuss HR related material issues and approval of the HR related matters.

Management Risk & Control Committee

The Committee provides independent oversight that operational risk is appropriately managed within appetite levels & operational business and governance controls are adequate, and significant issues related to the business such as operational risk events, legal, compliance, information security and regulatory risk are appropriately escalated and reported.

Fraud Management Committee

The Committee's purpose is to keep the business abreast with fraud related developments and counter measures and formulating cohesive and effective fraud & risk management strategies.

IFRS9 Implementation Committee

The Committee was constituted in light of Central Bank of Egypt instructions to monitor the implementation of IFRS9 together with the results derived from the underlying computation models.

Tendering Committee

The Committee is responsible for monitoring & controlling the tendering process to ensure optimum adherence with the procurement procedures.

Tariff Committee

The Committee aims to review and approve Bank's tariff applied to services & products.

Key Corporate Governance Related Code of Conduct and Policies

ABK-Egypt's Corporate Governance framework includes the following:

(1) Board of Directors Code of Conduct
(2) Staff Code of Conduct
(3) Related Party Transactions Policy
(4) Conflict of Interest Policy
(5) Customer Confidentiality Policy
(6) Corporate Governance Code
(7) External Auditor Independence Rotation
(8) Whistleblowing Policy
(9) Corporate Social Responsibility Policy
(10) Stakeholder's Protection Policy
(11) Customer Complaints Handling Procedures

Board Assessment of Corporate Governance Instructions and Internal Control Systems

ABK-Egypt Board confirms its compliance with the provisions of the Central Bank of Egypt's Corporate Governance instructions and affirms that it has an internal control framework in place, which provides reasonable assurance about the effectiveness of risk management, control and governance processes, geared to the achievement of the bank's objectives.

ABK-Egypt's Chairman, (non-executive Board member), being also a Board member of ABK K.S.C.P., regularly and consistently communicates with the major shareholder and obtains its opinion on ABK-Egypt's performance and commitment to growth and development. Similarly, in their executive capacity, the Group Chief Internal Auditor, Group Chief Risk Officer, and Group Chief Financial Officer (non-executive Board members at ABK-Egypt and members of ABK K.S.C.P's executive management team) communicate with the bank's major shareholder and receive feedback on the bank's results.

An annual internal control review was conducted in 2021 by an external audit firm on behalf of ABK-Kuwait. This review did not highlight any matters of concerns on the existing Corporate Governance and Internal Control frameworks.

The independent external auditor's statement and acknowledgement of the adequacy of ABK Group's Internal control systems including ABK – Egypt is incorporated in the Group Annual Report.

CORPORATE GOVERNANCE (Continued)
Internal Controls & Remuneration:

Policy:

ABK- Egypt Board approves Remuneration policy designed to:

(1) Incorporate all aspects and components of financial remuneration

(2) Align with the Bank's strategic objectives, risk appetite and long term strategies

(3) Maintain highly qualified, skilled and knowledgeable professionals across the bank

(4) Maintain sound remuneration governance, disclosure and transparency

(5) Comply with regulatory requirements and controls in which it operates

(6) ABK - Egypt operates a total remuneration philosophy taking into account all aspects and components of Staff remuneration. The key components as per below:

- Fixed Remuneration: Monthly salaries payable on 12 months basis.
- Variable Remuneration: Designed to motivate and reward high performers within the overall risk framework of the Bank and in alignment with Bank's performance on the long term and short term, taking into account the changes in financial remunerations granted to executives and management to match risk level.

Remuneration Disclosure:

Twentieth highest remunerations and salaries in the bank:

Average total paid remuneration to twentieth highest remunerations and salaries in the bank from January 1st, to December 31st, 2021 is EGP 3,964,481 versus EGP 4,654,209 from January 1st, to December 31st, 2020.

Board Evaluation & Effectiveness

The Board established a system whereby it conducts a self-assessment at the Board and committees level as one integrated unit, so that it ensures the extent to which all members are dedicated to their job duties and requirements needed to enhance their capabilities. While ABK-Egypt is confident of its governance model, regular assessment of the Bank's governance framework takes place with the support of external advisors. Moreover, reviews for individual and collective skills are done to ensure the Board's competence and diversity are sufficient for its effective performance.

ABK-Egypt Corporate Social Responsibility

In 2021, ABK-Egypt continued to affirm its dedication to contributing to the wider communities in which it operates. The Bank has been extending full support to those in need since its establishment, providing assistance through an array of social initiatives ranging from the provision of financial relief, outreach to the underprivileged with clothing, shelter, and food supplies and exploring opportunities to help children and the financially-challenge.

With an innate understanding of the crucial role donations play in overcoming challenges that faced the Egyptian society, the Bank took part in various initiatives since March 2021 in support of the national efforts through partnerships with local NGOs.

A number of areas were covered for donations/ sponsorship including but not limited to:

Supporting Daily Workers with Geziret El Kheir Foundation

In March 2021, ABK-Egypt made a financial contribution in favor of Geziret El Kheir Foundation as part of the Bank's ongoing efforts to support health and emergency initiatives for the daily workers in Gezira Sporting Club by providing social services, care for the elderly and social needs individuals, and support for public sector employees and retirees.

Supporting Cancer Patients and Elderly with Inner Wheel Club of Cairo North

In March 2021, ABK-Egypt made a financial contribution in favor of Inner Wheel Club to support cancer patients in the National Center for Tumors and Elderly Homes Projects.

Providing Food Supply to the Families in Need with Al Orman Association

In April 2021, ABK- Egypt took part in a food campaign with Al Orman Association through distributing 1000 food supply boxes among unprivileged families across the country during the Holy Month of Ramadan.

CORPORATE GOVERNANCE (Continued)
ABK-Egypt Corporate Social Responsibility (continued)

Women Empowerment with Misr El Kheir Foundation

In May 2021, ABK- Egypt financed ten small businesses led by women, supporting initiatives that play a key role in driving economic independence for women. Through this contribution, beneficiaries are able to work independently and make the necessary provisions for their families in the face of economic adversity.

Zewail City of Science and Technology Public School Scholarship Fund

In June 2019, ABK-Egypt signed a scholarship fund agreement with Zewail City of Science and Technology in favor of 9 top students from Public Sector Schools seeking Bachelor of Science Degrees. The agreement is a commitment for 5 installments over the period of 5 years. The 3rd installment was paid in September 2021 for the academic year 2021/2022.

Ibrahim Badran Foundation

In June 2021, ABK-Egypt partnered with the Ibrahim Badran Foundation (IBF) and extended a financial donation to support the health and wellbeing of Egyptian children in the most underprivileged areas across Egyptian governorates. The donation came in favor of the Foundation's 'Our Children, Our Future' initiative through 10 medical convoys dispatched to 10 underprivileged villages in Qalubia Governorate. The initiative managed to reach and treat over 7,000 patients and raise health awareness among over 8,000 beneficiaries.

Moustafa Mahmoud Association Hospital - Ultrasound device:

In September 2020, ABK-Egypt purchased an Ultrasound device for Moustafa Mahmoud Association Hospital. The device is designed for multipurpose smart scanning and was installed in the Association's main Medical Centre to serve patients visiting the main clinic for free.

Supporting Burn Victims with Ahl Misr Foundation

In September 2021, ABK- Egypt made a donation to Ahl Misr Foundation towards the construction of their specialized hospital for burn victims. The donation will aid the construction of the facility and the provision of life saving medical equipment to treat burn victims.

The American University in Cairo Public School Scholarship Fund

In October 2021, ABK-Egypt paid the fourth installment as part of "Al Ahli Bank of Kuwait - Egypt Public School Scholarship Fund", which is a full academic scholarship in the American University in Cairo (AUC) granted to a top student from a public school.

The scholarship fund was signed in 2018 for a total amount of $125,000 (One Hundred and Twenty-Five Thousand US Dollars) to be paid on five equal annual installments until 2022.

Supporting Breast Cancer Patients in partnership with Baheya Sheikh Zayed Breast Cancer Hospital

In December 2021, ABK- Egypt made a donation in favor of Baheya Sheikh Zayed Breast Cancer Hospital. This contribution was allocated to the construction of the Hematology Laboratory in the hospital for early detection of tumors.

The Egyptian Paralympic Committee

In December 2021, ABK-Egypt partnered with the Egyptian Paralympic Committee and made a financial donation to extend support to 32 talented Paralympic participants through handing out certificates of appreciation to junior players and champions, along with incentive rewards to support their sports career and equip those talented individuals with training necessities that can enhance their chances of International representation.

ABK-Egypt Staff Led CSR Initiatives

ABK-Egypt employees regularly engage in initiatives that support the community. In 2021, the team participated in a blood donation drive with Dr. Mohamed El-Shabrawishi Hospital in favor of children in Abu El-Rish El Mounira Hospital, contributing much needed blood for medical procedures.

ABK-Egypt staff also participated in Al Orman Association's campaign, donating clothes to families in need in rural areas in Al Sharqia Governorate.

RISK MANAGEMENT

RISK MANAGEMENT

ABK Egypt Structure

ABK-Egypt structure consists of Al Ahli Bank of Kuwait - Egypt S.A ("the Bank") and its wholly-owned subsidiary, ABK Investment Company – Egypt and Al Ahli Kuwait Egypt Leasing Company, which are engaged in commercial banking activities of corporate banking, retail banking, international banking, treasury services and investment activities.

Basel Accords' Guidelines (Pillar I & Pillar II)

Under Basel Accords' guidelines, Centeral Bank of Egypt issued guidelines in December 2012 for the minimum capital requirement under Pillar I, where banks are advised to follow the Standardized Approach-SA for Credit Risk and Market risk while for operational Risk to follow the Basic Indicator Approach- BIA.

As for Pillar II, Supervisory Review Process (SRP), CBE issued guidelines in March 2016 for the Internal Capital Adequacy Assessment Process (ICAAP), which aims at linking between the bank's risk profile and how efficient is its risk management system and its capital adequacy. Therefore, the Bank applies an effective risk management system that ensures identifying, measuring and following up, and hence monitoring the risks.

The Bank has adopted these guidelines in its capital adequacy assessment and management of all material risks covered under Pillar I and Pillar II, in addition to the ABK Group methodology in following Central Bank of Kuwait (CBK) guidelines

The major highlights of these regulations are:

• Banks must maintain a capital adequacy ratio at a minimum of 12.5%.
• The Bank's external auditors must audit the annual Internal Capital Adequacy Assessment Process (ICAAP).
• The Bank must conduct ICAAP to cover all its material risks, including those not captured under Pillar I capital requirement. Pillar II risks include the following:
- Credit concentration risk,
- Other Operational risk arising from Risk Control Self-
- Assessment – RCSA,
- Interest rate risk in banking book- IRRBB
- Liquidity risk,
- Strategic risk
- Reputational risk.

•Within the ICAAP, the Bank must conduct stress testing of its one year forward business projections under different scenarios and assess the impact on capital adequacy and profitability.

Under the Capital Adequacy framework, the Bank must provide timely, accurate, relevant and adequate disclosures of qualitative and quantitative information that enable users to assess its activities and risk profile.

Subsidiaries and Significant Investments

The Bank has a wholly-owned two subsidiaries which are ABK Investment Company – Egypt and Al Ahli Kuwait – Egypt Leasing Company. owning 99.96% & 99.93% of shares respectively.

CAPITAL STRUCTURE

The capital structure of ABK Egypt consists of Common Equity Tier I, Additional Tier I capital (paid-up equity capital and reserves, including fair value reserves) and Tier II capital, which includes general provision (subject to maximum of 1.25% of total credit risk weighted assets).

Capital Structure	2021 (EGP)	2020 (EGP)
Paid-up share capital/common stock	4,027,857	1,617,331
Reserves	56,367	154,244
Retained Earnings	134,639	1,919,363
Total accumulative comprehensive income items less	330,187	377,493
Treasury Shares	-	-
Total Deductions from Tier I	-37,749	-20,807
Common Equity Tier I	4,511,301	4,047,624
Additional Tier I	114	104
General provisions (subject to maximum of 1.25% of total credit risk weighted assets)	282,712	216,202
45% of special reserve	1,926	1,926
Tier II	284,638	218,128
Total eligible capital after deductions	4,796,053	4,265,856

RISK MANAGEMENT

CAPITAL STRUCTURE (continued)

Capital Adequacy

ABK-Egypt capital management objective is aimed at maintaining an optimum level of capital to enable it to pursue its strategic goals that build long-term shareholder value, whilst always maintaining minimum Pillar I capital requirements as well as meeting Pillar II capital requirements. Pillar II, capital which is internal estimate of the capital required to cover all its material risks, including those which are not captured under Pillar I capital requirement, and include credit concentration risk, interest rate risk in the banking book, liquidity risk, other operational risk, strategic risk, reputation risk, etc..

The objective is to maximise its return on capital and, at the same time, maintain capital for unexpected losses. ABK-Egypt manages its capital in an integrated manner with the aim of maintaining strong capital ratios and high ratings. This calls for a balanced approach of maintaining capital levels that are sufficient to provide a high return to shareholders, while meeting the requirements of regulators, rating agencies and other stakeholders (including deposit holders), and supporting future business growth. The cost of capital and its composition is also taken into consideration.

The consolidated composition of capital (Tier I and II) is analysed to ensure capital stability and reduce volatility in the capital structure.

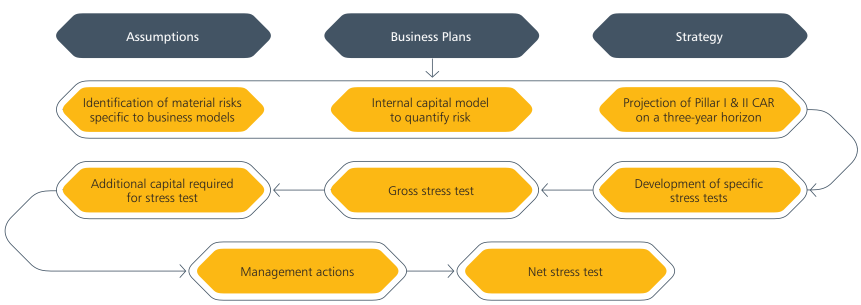
Capital Adequacy ratio - (EGP,000)	2021	2020
1. Claims on sovereigns	1,301,441	1,367,158
2. Claims on public sector entities (PSEs)	975,799	1,086,493
3. Claims on banks	1,673,152	729,545
4. Claims on corporate	16,476,010	12,230,714
5. Regulatory retail exposures	4,976,989	4,383,137
6. Past due exposures	301,565	146,151
7. Other exposures	2,451,470	2,216,483
Total Credit RWA	**28,156,425**	**22,159,680**
Market risk exposure	9,915	148,166
Operational risk exposure	3,203,363	2,679,882
Total RWA	**31,369,702**	**24,987,728**
Capital Adequacy Ratios:	-	-
Tier I	14.38%	16.20%
CET 1	14.38%	16.20%
Total	**15.29%**	**17.07%**

CAPITAL STRUCTURE (Continued)

ICAAP Framework of the Bank

ABK Egypt has established an ICAAP framework which entails:

- Incorporation of the business plan with a three-year horizon for capital assessment;
- Assessment and measurement of the material risks in the Bank's exposures as per Pillar I & II guidelines;
- Monitoring of risks against the risk limits established;
- Monitoring capital within the risk appetite framework
- Stress testing to assess its capital adequacy in case of adverse scenarios; and
- Periodic assessment and reporting of the ICAAP results to the senior management and Board so the appropriate remedial actions can be taken.



RISK MANAGEMENT (continued)
CAPITAL STRUCTURE (continued)

Capital Adequacy Planning Framework:

ABK Egypt reviews the adequacy of its regulatory capital to support its current and future activities on an ongoing basis for internal capital management and regulatory reporting. Strategic business objectives and future capital needs are assessed within this framework. The Bank employs capital rationing techniques to allocate capital for each of the Bank's business units through budgetary planning process to optimize returns.

The Bank ensures that capital ratios are maintained above the regulatory minimum under Pillar I to meet Pillar II requirements and certain stress conditions. Under the terms of the framework, sources of future capital are identified, and plans put in place to raise and retain capital taking into consideration the new banking law No. 194 issued in September 2020 to maintain minimum paid-in capital at EGP 5 Billion.

The Bank plans its capital projections for a forward-looking period in line with approved strategy of the bank to assess capital availability and adequacy, taking into account strategic business plans and other initiatives considering the strategic business environment and other factors in capital assessment process.

The annual dividend pay-out is prudently determined and proposed by the Board of Directors, and endeavors to meet shareholder expectations and regulatory capital requirements.

The capital levels are monitored throughout the year factoring the business plans and economic environment to maintain capital adequacy at targeted levels.

Sensitivity Analysis And Stress Testing

ABK Egypt has set up a structural exercise for stress testing, whereby Risk Management, in coordination with the business lines, identifies all the material risk factors affecting the Bank's operations. Based on these risk factors, plausible stress scenarios (mild, medium and severe) are designed and exposures are stressed to assess the impact on the Bank's capital adequacy and profitability.

The Bank carries out sensitivity analysis on the shocks of interest rates, changes in market value of trading securities , possible rating downgrades of borrowers and the impact on profit. The Bank's capital solvency is then assessed and reported to the Board of Directors.

ABK Egypt runs the stress testing exercise as part of its risk management process for capital management. This process is performed every quarter based on ABK Group methodology and performed annually based on CBE guidelines to assess capital adequacy and reported to the Board of Directors. Stress testing is run at a consolidated level to assess loss impact on capital adequacy levels.

The stress testing programme covers the following risk categories:

- Credit risk – default on loans provided to counterparties, including financial institutions, corporate and retail borrowers including sensitivity analysis of possible rating downgrades of borrowers, deterioration of certain industry sectors and increase in FX rates of foreign currency exposures.
- Concentration risk – concentration in the form of exposure towards individuals, or industries/sectors, collateral or concentration in countries or regions.
- Interest rate risk – adverse changes in interest/yield curve.
- Market risk – adverse changes in prices of assets and currencies and the effect of these market changes on the portfolio of the Bank.
- Liquidity risk deposit run off – reduction in credit lines, non-availability of financing facilities, Bank-specific and systemic liquidity shocks etc.. possible increase of cash outflow and decrease of cash inflows impacting the LCR and NSFR ratios.
- Operational risk – operational losses & risk categories as defined by Basel III.
- Remained Operational risk - risks arising from documentation and implementation of contractual rights
- Credit Risk Mitigation (CRM) risk – collateral values considered as CRM are stressed.
- Legal risks – are stressed as part of the operational risk scenario analysis.
- Strategic risk & reputation risk – capital for strategic risk and reputation risk is further stressed under the mild, medium & severe scenarios.
- For the purposes of stress testing, the Bank considers all portfolios and includes:
- On-balance sheet positions in the banking and trading books
- Off-balance sheet positions (commitments, contingencies, etc.)

RISK MANAGEMENT (continued)
CAPITAL STRUCTURE (continued)
Sensitivity Analysis and Stress Testing (continued)

The stress testing exercise is run in line with stress testing guidelines issued by both CBE and CBK. ABK Egypt has also instituted governance controls over its capital adequacy and assessment process, with independent reviews by Internal Audit for compliance with policy and governance.

RISK MANAGEMENT STRUCTURE AND PROCESS

ABK-Egypt has established comprehensive risk frameworks for managing all material risks under regulatory guidelines. The frameworks address the identification, measurement and monitoring processes of all material risks across the Bank. In addition to credit risk, market risk and operational risk under Pillar I, banks have been advised by both the Central Bank of Egypt - (CBE) and the Central Bank of Kuwait - (CBK) to assess the risks and capital under Pillar II for all material risks, such as credit concentration risk, Credit Risk Mitigation CRM risk, interest rate risk in the banking book, liquidity risk, remained operation risk, legal risk, strategic risk, reputation risk and others.

Risk management is governed by the Risk Management Frameworks that include Risk Policy, Risk Appetite and Assessment, Risk Measurement & Stress Testing models and methodology, which are approved by the Board. Risk Culture is embedded in the decision-making process on all risk types to enable the Bank to manage the risks assumed within acceptable levels.

ABK Egypt has articulated a risk appetite statement which sets out the boundaries within which the risks have to be assumed and managed in terms of availability and use of capital, after setting aside buffer for stress conditions. Descriptions of the risk appetite statement along with the risks identified and the methodology used to manage those risks are stated below:

Risk Appetite Statement:

ABK Egypt has established a risk appetite framework and risk culture in managing its exposure diligently in order to ensure risks are taken and managed within the risk appetite through capital budgeting, risk limits etc. In this respect, a risk appetite statement has been defined and provides a basis for setting the Bank risk-taking capacity, maintaining a risk buffer, risk limits within business strategy, risk parameters for overall business objectives, appetite indicators for monitoring, and reporting. Objectives of this risk appetite framework includes:

- Support Strategic Initiatives
- Embedding risk appetite into the Bank's business culture
- Risk appetite and availability of capital
- Setting boundaries of limits and thresholds for risk taking
- Measurement of both qualitative and quantitative risk parameters
- Evaluation of risks in a consistent manner
- Support stakeholder value maximization by monitoring and improvising expectations

At a Bank-wide level, the risk appetite statement is based on maintaining capital adequacy ratio, (Risk adjusted return on Capital) RAROC, quality of assets under non-performing loans, and provision coverage, sectoral diversification, earnings volatility, and other metrics, such as the concentration risk, interest rate risk, the liquidity risk, operational risk, reputational level and regulatory compliance.

Monitoring, Control & Reporting of Risk Appetite and Limits

ABK Egypt monitors the risk appetite, risk limits and thresholds periodically through its monitoring, control and reporting mechanism. This monitoring performed with the aim of assessing the level of the Bank's risk exposures, and take the appropriate corrective measures required to maintain the appetite levels within acceptable ranges can be taken.

Risk Control & Governance

The primary goal of risk management is to ensure that the Bank's asset and liability profile, its trading positions, and its credit and operational activities, do not expose it to losses that could threaten its viability. Risk Management assists in ensuring that risk exposures do not become excessive, relative to the Bank's capital and financial positions. Risk management uses combination of techniques and tools for qualitative and quantitative analysis, scoring of key risk factors and trends, statistical and sensitivity analyses, benchmark against Industry, peer group comparisons and stress and scenario testing.

RISK MANAGEMENT (continued)

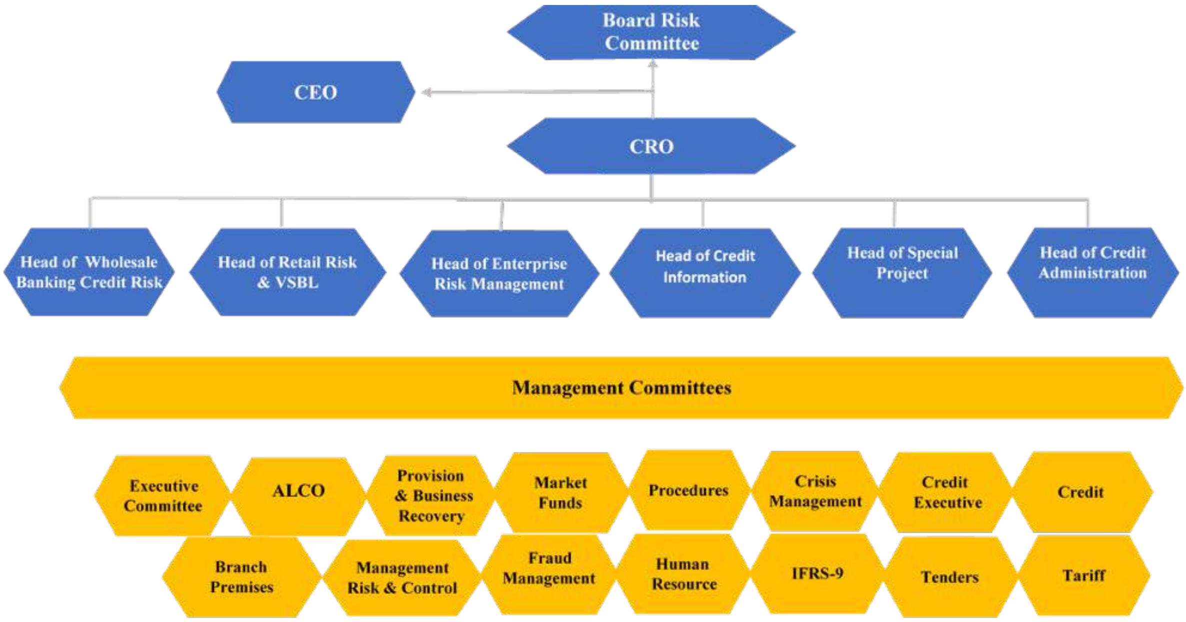
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

Risk Control & Governance (continued)

Risk Management includes the following four elements:

- Risk Identification
- Risk Monitoring
- Risk Measurement
- Risk Control

The Risk Management Division's organisational structure is set out below:



The Bank's Risk Management Divisions reports to the CRO who is reported directly to the Board Risk Committee with a dotted reporting line to CEO.

The business lines, along with the support divisions, risk management division and the internal audit division, comprise the three components that ensure effective compliance with the control processes laid down for risk management in the Bank. A separate Compliance Division also independently ensures the regulatory guidelines are followed and complied with. The Risk Management Division, with the active support of the Board and top management, is committed to instilling a risk conscious culture throughout the Bank.

Credit Risk Management

Credit risk arises from the potential financial loss resulting from customers failing to honour the terms of their contractual agreement. It includes the risk of loss in portfolio value as a result of credit quality migration from lower risk to higher risk categories.

Credit risk is the most significant risk to which the Bank is exposed, and its proactive management is key to ensuring the Bank's long-term success.

The Bank has a comprehensive due diligence system to assess and approve credit facilities and well-defined policies for controlling and managing credit risk at the counter-party, group, economic sector and country levels.

The soundness of credit risk is enhanced through a robust system of Obligor's risk ratings to assess the default risk of corporate borrowers incorporating international best practices. Credit borrowers graded on a scale of 1 to 10, with "1" being excellent and 10 being bad. The Obligor's risk rating model takes into consideration key risk factors, such as business and financial risk factors including country, industry, competitive position, cash-flow & leverage parameters, and other factors such as management and governance, financial policy, capital structure and business diversification which are duly weighted to arrive at the rating. Borrowers' ratings changes/migration are monitored annually. The Obligor rating models is also complemented with a Facility Risk Rating Model (S&P) in order to derive at a composite rating of an obligor.

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

With international borrowers and foreign financial institutions, the Bank relies on external credit rating agencies for credit grading assessments, including political risk assessment, and deals mainly with investment grade borrowers and countries. The Bank uses Standard & Poor's, Mood and Fitch Ratings for claims on sovereign and bank exposures, choosing the higher of the lowest two ratings for assigning risk weight to an exposure.

Credit Risk Management (continued)

The Bank follows mapping notations of Standard & Poor's public issue ratings to assets in the Bank's book.

S&P Rating	ABK Revised Risk Grade
AAA	1
AA+, AA, AA-	2
A+, A, A-	3
BB+, BBB, BBB-	4+, 4, 4-
BB+, BB, BB-	5+, 5, 5-
B+, B, B-	6+, 6, 6-
CCC/CC/C	7,8,9
D	10

All corporate, international and sovereign credit requires an independent credit risk review as per risk management practice. Borrower exposures are managed through exposure limits to them, and wherever group exposure exceeds a stipulated limit, the Board Credit & Investment Committee's approval is sought. Credits extended to the Board of Directors are approved strictly and executed on an arms-length basis, which are governed through the Bank's corporate governance process.

With regard to credit culture, Risk Management ensures that appropriate policies, guidelines, processes and procedures exist to cover all business areas and activities where credit risk arises. It ensures the consistent application of the Bank's credit extending standards and the periodic review and updating of credit policies, guidelines and procedures.

The policy sets limit criteria for individual exposures, group exposures, economic sector and countries. Business with any counter-party does not commence until a credit line has been approved. A strict credit approval process exists with authority levels defined to ensure the efficient conduct of business.

Risk Management ensures that credits are granted according to the approved standards and that all risks are comprehensively highlighted in the credit risk review, including policy exceptions.

Credit facility risk covers the analysis of the nature of on and off-balance sheet counter-party exposure (size, tenor, complexity and liquidity), including secured and unsecured credit facilities, and reporting thereof.

Portfolio risk arises because of a high positive correlation between individual credit facilities, meaning that default by one borrower can lead to several related borrowers who bear that correlation. This may include:

- Concentration of exposure in geographical areas, sectors, groups, counter-parties or rating categories
- Trend analysis in volume, sectors and concentration
- Trends in portfolio quality (borrowers' risk migration, non-performing loan)

The Bank monitors and reports to Central Bank of Egypt on a quarterly basis, the Bank monitors and complies with CBE instructions that any one customer's liability (cash limits or exposures, whichever is higher, and non-cash liabilities) and its related parties to the Bank should not exceed 20 per cent of the Bank's capital base as defined in the CBE. The Bank complies with CBE with regard to credit disbursal/regulation to various sectors of the economy.

In addition to the above, the Bank has prudent internal portfolio exposure limits to manage concentration in various sectors. Portfolio exposure analysis is performed at regular intervals, and whenever required, the Bank will revise/limit its exposures to manage/contain risks. To mitigate risks arising from the COVID crises, the Bank proactively reviewed bank's portfolio exposures to various transaction types, counter parties, sectors, banks and countries and revised exposure limits for managing risk.

As far as retail credit is concerned, the Bank also has the necessary policies, controls and processes in place.

RISK MANAGEMENT STRUCTURE AND PROCESS (Continued)

Retail loans are originated through the Bank's branch network & direct sales force (DSF). The retail loans that comply with policy criteria are processed when approved by the necessary approving authorities. Exceptions are reviewed independently by Risk Management and approved by the credit committee. A separate Retail credit Lending Unit under risk management reviews and ensures all necessary procedures and documentations are completed. The Bank also reviews the retail portfolio for deterioration and has mechanisms for loan and instalment collections when past due.

Under Pillar II risks, the concentration risk is assessed to provide capital and manage the concentration risk prudently. CRM risk is also assessed based on the quality of collateral, the liquidity, the volatility and the effectiveness of documentation etc.

Market Risk

Market risk is the risk of adverse impact on the value of assets, liabilities or revenues from market conditions or movements in market rates and prices. Market-sensitive assets and liabilities are generated through loans, investments, and customer and proprietary trading operations. For measuring market risk in the trading book, all positions are marked to market daily and limits are approved and independently monitored. All major exposures are monitored by Risk Management and appropriate limits are approved by the Asset Liability Management Committee (ALCO).

The Bank adopts a standardised approach to measuring its market risk under Pillar I.

Foreign Exchange Risk

Foreign exchange risk represents the Bank's exposure to fluctuations in the values of current holdings and future cash flows denominated in other currencies. The types of instruments exposed to this risk include: foreign currency-denominated loans and liabilities, future cash flows in foreign currencies arising from foreign exchange transactions, the Bank's proprietary positions and customers' foreign exchange transactions.

Instruments used to mitigate this risk are foreign exchange spot, forwards, etc. These instruments help to insulate the Bank against losses that may arise due to significant movements in foreign exchange rates. All foreign exchange exposures are centrally managed by the Bank's Treasury and are daily marked to market. Limits have been assigned with respect to overnight open exposures, stop loss and authorised currencies to monitor and control foreign exchange exposures. Risk Management independently monitors the currency open position against the authorized limits on a daily basis. Foreign exchange risk is also assessed under Pillar II and under stress test utilising a historical volatility-based model.

Interest Rate Risk

Interest rate risk to the Bank arises on account of a mismatch in re-pricing of loans and deposits. The mismatch that arises gives rise to interest rate risk (basis risk). The other elements in the consolidated statement of financial positions carrying interest rate risk are Treasury Bills and Bonds, under the Bank's fixed income investment portfolio.

The Bank's overall goal is to manage interest rate sensitivity so that movements in interest rates do not adversely affect its net interest income. Interest rate risk is measured as the potential volatility in net interest income caused by changes in market interest rates.

Exposures are quantified using interest rate re-pricing gaps. Earnings at risk limits are monitored and simulations used to estimate the impact of various interest rate scenarios on the Bank's net interest income. These simulations incorporate assumptions of asset and liability re-pricing and maturity characteristics. Exposures against limits and simulation analysis are regularly monitored by the ALCO.

Under Pillar II, the Bank carries out an internal assessment of capital for interest rate risk in the banking book and allocates specific capital for this risk.

Liquidity Risk

Liquidity is the ongoing ability to accommodate liability maturities and deposit withdrawals, fund asset growth and business operations and meet contractual obligations through unconstrained access to funding at reasonable market rates.

The Bank's projected liquidity needs are analysed continuously and optimum alternatives to manage the liquidity risk are recommended. Risk Management identifies liquidity at risk, which is monitored and reported Frequently. The Bank also has liquidity management policies and a contingency liquidity plan have been established.

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

Liquidity Risk (continued)

A liquidity stress test is conducted to assess the impact of the withdrawal of deposits, crystallisation of contingent liabilities etc. in the mild, medium and severe scenario, both under Bank-specific, and systemic, scenarios. The concentration in deposits is monitored on a regular basis and reviewed by ALCO.

Liquidity risk appetite has been put in place with the following parameters, loans to deposits; Top 20 depositors' concentration, regulatory ratios (LCR & NSFR). These appetite parameters are used for driving liquidity risk and the exposure the Bank would be willing to take and manage risk levels within appetite levels.

Under Pillar II, liquidity risk is assessed for Bank-specific and general market scenarios, and capital provided to manage the risk.

Asset Liability Management Risk

Risk Management plays a critical role in assessing the risk embedded in the Bank's assets and liabilities. It recommends measures to manage risks efficiently within the agreed risk appetite. Risk Management's role includes assessing the volatility and concentration of revenues; effectiveness in pricing to cover costs and risk; and facilitating and setting RAROC hurdle rates etc.

The variability of net interest income in different scenarios is monitored, aiming to maximise net interest income within acceptable risk levels. Optimising balance sheet management by conducting Balance Sheet reviews for managing yields through optimal deployment of surplus liquidity, managing cost by focusing on low cost deposits and making recommendations to prudently manage cost of funds. Also, recommendations are made of appropriate funding mix between local currency and foreign currency thereby optimising the balance sheet returns within acceptable risk limits.

Operational Risk Management

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. Managing this risk relies on identifying risks that exist within the organisation;

The Bank identifies and assesses the operational risk in products, activities, processes and systems. It also ensures that the associated operational risks are properly assessed and mitigated, before any new products or services, activities, processes or systems are introduced.

Risk identification is vital to the development of operational risk monitoring and control systems. Risk identification considers internal factors such as the Bank's structure, the nature of its activities, the quality of its human resources, organisational changes and employee turnover. It also examines external factors such as changes in the industry, major political and economic changes, and technological advances.

Operational Risk Methods

The Bank has developed a set of Operational Risk Methods for the establishment of a standardized and transparent approach for the identification, assessment, monitoring, measurement and mitigation of potential Operational Risks inherent in the activities of each Unit through implement (Risk & Control Self-Assessment (RCSA)) to cover all bank's units in addition to Key Risk Indicators as a dynamic prediction and continuous monitoring of Operational Risk exposure as the KRIs act as a preventive means of measuring Units risk & an indication for early detection of potential occurrence or increase of an Operational Risk.

Also, established the Incident Report as a formal reporting tool that allows the Business & Support Divisions to communicate the Operational Error, near misses once incidence or discovered, which may lead to the actual or potential loss and, reporting any incident related to Operational risk event that could have a critical impacts on business line, activities, customer service or cause/trigger an actual/potential financial loss, in order to mitigate the reoccurrence of the critical risk issues by improving the efficiency of the control environment to the reduction of the negative impacts and losses.

The Bank has an operational risk VaR model to quantify its exposure by systematically tracking and recording the frequency and severity of individual error and loss events, and other relevant information, and measures the losses through operational risk VaR.

Under Pillar II, remaining operational risk is assessed using the VaR model to assess all material operational risks.

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

Operational Risk Models

Legal risks are assessed as part of the operational risk VaR model, and capital is assessed based on the impact and likelihood of material legal risk issues.

The Bank's internal error/loss database captures loss events from material activities and exposures. It tracks individual internal error/loss data (actual loss, potential loss, near misses and attempted frauds), mapping these into the relevant business lines. The Bank also collects information about the actual Operational losses' events and recoveries, as well as descriptive information about the causes and drivers of the loss events. The loss data events collected are analysed and any deficiencies in the Bank's processes are remedied.

Control and Mitigation of Operational Risk

The Bank has established policies, processes and procedures to control and mitigate material operational risks. It periodically reviews risk exposures and control strategies and adjusts the operational risk profile accordingly, using appropriate strategies in light of its overall risk appetite and profile. In this respect, the Bank ensures the following:

- There is appropriate segregation of duties, and that personnel are not assigned responsibilities that may create a conflict of interest, or enable them to conceal losses, errors or inappropriate actions;
- Policies and procedures for managing risks associated with outsourcing activities have been established. Outsourcing arrangements are based on robust contracts and service level agreements that ensure a clear allocation of responsibilities between external service providers and the Bank Adequate internal audit coverage to verify that operating policies and procedures have been implemented effectively;
- An independent Compliance Risk Unit to monitor compliance with various regulatory and internal guidelines;
- An Information Security Unit to ensure adequate IT processes and controls for IT systems and information security controls;
- Insurance cover for some products and Bank's assets to mitigate operational risk;
- A Disaster Recovery Plan and a Business Continuity Plan in place and regularly tested for processing transactions from the disaster recovery site.
- Awareness sessions and workshops done on operational risk Management concepts and methods for Bank staff covering the operational risks they encounter in the course of their duties; and ensuring that the control environment is adequate and working effectively in mitigating and reducing operational risks.

Strategic Risk & Reputation Risk Management

The Bank has put in place risk frameworks covering policy, guidelines, procedures and tools.

Strategic Risk

The Bank defines strategic risk as the current or prospective impact on the Bank's earnings, capital, and risks arising from changes in its operating environment from adverse strategic decisions, improper implementation of decisions or a lack of responsiveness to industry strength, economic direction or technological changes. In this regard, the Bank has put in place a strategic risk framework to identify measure, monitor and report strategic risk exposures. For the purposes of strategic risk, the sources of risks are from:

- An inadequate strategic governance framework;
- An inadequate identification of factors that impact the strategy and/or business plans;
- Insufficient planning and resource allocation process;
- Failure in the execution of plans, projects and initiatives; and
- Issues related to environment dynamics – internal and external including products, services and Bank practices.

- Strategic risk is primarily assessed in terms of the controls available to mitigate such risks and the Bank's ability to successfully implement its goals under its long term strategic plan. Matrices have been developed to monitor and measure risk, using a score card process, to assess strategic risks to the strategic plan, and to consider whether the Bank has adequate capacity to withstand those risks against the stated / approved risk appetite. Capital is assessed based on a metric score, taking into account all strategic initiatives that impact the business and earnings through a self-assessment exercise.

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

Reputational Risk

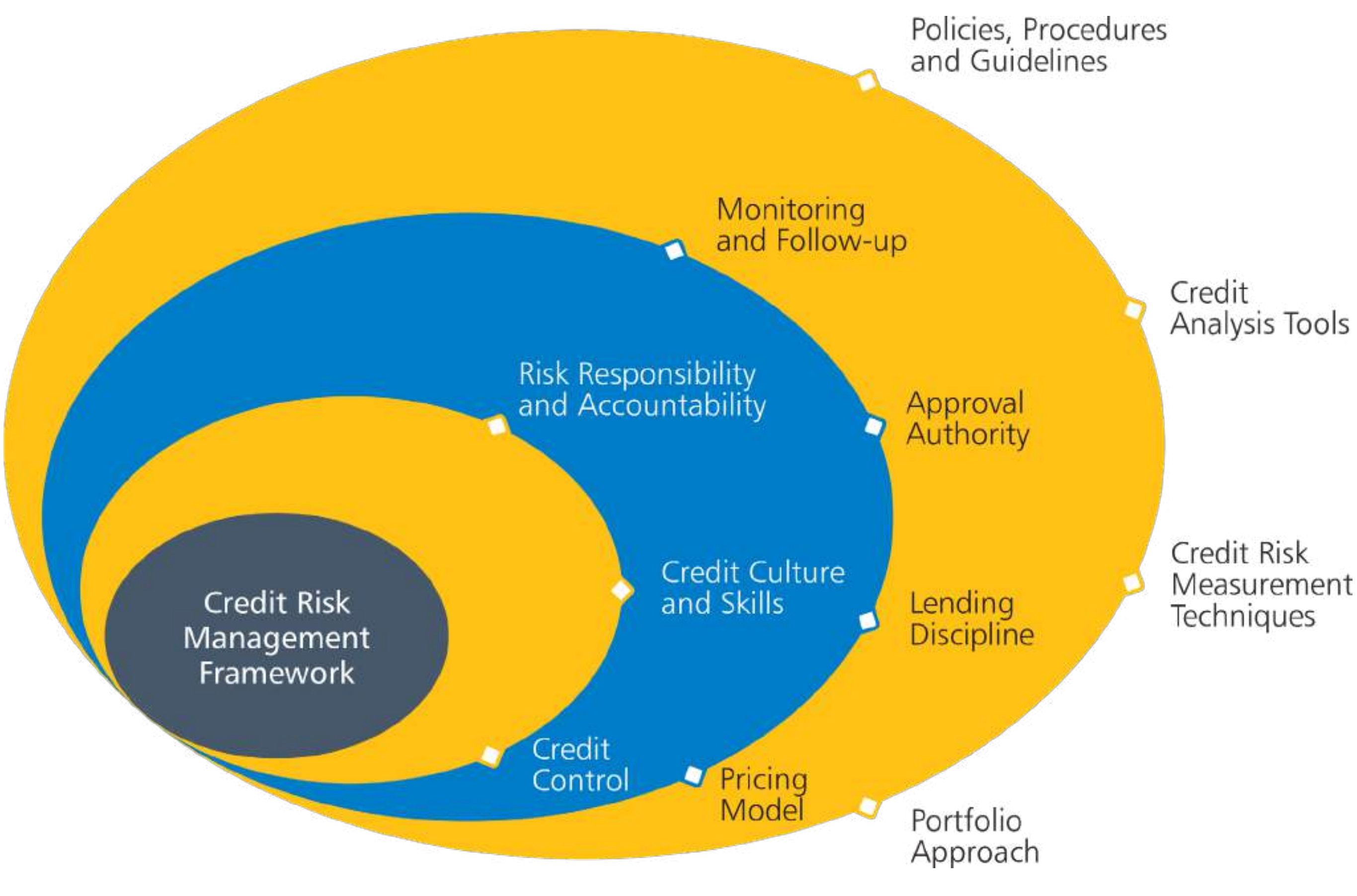
Reputational risk is defined as the risk of current or prospective negative impact on the Bank's earnings, or capital arising from damage to the Bank's reputation in the perception of major stakeholders. The Bank seeks to manage reputational risk through a reputational risk management framework that focuses on:

- Identifying key reputational risk indicators under each driver;
- Establishing the roles and responsibilities of different entities in the reputational risk assessment and management process; and
- Developing a formalised and structured approach for managing risks to the Bank's reputation.

The Bank has identified various reputational risk indicators and has classified these under several drivers such as but not limited to; customer satisfaction; financial soundness; corporate governance; management integrity; business practice; risk management and control environment; regulatory compliance; staff competence; and crisis management. These parameters are used for assessing and managing reputation risk.

Under Pillar II, the Bank assesses reputational risk based on reputational risk scorecards to assess risk through key drivers that influence the Bank's reputation in the perception of its significant stakeholders.

Bank's Credit Risk Management Policy Framework



RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

Gross Credit Risk Exposure before Risk, Mitigants(EGP,000)

As at 31 December 2021 - (EGP,000)			
Description	**Funded**	**Unfunded**	**Total**
1. Cash items (Mandatory Reserve)	4,597,605	0	4,597,605
2. Claims on sovereigns	19,917,418	0	19,917,418
3. Claims on public sector entities (PSEs)	1,351,700	0	1,351,700
4. Claims on banks	3,639,063	80,435	3,719,497
5. Claims on corporate	15,905,166	5,939,933	21,845,100
6. Regulatory retail exposures	8,877,289	4,886	8,882,174
7. Past due exposures	706,276	49,319	755,595
8. Other exposures	1,212,456	0	1,212,456
Total	**56,206,973**	**6,074,573**	**62,281,546**

Geographic Distribution – All Exposures (EGP,000)

As of 31 December 2021 - (EGP,000)						
Description	**Domestic (Egypt)**	**Other Middle East**	**Europe**	**Asia Pacific**	**Rest of World**	**Total**
1. Cash items (Mandatory Reserve)	4,597,605					4,597,605
2. Claims on sovereigns	19,917,418					19,917,418
3. Claims on public sector entities (PSEs)	1,351,700					1,351,700
4. Claims on banks	2,693,455	40,145	849,743	46,698	89,457	3,719,497
5. Claims on corporate	21,845,100					21,845,100
6. Regulatory retail exposures	8,882,174					8,882,174
7. Past due exposures	755,595					755,595
8. Other exposures	1,212,456					1,212,456
Total	**61,255,504**	**40,145**	**849,743**	**46,698**	**89,457**	**62,281,546**

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

Geographic Distribution – Funded Exposures (EGP,000)

As of 31 December 2021 - (EGP,000)						
Description	**Domestic (Egypt)**	**Other Middle East**	**Europe**	**Asia Pacific**	**Rest of World**	**Total**
1. Cash items (Mandatory Reserve)	4,597,605					4,597,605
2. Claims on sovereigns	19,917,418					19,917,418
3. Claims on public sector entities (PSEs)	1,351,700					1,351,700
4. Claims on banks	2,663,213	32,307	812,897	41,189	89,457	3,639,063
5. Claims on corporate	15,905,166					15,905,166
6. Regulatory retail exposures	8,877,289					8,877,289
7. Past due exposures	706,276					706,276
8. Other exposures	1,212,456					1,212,456
Total	**55,231,124**	**32,307**	**812,897**	**41,189**	**89,457**	**56,206,973**

Geographic Distribution – Unfunded Exposures (EGP 000)

As of 31 December 2021 - (EGP,000)						
Description	**Domestic (Egypt)**	**Other Middle East**	**Europe**	**Asia Pacific**	**Rest of World**	**Total**
1. Cash items (Mandatory Reserve)						
2. Claims on sovereigns						0
3. Claims on public sector entities (PSEs)						0
4. Claims on banks	30,243	7,838	36,846	5,509		80,435
5. Claims on corporate	5,939,933					5,939,933
6. Regulatory retail exposures	4,886					4,886
7. Past due exposures	49,319					49,319
8. Other exposures						0
Total	**6,024,381**	**7,838**	**36,846**	**5,509**	**0**	**6,074,573**

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)
Gross Credit Exposure – Residual Contractual Maturity (EGP,000)

As at 31 December 2021 - (EGP,000)					
Description	**Less than 1 Month**	**1 Month to 1 Year**	**1 Year to 5 Years**	**Over 5 Years**	**Total**
1. Cash items (Mandatory Reserve)	4,213,379	384,226			4,597,605
2. Claims on sovereigns	887,906	8,760,654	8,591,525	1,677,334	19,917,418
3. Claims on public sector entities (PSEs)	251,616	395,010	480,005	225,070	1,351,700
4. Claims on banks	3,091,684	465,889	161,925		3,719,497
5. Claims on corporate	6,737,017	6,029,485	4,621,258	4,457,339	21,845,100
6. Regulatory retail exposures	250,473	338,576	6,170,416	2,122,710	8,882,174
7. Past due exposures	430,174	30,889	224,468	70,064	755,595
8. Other exposures	751,709	76,869	283,878	100,000	1,212,456
Total	**16,613,957**	**16,481,597**	**20,533,474**	**8,652,518**	**62,281,546**

Impaired Credit Facilities and Provision – by Category (EGP, 000)

As at 31 December 2021 - (EGP,000)			
Description	**Stage 3**	**Stage 3 provision**	**Stage 1&2 provisionv**
1. Claims on banks			6,327
2. Claims on corporate	441,189	216,107	305,745
3. Regulatory retail exposures	314,406	157,085	169,975
Total	**755,595**	**373,191**	**482,047**

Impaired Credit Facilities and Provision - by Geographic Area (EGP,000)

As at 31 December 2021 - (EGP,000)			
Description	**Stage 3**	**Stage 3 provision**	**Stage 1&2 provisionv**
Egypt	755,595	373,191	482,047
Other Middle East			
Europe			
Asia Pacific			
Rest of World			
Total	**755,595**	**373,191**	**482,047**

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)
Risk Weighted Exposure Post Credit Conversion and Risk Mitigation (EGP,000)

As at 31 December 2021 - (EGP,000)			
Description	**Stage 3**	**Stage 3 provision**	**Stage 1&2 provisionv**
1. Claims on sovereigns	1,301,441		1,301,441
2. Claims on public sector entities (PSEs)		975,799	975,799
3. Claims on banks	772,504	900,648	1,673,152
4. Claims on corporate		16,475,651	16,475,651
5. Regulatory retail exposures		4,976,989	4,976,989
6. Past due exposures		301,565	301,565
7. Other exposures		2,451,470	2,451,470
Total	**2,073,945**	**26,082,121**	**28,156,066**

Counter Party Credit Risk

The Bank has put in place risk policies and processes to identify, measure, monitor and report on counter party credit risk. These policies are integrated into credit risk management and have been applied in determining the internal house limits for maximum exposure, based on the counterparty's credit rating. High grade counter parties will attract higher limit exposure, while low credit grade customers will be restricted to lower level exposure. These limits have been determined based on the probability of default associated with each risk grade of borrowers. The bank seeks to minimise unexpected losses based on the probability of default.

For derivatives, the limits structure that has been set up is based on the tenor of the contract and the risks which are the function of the volatility of the underlying. Counterparty limits structures are in place by product limits including for daily maximum delivery risk.

The Bank has implemented policies for accepting and securing collaterals as risk mitigation, as well as processes for monitoring valuation fluctuations and legally securing collateral to protect the Bank's interest. Processes and methods are in place for the continuous monitoring of fluctuations in the values of collateral support on counter party credit.

Credit Risk Mitigation

The policies and processes for on- and off-balance sheet netting (and the extent to which the Bank makes use of them); the policies and processes for collateral valuation and management; and a description of the main types of collateral taken, are described below.

Credit Risk Mitigation (CRM) encompasses collateral management, credit guarantee and netting arrangements. Netting techniques are currently not employed as a CRM technique.

However, the Bank has in place a mechanism of collateral valuation and management. All listed equity collateral is valued daily, for collateral coverage determination. To manage the concentration risk of equity collateral, the Bank has a stipulated percentage of paid-up capital of the company as the maximum that can be accepted as collateral. In respect of real estate collateral, two valuations are obtained of which one will be the valuator approved by CBE. The average of the two valuations will be considered. Real estate collateral is valued regularly.

The Bank normally accepts the following types of collateral:

- Equity shares and funds
- Cash and deposits
- Real estate comprising of income-producing and non-income producing assets.
- Ministry of Finance Guarantee (MOF)

Among other Risk mitigants, the Bank also insists on the assignment of Insurance on inventories, plants and machinery and also accepts unlisted equity, guarantees of individuals, corporates and banks, based on their creditworthiness and rating grades.

In this respect, the Bank has put in place specific policies over the types of collateral that are acceptable.

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)

In addition, it has set up processes to properly value the collateral support provided and to ensure that this support is secured legally, including documentation. Adequate legal processes are in place to ensure that documentation is adequate to protect the Bank's interest. In addition, the Bank also has in place to monitor the valuation continuously to ensure adequate coverage over the credit exposures.

Guarantors who provide collateral support are assessed for their credit worthiness based on their financial strength and external ratings, if available. In the case of individuals, their personal net worth is taken into account, while for corporate guarantors, their financial strength is assessed and rated. External agency ratings are used in the case of financial institutions.

Collateralised Credit Exposure With Eligible Collateral (EGP,000)

As at 31 December 2021 - (EGP,000)								
Description	Gross Credit Exposure	Cash Collaterals	Cash	Guarantees	Real-estate Mortgage	Commercial Mortgage	Securities	Collateralized Exposures
1. Cash items (Mandatory Reserve)	4,597,605							0
2. Claims on sovereigns	19,917,418							0
3. Claims on public sector entities (PSEs)	1,351,700	45,854	472,544					518,398
4. Claims on banks	3,719,497	2,475		4,526				7,002
5. Claims on corporate	21,845,100	3,140,921	77,555	315,134	70,000	156,498	99,368	3,859,476
6. Regulatory retail exposures	8,882,174	2,244,245			1,458			2,245,702
7. Past due exposures	755,595	37,823		20,250				58,073
8. Other exposures	1,212,456							0
Total	**62,281,546**	**5,471,318**	**550,099**	**339,911**	**71,458**	**156,498**	**99,368**	**6,688,651**

Credit Risk Exposure After Conversion Factor and CRM (EGP,000)

As at 31 December 2021 - (EGP,000)			
Description	Before CRM	CRM	Net exposure
1. Cash items (Mandatory Reserve)	4,597,605	0	4,597,605
2. Claims on sovereigns	19,917,418	0	19,917,418
3. Claims on public sector entities (PSEs)	1,351,700	0	1,351,700
4a. Claims on banks - rated	2,003,757	(1,238)	2,002,520
4b. Claims on banks - unrated	1,675,540	(1,132)	1,674,408
5. Claims on corporate	18,397,062	(2,238,953)	16,158,109
6. Regulatory retail exposures	8,877,472	(2,293,252)	6,584,221

RISK MANAGEMENT (continued)
RISK MANAGEMENT STRUCTURE AND PROCESS (continued)
Credit Risk Exposure After Conversion Factor and CRM (EGP,000)

As at 31 December 2021 - (EGP,000)			
Description	Before CRM	CRM	Net exposure
7. Past due exposures	730,983	(429,418)	301,565
8. Other exposures	2,907,585	0	2,907,585
Total	**60,459,123**	**(4,963,992)**	**55,495,131**

Capital Requirements for Market Risk Exposures
The Bank uses a standardised approach for measuring the market risk of its portfolio consisting of FX, equity and derivative instruments.

Capital Requirments For Market Risk Exposures (EGP,000)	2021	2020
Capital required for debt instruments	789	3
Capital required for Securities	202	0
Capital required for Mutual Funds		14,813
Minimum capital required for market risk	**991**	**14,817**

Capital Requirements For Operational Risk
The Bank uses the Basic Indicator Approach- BIA to measure operational risk.

Capital Requirements For Operational Risk(EGP,000)	2021	2020
Gross Income - Year 1	1,660,286	1,522,350
Gross Income - Year 2	2,177,128	1,660,286
Gross Income - Year 3	2,569,311	2,177,128
Total Gross Income	6,406,725	5,359,764
Capital requirements for operational risk	**320,336**	**267,988**

Leverage Ratio
Within the framework of implementing Basel III reforms, Central Bank of Egypt has issued regulations on the application of a leverage ratio effective 2018. The regulation prescribes a minimum ratio requirement of 3% and is calculated as Tier 1 capital divided by the leveraged exposures. The leverage ratio computed as at 31st December 2021 & 31st December 2020 is disclosed in the table below.

Item (EGP,000)	2021	2020
Tier I	4,511,415	4,047,728
Total Exposures (On & Off-balance Sheet)	60,203,069	43,544,154
Total Exposures (On-balance Sheet)	57,076,163	41,485,924
Total Exposures (Off-balance Sheet)	3,126,906	2,058,229
Financial Leverage	**7.49%**	**9.30%**

Consolidated Financial Statements

31 December 2021

Al Ahli Bank of Kuwait - EGYPT (S.A.E)

Contents	**Page**

Allied for Accounting and Auditing – EY
Accountants & Consultants

Kreston Egypt
Accountants & Consultants

AUDITORS' REPORT

To the shareholders of Al Ahli Bank of Kuwait- Egypt (S.A.E)

Report on the consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Al Ahli Bank of Kuwait- Egypt (S.A.E) and its subsidiaries (The group) which compromises the consolidated financial position as of December 31, 2021 and the related consolidated statements of income, changes in equity and consolidated cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Al Ahli Bank of Kuwait- Egypt (S.A.E) as of December 31, 2021 and of its financial performance and its consolidated cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26,2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these consolidated financial statements.

Cairo: : February 9,2022

Auditors

Ashraf Mohamed Ismail
FRA No. 102
Allied for Accounting and Auditing - EY
Public Accountants & Consultants

Gomaa Farag Gomaa
FRA No. 345
Kreston Egypt
Public Accountants & Consultants

Al Ahli Bank of Kuwait - EGYPT (S.A.E)
Consolidated Balance Sheet – For the year ended 31 December 2021
(All amounts are shown in Egyptian Pounds unless otherwise stated)

	Notes	31 December 2021	31 December 2020
Assets			
Cash and balances with the central bank (mandatory reserve)	(7)	5 056 165 564	5 609 166 716
Due from banks	(8)	3 072 075 127	1 665 615 738
Loans and advances to banks	(9)	562 629 089	548 077 471
Loans and advances to customers	(10)	26 183 278 275	20 535 814 457
Financial Investments:	(11)		
- Fair value through P&L		75 141 761	47 710 012
- Fair value through OCI		18 486 597 561	10 166 751 900
- Amortized cost		1 752 423 234	1 319 744 606
Intangible assets	(13)	-	487 636
Other assets	(14)	1 121 413 897	1 008 160 259
Deferred tax assets	(15)	20 625 508	15 199 594
Fixed assets	(16)	508 852 100	387 826 576
Investment property	(17)	4 231 084	4 344 710
Total Assets		**56 843 433 200**	**41 308 899 675**
Liabilities and shareholders' equity			
Liabilities			
Due to banks	(18)	2 304 533 065	1 744 010 358
Customers' deposits	(19)	47 869 729 349	33 541 144 757
Derivative financial instruments	(20)	1 880 075	1 987 830
Other liabilities	(21)	1 530 043 369	1 651 914 490
Other provisions	(22)	173 273 217	137 196 407
Retirement benefit obligations	(23)	84 519 442	82 705 750
Total liabilities		**51 963 978 517**	**37 158 959 592**
Shareholders' Equity	(24)		
Paid up capital		3 234 662 006	1 617 331 003
Reserves		688 963 267	508 366 981
Retained Earnings		955 715 519	2 024 137 844
		4 879 340 792	**4 149 835 828**
Non-controlling interest	(25)	113 891	104 255
Total Shareholders' equity		**4 879 454 683**	**4 149 940 083**
Total Liabilities and Shareholders' Equity		**56 843 433 200**	**41 308 899 675**

Approved on 26 January 2022
- The attached notes from page 9 to page 81 form a part of these financial statements.

Khaled Nabil El Salawy
CEO & Managing Director

Ali Ebrahim Marafi
Chairman

Auditors' report attached

Al Ahli Bank of Kuwait - EGYPT (S.A.E)
Consolidated Statement of Income – For the year ended 31 December 2021
(All amounts are shown in Egyptian Pounds unless otherwise stated)

		31 December 2021	31 December 2020
Interest income and similar revenues		5 210 639 683	4 116 610 000
Interest expense and similar charges		(3 052 344 569)	(2 227 408 083)
Net interest income	(28)	**2 158 295 114**	**1 889 201 917**
Fees and commission income		436 853 561	346 864 533
Fees and commission expense		(140 269 133)	(106 365 404)
Net fees and commission income	(29)	**296 584 428**	**240 499 129**
Dividend income	(30)	43 129 041	14 527 502
Net trading income	(31)	65 740 671	85 991 508
Gain from financial investments	(11)	7 425 485	9 656 798
Impairment on loans loss	(32)	(382 362 366)	(310 345 352)
General and administrative expenses	(33)	(826 715 109)	(831 775 794)
Other operating expense	(34)	(54 557 174)	(110 257 245)
Profit for the year before income tax		**1 307 540 090**	**987 498 463**
Income tax expense	(38)	(460 441 999)	(312 719 539)
Profit for the year after income tax		**847 098 091**	**674 778 924**
Profit attributable to:			
Parent company share		847 088 455	674 772 756
Non-controlling interest		9 636	6 168
		847 098 091	**674 778 924**
***Earning per share**	(35)	**4.08**	**3.25**

*** On November 2021, the number of shares was doubled based on stock dividends to shareholders from retained earnings**

- The attached notes from page 9 to page 81 form a part of these financial statements.

Al Ahli Bank of Kuwait - EGYPT (S.A.E)
Consolidated Statement of Comprehensive Income – For the year ended 31 December 2021
All amounts are shown in Egyptian Pounds unless otherwise stated)

	31 December 2021	31 December 2020
Net profit for the year	**847 098 091**	**674 778 924**
Items that will not be reclassified to income statement		
Changes in Fair value through other comprehensive income of equity instrument	7 069 251	64 272 767
Re-measurements of post-employment benefit obligation	202 225	11 513 439
	7 271 476	**75 786 206**
Items that are or will be reclassified subsequently to income statement:		
Changes in fair value through other comprehensive income of debt instrument	(53 513 050)	29 644 036
Changes in allowance for expected credit losses of fair value through other comprehensive income	(1 064 347)	1 993 986
	(54 577 397)	**31 638 022**
Total items of comprehensive income for the year	**(47 305 921)**	**107 424 228**
Total comprehensive income for the year	**799 792 170**	**782 203 152**

- The attached notes from page 9 to page 81 form a part of these financial statements.

Al Ahli Bank of Kuwait - EGYPT (S.A.E)
Consolidated Statement of Cash Flows – For the year ended 31 December 2021
(All amounts are shown in Egyptian Pounds unless otherwise stated)

	Notes	31 December 2021	31 December 2020
Cash flows from operating activities			
Profit for the year before income taxes		**1 307 540 090**	**987 498 463**
Adjustments for the year Profit from operating activities			
Depreciation and amortization		94 859 642	84 803 359
Impairment on loans loss		379 564 590	315 393 737
Other provisions		36 974 855	43 310 443
Gain from financial investments		(7 425 485)	(9 656 798)
Dividends Income		(43 129 041)	(14 527 502)
Foreign exchange from revaluation of foreign currencies of other provisions		(40 169)	(84 726)
Gain / Loss from sale of fixed assets		(3 180 862)	(1 973 036)
Amortization of Premium / Discount		(3 472 145)	(1 375 485)
Provisions used other than impairment loans provisions		(857 876)	(134 277)
Operating income before changes in assets and liabilities provided from operating activities		**1 760 833 599**	**1 403 254 178**
Net decrease (increase) in assets			
Due from banks		(1 513 893 800)	1 418 496 750
Balances with central bank (mandatory reserve)		568 834 053	(1 266 604 749)
Treasury bills		(3 987 331 334)	(488 293 961)
Loans to Banks		(14 551 618)	(228 687 020)
Loans to customers		(6 027 028 409)	(2 079 257 842)
Other assets		(113 253 638)	(352 518 519)
Trading Investments		(28 803 340)	38 834 328
Net increase (decrease) in liabilities			
Due to banks		560 522 707	(1 108 552 499)
Customers' deposits		14 328 584 592	5 368 249 620
Derivative financial instruments		(107 755)	(4 023 855)
Other liabilities		(201 898 996)	512 624 490
Income taxes paid		(380 414 124)	(299 354 803)
Retirement benefit obligations		1 813 692	(6 995 901)
Net cash flows provided from operating activities		**4 953 305 629**	**2 907 170 217**

- The attached notes from page 9 to page 81 form a part of these financial statements.

Al Ahli Bank of Kuwait - EGYPT (S.A.E)
Consolidated Statement of Cash Flows – For the year ended 31 December 2021
(All amounts are shown in Egyptian Pounds unless otherwise stated)

		31 December 2021	31 December 2020
Cash flows from investing activities			
Payments to purchase fixed assets and branches preparation		(217 303 777)	(54 739 219)
Proceeds from sale of fixed assets		5 087 109	3 649 434
Payments of financial investments other than trading financial assets		(4 613 960 382)	(2 573 953 178)
Dividends Income		43 129 041	14 527 502
Net cash flow used in investing activities		**(4 783 048 009)**	**(2 610 515 461)**
Cash flows from financing activities			
Dividends paid		**(63 644 000)**	**(50 400 000)**
Net cash flow used in financing activities		**(63 644 000)**	**(50 400 000)**
Net increase in cash and cash equivalents during the year		**106 613 620**	**246 254 756**
Cash and cash equivalents at beginning of the year		**859 352 175**	**613 097 419**
Cash and cash equivalents at end of the year		**965 965 795**	**859 352 175**
Cash and cash equivalents are represented in			
Cash and due from Central Banks		5 058 116 483	5 611 255 433
Due from banks		3 073 278 725	1 665 615 738
Treasury bills		8 556 155 090	4 367 822 167
Due from Central Banks (mandatory reserve)		(4 597 605 063)	(5 166 439 116)
Deposits with banks (maturity more than three months from the date of acquisition)		(2 766 392 350)	(1 252 498 550)
Treasury bills (maturity more than three months from the date of acquisition)		(8 357 587 090)	(4 366 403 497)
Total cash and cash equivalents	(25)	**965 965 795**	**859 352 175**

- The attached notes from page 9 to page 81 form a part of these financial statements.

Al Ahli Bank of Kuwait - EGYPT (S.A.E)
Consolidated Statement of Changes in Owners' Equity – For the year ended 31 December 2021
(All amounts are shown in Egyptian Pounds unless otherwise stated)

(Amounts expressed in Egyptian Pounds)

Descriptions	Paid in capital	Legal reserve	General reserve	Capital reserve	Special reserve	Comprehensive income reserve	General banking risk reserve	Other reserve	General risk reserve	Retained Earnings	Total equity	Minority interest	Total
Balance as at January 1, 2020	**1 617 331 003**	**74 016 078**	**13 539 645**	**227 400**	**4 280 968**	**292 590 169**	**6 708 049**	**(22 521 124)**	**4 242 264**	**1 427 624 392**	**3 418 038 844**	**98 087**	**3 418 136 931**
Transfer to legal reserve	-	27 076 516	-	-	-	-	-	-	-	(27 076 516)	**-**	-	**-**
Profit share for the year 2019	-	-	-	-	-	-	-	-	-	(50 400 000)	**(50 400 000)**	-	**(50 400 000)**
Transfer from general banking risk reserve	-	-	-	-	-	-	782 788	-	-	(782 788)	**-**	-	**-**
Comprehensive income for the year	-	-	-	-	-	95 910 789	-	11 513 439	-	-	**107 424 228**	-	**107 424 228**
Net profit for the year	-	-	-	-	-	-	-	-	-	674 772 756	**674 772 756**	6 168	**674 778 924**
Balance as at December 31, 2020	**1 617 331 003**	**101 092 594**	**13 539 645**	**227 400**	**4 280 968**	**388 500 958**	**7 490 837**	**(11 007 685)**	**4 242 264**	**2 024 137 844**	**4 149 835 828**	**104 255**	**4 149 940 083**
Balance as at January 1, 2021	**1 617 331 003**	**101 092 594**	**13 539 645**	**227 400**	**4 280 968**	**388 500 958**	**7 490 837**	**(11 007 685)**	**4 242 264**	**2 024 137 844**	**4 149 835 828**	**104 255**	**4 149 940 083**
Transfer to the legal reserve	-	33 790 860	-	-	-	-	-	-	-	(33 790 860)	**-**	-	**-**
Profit share for the year 2020	-	-	-	-	-	-	-	-	-	(63 644 000)	**(63 644 000)**	-	**(63 644 000)**
Transfer to capital reserve	-	-	-	1 973 036	-	-	-	-	-	(1 973 036)	**-**	-	**-**
Bank's share of banking sector development fund	-	-	-	-	-	-	-	-	-	(6 633 570)	**(6 633 570)**	-	**(6 633 570)**
Transfer to general banking risk reserve	-	-	-	-	-	-	192 138 311	-	-	(192 138 311)	**-**	-	**-**
Comprehensive income for the year	-	-	-	-	-	(47 508 146)	-	202 225		-	**(47 305 921)**	-	**(47 305 921)**
Profit distributed for shareholders (Stock Dividends)	1 617 331 003	-	-	-	-	-	-	-		(1 617 331 003)	**-**	-	**-**
Net profit for the year	-	-	-	-	-	-	-	-	-	847 088 455	**847 088 455**	9 636	**847 098 091**
Balance as at December 31, 2021	**3 234 662 006**	**134 883 454**	**13 539 645**	**2 200 436**	**4 280 968**	**340 992 812**	**199 629 148**	**(10 805 460)**	**4 242 264**	**955 715 519**	**4 879 340 792**	**113 891**	**4 879 454 683**

- The attached notes from page 9 to page 81 form a part of these financial statements.

1. General Information

Al Ahli Bank of Kuwait - EGYPT (S.A.E) is involved in providing corporate, retail, and investment banking services in Arab Republic of Egypt and abroad through its head office located in Cairo and 44 branches. The Bank has 1 195 employees at the date of balance sheet.

The Bank has been incorporated under the name of Alexandria Kuwait International Bank in accordance with the ministerial resolution No. 119 of 1978. Then, the name was changed to the "Egyptian Commercial Bank" in accordance with the ministerial resolution No. 107 of 1997. Having the share capital of the bank increased to EGP 500 million, Piraeus Bank Greece owned 87.97% of the Bank shares. Accordingly, the name of the Bank has been changed to "Piraeus Bank – Egypt" in accordance with the ministerial resolution No. 209/2 of 2006 issued on 25 January 2006. Thereafter, the share capital has been increased many times to the extent that the shareholding of Piraeus Bank Greece reached to 98.49 %. On 21 May 2015, Piraeus Bank Egypt announced that it has entered into a final agreement with Al Ahli Bank of Kuwait to acquires its entire interest. On 10 November 2015, ownership of the shares listed in the Egyptian Exchange was transferred and, on 25 July 2016, the commercial register was amended by changing the name of the bank to "Al Ahli Bank of Kuwait - EGYPT (S.A.E)". Al Ahli Bank of Kuwait – EGYPT has acquired some shares, therefore the shareholding of Al Ahli Bank of Kuwait – EGYPT reached 98.60% in the date of balance sheet.

The Bank was incorporated as an Egyptian shareholding company under the law 43 of 1974, amended by the law no 8 of 1997 regarding investment guarantees and incentives in Arab Republic of Egypt. The head office of the Bank is at Smart Village - Km. 28, Cairo / Alexandria Desert Road – Giza governate - building no. B227 - B228 - 12577 - Egypt.
The Group and its subsidiaries (called together as the "Group") tend to provide services as follows:

- All aspects of finance leasing.
- Capital Risk Management.

2. Basis of preparation of the financial statements

These consolidated financial statements have been prepared in accordance with the regulations of the Central Bank of Egypt (CBE) approved by its Board of Directors on 16 December 2008, under IFRS 9 "Financial Instruments" in compliance with the regulations issued by the Central Bank of Egypt (CBE) on 26 February 2019, under the revised Egyptian accounting standards issued during the year 2015, as amended and provisions of the relevant local laws.

These consolidated financial statements of the Bank have been prepared in accordance with the provisions of the relevant local laws. Also, the consolidated financial statements of the bank and its subsidiaries have been prepared in accordance with the Egyptian Accounting Standards. The subsidiaries- in which the Bank directly or indirectly has more than half of the voting rights or the ability to control the financial and operating policies of the subsidiary, regardless the type of activity- have been entirely consolidated in the consolidated financial statements. The consolidated financial statements of Bank can be obtained from the management of the Bank. The investments in subsidiaries or associates are presented in the consolidated financial statements of the bank and are accounted by the cost less the impairment loss.

The consolidated financial statements of the Bank should be read with its consolidated financial statements for the year ended on 31 December 2021 to obtain full information on the financial position, income statements, cash flows and change in shareholders' equity of the bank.

3. Functional and presentation currency

The consolidated financial statements of the group are presented in the Egyptian pound which is the functional and presentation currency of the group.

4. Accounting estimates and assumptions

The group uses estimates and assumptions that affect the amounts of assets and liabilities that are disclosed during the next financial period. The estimates and associated assumptions are assessed regularly based on historical experience and other factors, including the expectations of the future events that are believed to be reasonable in the lite of the conditions and the available information.

5. Most Significant Adopted Accounting Policies

The most significant policies adopted in the preparation of financial statements are as following. These policies have been constantly for all the presented periods.

5.1. Subsidiaries and associates

5.1.1. Subsidiaries

Subsidiaries are all entities (including the Special Purpose Entities "SPEs") over which the group has owned directly or indirectly the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank controls another entity.

5.1.2. Transition with the non-controlling interests

The group consider transactions with non- controlling interest as transactions with external parties from the group. Disposals to non- controlling interest result in gains or losses for the Group that is recorded in the Income Statement. Purchases from non- controlling interest result in goodwill, being the difference between any considerations paid for acquired share and the carrying amount of the subsidiary net assets.

If the non- controlling interest share in accumulated losses exceed their interest in the subsidiary's equity, the excess, and any future losses applicable to the non- controlling interest, are allocated against the controlling interest except to the extent that the non- controlling interest has a binding obligation and is able to make an additional investment to cover the losses. If the subsidiary subsequently reports profits, such profits are allocated to the controlling interest until the non-controlling share of losses previously absorbed by the controlling has been recovered.

5.1.3. Associates

Associates are all entities over which the group has significant influence but not to the extent of control, and usually the group has an ownership share from 20% to 50% of the voting rights. Investments in associates are initially recognized at cost and accounted for later to the date of initial recognition using the equity method. The Group's investments in associates include goodwill (less any accumulated impairment in value that was determined on acquisition).

The group's share in the profits and losses of associate companies that result after acquisition is recognized in the income statement. The group's share of the movement in the equity of sister companies that results after acquisition is recognized within equity. The carrying amount of the associate is adjusted by the cumulative post-acquisition movement. If the group's share of the associate's losses equals or exceeds its share of the associate, including any unsecured debit balances, the group does not recognize any further losses unless the group has committed to or incurred payments on behalf of the associate.

5.1 Subsidiaries and associates (continued)

Unrealized profits from transactions with associates are eliminated to the extent of the Group's share in the associate. Unrealized losses are eliminated unless the transaction provides evidence of impairment of the exchanged asset. Accounting policies of associates have been changed as necessary to ensure the application of uniform policies for the group.

Gains and losses resulting from changes in the ownership structure of associates are recognized in the income statement.

5.2. Translation of Foreign Currencies

The accounts of the group are maintained in Egyptian pound "EGP". The foreign currencies transactions are recognized during the financial period on the basis the exchange rates prevailing at the date of transactions. The monetary assets and liabilities balances dominated in other currencies are retranslated at the end of Financial period on the basis of the prevailing rates at that date. The changes in fair value of the monetary instruments dominated in foreign currencies and classified as investments carried at fair value through comprehensive income are analyzed to the differences of assessment resulted from changes in the amortized cost of the instrument, differences resulted from change in the prevailing exchange rates and differences resulted from change in the fair value of the instrument.

The differences of assessment resulted from the non – monetary items include profits and losses resulting from change of the fair value such as the equity instruments carried at fair value through profits and losses. The differences of assessment resulted from equity instruments that are designated as investments carried at fair value through Statement of Comprehensive Income are recognized in statement of comprehensive income.

Profits or losses resulting from the settlement of such transactions are recognized in the statement of profits or losses and by the differences resulting from the translation in the following items:

- Net trading income or net income from the financial instruments recognized at fair value through profits or losses for the assets / liabilities for trading or those recognized at fair value through profits and losses based on the classification of the asset or the liability.
- The differences of change in the exchange rates are recognized.
- The differences of assessment relating to changes in the amortized cost are recognized in the statement of profits or losses under the item" loans interest and similar income" and by differences relating to the change of exchange rates under the item "other operating income (expenses)".
- Other operating income (expenses) for the other items.

5.2. Translation of Foreign Currencies (continued)

The differences of changes relating to the fair value are recognized under the items of comprehensive income and by equity for the following items:

- For the financial derivatives that are qualified for hedge (satisfying the conditions) of the cash flows risks or qualified for hedge of net investment.
- For the financial investments from the equity instruments carried at fair value through comprehensive income.

5.3. Interest income and expenses

5.3.1. Effective Interest Rate

Interest income and expenses are recognized in the statement of income under the item "loans interest and similar income "or "deposits cost and similar costs" by using the Effective Interest Method for all the interest – bearing financial instrument, except for those recognized at fair value through profits or losses.

Effective Interest Method is the method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or interest expenses over the lifetime of the related instrument. Effective Interest Rate is the rate which is used to discount the future cash flows expected to be paid or collected during the expected lifetime of the financial instrument or, when appropriate, a shorter period, to accurately determine the carrying amount of a financial asset or liability.

The group, when calculating the Effective Interest Rate, estimates the cash flows, taking into account all contractual terms of the financial instrument (such as the early payment options), but doesn't take into account the future credit losses. The calculation of effective interest should include all fees paid or received among the contract parties and are considered as an integral part of the Effective Interest Rate, costs of transaction and all other premiums and discounts. There is an assumption that the cash flows and the expected lifetime of similar financial instruments can be estimated in a reliable method. Despite of this, in some rare cases, when the cash flows and the expected lifetime of the financial instrument or a group of the financial instruments can't be estimated in a reliable method, the group has to use the contractual cash flows over the contractual lifetime of the financial instrument or a group of the financial instruments.

The costs of transaction include the fees and commission paid to agents (including the employees who work in their capacity as sales agents), consultants, brokers and dealers, the fees paid to the regulatory authorities and financial markets and tax and charges of transmissions. The costs of transactions don't include premiums or discounts of debt and finance costs, or the internal administrative costs or carrying cost.

5.3.2. Total Carrying Amount of Financial Asset or Liability or Amortized cost

Amortized cost is the amount whereby the financial asset or liability is measured on initial recognition, less the payments of the principal amount, plus or less the total consumption by using the Effective Interest Rate for any difference between such initial amount and the amount at the date of maturity, adjusted for the financial assets by any provision of Expected Credit Loss.

5.3.3. Method of Calculation of Interest Income and Expenses

Upon calculation of interest income and expenses, the Effective Interest Rate is applied on the total carrying amount of the asset (in the case of not classifying the loans or debts as non – performing or impaired) or the financial liability.

When the loans and debts are classified as non – performing or impaired based on the case, the related interest income is not recognized in the books but recorded in marginal records apart from the financial statement, and it is recognized as revenues according to the cash basis as following:

5.3 Interest income and expenses (Continued)

5.3.3. Method of Calculation of Interest Income and Expenses (Continued)

When they are collected, after receiving all past due instalments for consumption loans, personal mortgage loans, and small business loans.

For corporate loans, cash basis is also applied, where the return subsequently calculated added to loan amount in accordance with the loan rescheduling contract, until 25% of the rescheduling instalments are repaid, with a minimum of one period of regular repayment scheme. In case the counterparty persists to regularly pay, the return calculated on the loan outstanding is recognized in interest income. (interest on rescheduling balance) without marginal interest before rescheduling which is not recognized as revenues except after paying all the loan balance in the Balance Sheet before rescheduling.

5.4. Fees and commissions income

Fees charged for servicing a loan or facility are recognized as revenue when the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded in marginal records apart from the financial statements. These are recognized as revenue - on a cash basis - only when interest income on those loans is recognized in accordance with what's provided in the item (5-3-1), at which time, fees and commissions that are an integral part of the original effective interest rate of a financial asset are generally treated as an adjustment to the effective interest rate.

Loan commitment fees for loans that are likely to be drawn down are deferred as commitment fees received by the group are considered as a compensation for continuous intervention to acquire the financial instrument. Then, these fees are recognized as a revised adjustment to the effective interest rate on the loan. In the case that the commitment period expires without the group issuing the loan, the fees are recognized as income at the end of the commitment period, and the fees relating to the debt instruments that are measured at its fair value are recognized as revenues on initial recognition. Loan syndication fees are recognized as revenue when the syndication has been completed and the group has retained no part of the loan package for itself or has retained a part at the same effective interest rate as the other participants.

Commission and fees arising from negotiating, or participating in the negotiation of, a transaction for a third party – such as the arrangement of the acquisition of shares or other debt instruments or the purchase or sale of businesses – are recognized in statement of income on completion of the underlying transaction. Other management advisory and service fees are recognized based on the applicable service contracts, usually on a time-apportion basis. Fees of financial planning management and carrying services provided over long periods of time are recognized over the period when the service is provided.

5.5. Dividend income

Dividends are recognized in the statement of income when the Bank's right to receive payment is established.

5.6. Income tax

The income tax on profits or losses for the period includes both current tax and deferred tax and is recognized in the statement of income, except for the income tax that relates to items of equity which are directly recognized into equity. Income tax is calculated on the net taxable profits using the prevailing tax rates in the balance sheet date in addition to tax adjustments for previous periods.

Deferred taxes arising from temporary differences between the carrying amount of the assets and liabilities in accordance with the accounting bases and their value in accordance with the tax bases are recognized. Deferred tax value is determined based on the expected method used to realize or settle the values of these assets and liabilities, using the tax rates prevailing in the balance sheet date.

Deferred tax assets of the group are recognized when there is a reasonable probability that future taxable profits will be realized through which the asset can be utilized. Deferred tax assets are reduced by the portion that will not be realized for the expected tax benefit over the following periods.

However, if the expected tax benefit increases, deferred tax assets will be increased within the limits of the foregoing.

5.7. Financial Assets and Financial Liabilities

5.7.1. Initial Recognition and Measurement

The group initially recognizes the financial assets and liabilities in date the group becomes a party in the contractual provisions of the financial instrument. The financial asset or liability is initially measured at fair value. In respect of those that are not consequently measured at fair value through profits and losses, they are measured at fair value plus the cost of transaction that's directly associated with the process of acquisition or issuance.

5.7.2. Classification

Financial Assets

On initial recognition, the group classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income (FVTOCI) and financial assets at fair value through profit or loss (FVTPL). The financial asset is measured at amortized cost if it meets the two following conditions and it is not designated by the group management, on initial recognition, at fair value through profits or losses:

- The financial asset is held in the business model of to collect the contractual cash flows.
- The contractual terms of the financial asset, in specific dates, result in contractual cash flows of the asset represented in the payment of principle and interest (SPPI).

Debt instrument is measured at fair value through other comprehensive income "FVTOCI" if it is not designated at fair value through profit or loss and the following two conditions are met:

- The asset is held in business model to collect contractual cash flow and sell the financial asset.
- The contractual terms of the financial asset, in specific dates, result in contractual cash flows of the asset represented that are not only represented in the original debt and interest.

Upon the initial recognition of equity interest not held for trading, the group can irrevocably choose to present the subsequent changes in the fair value in the statement of comprehensive income and this option is for case – by – case investment.

The other remaining financial assets are classified as financial investments at fair value through profits or losses.

Additionally, the group, on initial recognition, can irrevocably assign a financial asset to be measured at fair value though profits or losses, despite of satisfying the condition of classification as a financial asset carried at amortized cost or at fair value though comprehensive income, if doing so ceases or significantly decreases the inconsistency that may arise in the accounting measurement.

Summary of classification and measurement of debt instruments and entity instruments is set out as following:

Measurement methods based on business models			
		Fair value	
Financial Instrument	**Amortized cost**	**Through comprehensive income**	**Through profits or losses**
Equity instruments		One- time option that's revoked on the initial recognition.	Regular transaction of equity instruments
Debt instruments	Business model of the assets held to collect the	Business model of the assets held to collect the	Business model of the assets held for trading.

	contractual cash flows and sell.	contractual cash flows and sell.	

5.7 Financial Assets and Financial Liabilities (continued)
Business Model Assessment
The group assesses the objective of business model at the portfolio level through which the financial asset is held as this reflects the method of business management and the method the management provides information. Information that have to be considered when assessing objective of business model is set out below:
* Approved and documented policies, objectives of the portfolio and the adoption of such policies in reality, particularly if the strategy of management focuses only on collecting the contractual cash flows of the asset and holding a specific return to agree the maturities of financial assets with the maturities of liabilities which finance such assets or generate cash flows through selling such assets.
* How to assess and report the portfolio performance to the senior management.
* The risks that have an impact on performance of the business model, including the nature of the financial assets held in such model and the way these risks are managed.
* How to determine the assessment of the business managers' performance (fair value, the contractual cash flows, or both).
* Regularity, value, and timing of sales operations in the previous periods, the reasons of such operations and the expectations concerning the future activities of sale. However, the information on the activities of sale aren't taken into account separately, but as a part of overall assessment on how the group objective from the financial assets' management is achieved and how the cash flows are generated.

The financial assets held for trading or those managed, and their performance assessed based on the fair value are measured at fair value through profits or losses as they aren't held to collect contractual cash flows or to collect contractual cash flows and sell financial assets.

Summary of business model in line with requirements of IFERS 9 and in a way reflecting the strategy adopted by the group to manage the financial assets and their cash flows is set out below:

Financial Asset	Business Model	Main Characteristics
Financial assets at amortized cost	Business model of the financial assets held to collect the contractual cash flows.	The objective of business model is to hold the financial assets to collect the contractual cash flows represented in the principal amount and interests. Sale is an exceptional contingent event in respect of the objective of this model and in accordance with the conditions provided in the standard that are represented in the existence of deterioration in the credit capacity of the source of financial asset. Less sales in respect of regularity and value. The group carries out a clear and reliable documentation process for the expedients of each sale operation and to what extent it's in compliance with the requirements of the standard.

5.7 Financial Assets and Financial Liabilities (continued)

Financial Asset	Business Model	Main Characteristics
Financial assets at fair value through comprehensive income	Business model of the financial assets held to collect the contractual cash flows and sale	Both collection of contractual cash flows and sale are integral to achieve the objective of this model. High sales (in respect of regularity and value) compared with the business model held to collect the contractual cash flows.
Financial assets at fair value through profits or losses	Other business models (including trading – managing the financial assets based on the fair value – maximizing the cash flows by sale)	The objective of business model is not to hold the financial asset to collect the contractual cash flows or that's held to collect the contractual cash flows and sale. Managing the financial assets on the part of management based on the fair value through losses or profits to avoid the mismatch in the accounting measurement.

Assessment Whether the Contractual Cash Flows of the Financial Asset Represent Solely Payments of Principal and Interest of Instrument ("SPPI test").

For the purpose of this assessment, the group defines principal amount of the financial asset as fair value of the financial asset on initial recognition. The interest is the consideration of time value of money, the credit risks associated with the principal amount through a specific period, other borrowing risks, costs (such as liquidity risk and administrative costs) and marginal profit.

To assess whether the contractual cash flows of the financial asset represent Solely Payments of Principal and Interest of financial asset ("SPPI test"), the group takes into its account the contractual terms of the instrument. This assessment includes whether the financial asset includes contractual terms that may change timing or amount of the contractual cash flows, causing them not meeting this condition. **To carry out this assessment, the group considers:**

- Contingent events that may change amount and timing of the cash flows.
- Characteristics of financial leverage (interest rate, past dues, type of currency.....)
- Conditions of early payment and deadline extension.
- Conditions that limit the ability of the group to claim cash flows from specific assets.
- Characteristics that may be equivalent to the time amount of money (periodical re-pricing of the asset).

5.7.3. Re-classification

The financial assets are not reclassified after initial recognition unless– and only – when the group changes the business model relating to the management of these assets. In all cases, reclassification is not carried out among items of the financial liability at fair value through profits and losses and among the financial liabilities at amortized cost.

5.7.4. Financial Liabilities

On initial recognition, the group reclassifies the financial liabilities to financial liabilities at amortized cost and financial liabilities at fair value through profits and losses based on the objective of business model of the group.

All financial liabilities are initially recognized at fair value in the date when the group becomes a party in the contractual conditions of the financial instrument.

Financial liabilities classified at amortized cost are measured subsequently at amortized cost and by using the effective interest method.

Financial liabilities at fair value through profits or losses are measured subsequently at fair value and the change in fair value relating to change in credit rating of the group is recognized in the statement of comprehensive income, while the remaining amount from change in fair value is reflected in profits or losses.

5.7 Financial Assets and Financial Liabilities (continued)

5.7.5. De-recognition

5.7.5.1. Financial Assets

Financial asset is derecognized when the effective period of contractual right to get cash flows from the financial asset expires or when the group transfers the right in receiving the contractual cash flows in a transaction whereby the risks and benefits of ownership are significantly transferred to third party.

When a financial asset is derecognized, the difference between carrying amount of the asset (or carrying amount allocated to the part of the asset that was derecognized) and total of both received consideration (including any new received asset, less any new assumed liability) and any collective profits or losses recognized previously in the fair value reserve of the financial investments at fair value through statement of comprehensive income is recognized in the statement of profits or losses.

Any accumulative profits or losses recognized in statement of comprehensive income relating to investments in equity instruments designated as investments at fair value through statement of comprehensive income are not recognized in profits and losses when such asset is derecognized, and any share arose or was held from the asset qualified for de-recognition (satisfying the terms of de-recognition) is recognized as a separate asset or liability.

When the group enters into transactions whereby it transfers an asset previously recognized in the statement of financial position, but it fully or significantly holds most of the risks and benefits of the transferred asset or a part of it, in such cases, the transferred asset is not derecognized.

The risks that affect the business model performance, including the nature of the financial assets held in such model and the way these risks are managed. For transactions in which the group doesn't significantly retain or transfer all the risks and benefits of the ownership of asset and maintains control on the asset, the group continues to recognize the asset to the extent of its continuous association with the financial asset. The group's continuous association with the financial asset is determined by to what extent the group is exposed to the changes in the value of the transferred asset.

In some transactions, the group retains service liability of the transferred asset in return for a commission, when the transferred asset is derecognized. If it satisfies the terms of de-recognition and an asset or liability is recognized for the service contract, if the service commission is higher than the appropriate amount (asset) or less than the appropriate amount (liability) of service performance.

5.7.5.2. Financial Liabilities

The group derecognizes the financial liabilities when the obligation under the liability is discharged or cancelled or expires.

5.7.6. Amendments on Financial Assets and Financial Liabilities

5.7.6.1 Financial Assets

If a term of a financial asset is amended, the group assesses whether the cash flows of the amended asset are significantly different. If the cash flows are significantly different, the contractual rights of cash flows of the original financial asset are deemed expired, therefore the original financial asset is derecognized and a new financial asset is recognized at fair value and the fair value arising from the amendment of the total carrying amount is recognized as profits and losses in the profits or losses.

However, if this amendment occurred due to financial difficulties of the borrower, the profits are deferred and presented with the total impairment losses, while the losses are recognized in profits and losses.

5.7 Financial Assets and Financial Liabilities (continued)

5.7.6.2. Financial Liabilities

The group amends a financial liability when its terms are amended, and the cash flows of the amended liability are significantly different. In such case, a new financial liability is recognized at fair value based on the amended terms. The difference between the carrying amount of the old financial liability and the new financial liability based on the amended terms is recognized in the profits and losses.

5.7.7. Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset when there is a legally enforceable right to set off the recognized amounts and there was an intention to settle on a net basis or to receive the asset and settle the liability simultaneously.

Income and expenses are only offset if the same is permitted in accordance with the amended Egyptian Accounting Standards, the outcome of profits or losses arising from similar categories as a result of trading activity or the outcome of difference of translation of balances of monetary assets and liabilities dominated in foreign currencies and the outcome of profits (losses) dealing in foreign currencies.

5.7.8. Fair Value Measurement

The group determines the fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, taking into account, when measuring the fair value, the characteristics of the asset or the liability if the participants in the market consider these characteristics.

When pricing the asset and /or the liability in the date of measurement as these characteristics include the condition and location of the asset and the restriction on selling or using the asset and / or the way the participants in the market take the same into consideration.

The group uses the market approach to determine the fair value of the financial assets and liabilities as this approach uses the prices and other related information resulting from the transaction that include assets, liabilities or a group of assets and liabilities and are applicable or comparable. Therefore, the group may use the valuation techniques that are in compliance with the market approach such the market multiples driven from the comparable categories. Therefore, the selection of an appropriate multiple is required in the scope of the use of personal judgment, taking into account the quantitative and qualitative factors relating to the measurement.

When the market input is not reliable in determining the fair value of a financial asset or a financial liability, the group uses income approach to determine the fair value whereby the future amounts, such financial cash flows or income and expenses, are transferred to current (discounted) amount, so that that the fair value measurement reflects the current market expectations on the future amounts.

When the market input or income approach are not reliable in determining the fair value of a financial asset or a financial liability, the group uses the cost approach to determine the fair value to reflect the amount required currently to replace the asset by its current condition (current replacement cost), so that the fair value reflects the cost incurred by the market participant, as a purchaser, from the acquisition of an alternative asset with similar benefit, as the market participant, in his capacity as purchaser , will not pay for the asset more than the amount used to replace the original benefit.

5.7 Financial Assets and Financial Liabilities (continued)

The techniques of measuring the financial assets and liabilities at fair value in the financial statements under fair value hierarchy based on the levels of inputs that are considered as significant in the fair value measurement as a whole are set out below:

Level 1 - First -level inputs are the quoted (unadjusted) prices in the active markets for identical assets or liabilities that can obtained by the group at the date of measurement.

Level 2 – Second -level inputs are all the inputs other the prices quoted in the first level and these inputs are directly or indirectly observable for the asset or liability.

Level 3 – The third level inputs are the unobservable inputs for the asset or the liability.

(a) First – Level Financial Instruments

Fair value of the current financial instruments in active market is determined based on the quoted prices at the reporting date. The market is considered as active when the items traded in the market are identical and there are, generally, purchasers and sellers with desire to deal at any time in an ordinary way. The group uses the quoted bid price to determine the fair value of this level. The instruments under the first level include the investments held to maturity with the purpose of trading in stock exchange markets.

(b) Second – Level Financial Instruments

Fair values of non – current financial instruments in active market are determined by using the evaluation techniques. The evaluation techniques depend mainly on the observable inputs of the asset or liability, whether directly or indirectly. The fair value determination technique is included in the second level, if all the significant inputs are observable throughout the duration of the financial asset or liability. However, if the significant inputs are unobservable, the financial instrument is included in the third level.

Evaluation techniques used in determining the fair value of the financial instrument include:

- Quoted prices of the identical assets or liabilities in active markets.
- Interest swap contracts by calculating the present value for the expected future cash flows based on the observable interest curves
- Fair value of the future contracts of exchange rates by using the present value for the value of the expected cash flows by using the future exchange rate for the contractual currency.
- Analysis of the discounted cash flows in determining the fair value of the other financial instruments.

(c) Third – Level Financial Instruments

The valuation techniques used to measure the fair value have a minimum level of inputs. The valuation techniques include the discounted cash flow approach, the carrying amount approach, or other related valuation techniques commonly used in the market. The significant inputs of these valuation techniques include market interest rates, discount rates, similar growth rate, liquidity discount, and cash flow estimates.

5.8. Impairment of Financial Assets

IFRS 9, in accordance with the instruction issued by CBE on 26 February 2019, replaces the realized losses model provided under the instructions issued by CBE on 16 December 2008 by the expected credit losses (ECL) model. Also, the new impairment model is applied on all financial assets, in addition to some commitments and covenants of the loans and financial guarantee contracts. Under IFRS9, the expected credit losses are recognized earlier than the situation under the instructions issued by CBE on 16 December 2008.

5.8 Impairment of Financial Assets (Continued)

Impairment losses on the expected credit losses are recognized for the following financial instruments which are not measured at fair value through profits and losses and these are:

- The financial assets that represent debt instruments.
- Accounts receivable.
- Financial guarantees contracts.
- Loan commitments and commitments of similar debt instruments.

Financial assets incorporated or acquired by the group and include credit risk rate higher than the group rates for the low – risk financial assets are classified on initial recognition in the second stage directly and the impairment losses on investments in equity instruments are not recognized.

5.8.1. Classification of debt instruments to calculate the expected credit losses

The group assesses the debt instruments portfolios quarterly, at the portfolio level for all financial assets for the individuals, corporates and small, medium and micro enterprises, and regularly in respect of the financial assets for the entities classified under the following – up list to monitor the related credit risk. This assessment is also carried out at the level of the counterparty regularly. The criteria used to determine the significant increase in the credit risk are reviewed and monitored regularly by the credit risk management.

5.8.1.1. classification of debt instruments relating to the banking retail products and loans and advances of medium, small and micro entities and enterprises:

The bank is grouping the debt instruments into groups with similar credit risks and classifies them into three stages based on the quantitative and qualitative criteria as following:

Classification of Financial Instrument	**Key Determinant (Quantitative Criteria)**	**Additional Determinant Qualitative Criteria)**
First Stage: Low-credit risk financial instruments	There are no past dues	* Low – potential default risks. * Debtor has great ability in the short term to meet his obligations. * There are no events of adverse changes in the economy and business environment in the long term that negatively affect the ability of the debtor to meet his obligations.
Second stage: Financial instruments for which a significant increase occurred in the credit risks since the initial recognition, however they have not been defaulted yet as there is no objective evidence indicating the occurrence of default.	**Banking Retail Products:** More than 30 days past due from the date of the contractual installment's maturity and less than 90 days. **Loans and Advances of Medium, Small and Micro Entities and Enterprises:** More than 60 days past due from the date of the contractual installment's maturity and less than 90 days, given that this period (60 days) will be	The standard includes some indicators – for example but not limited to – that are appropriate to assess the increase occurring in the credit risk level.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	decreased gradually by nearly 10 days annually to become 30 days during three periods from the effective date June 2019	

5.8 Impairment of Financial Assets (continued)

Classification of Financial Instrument	Key Determinant (Quantitative Criteria)	Additional Determinant Qualitative Criteria)
Third Stage: Financial instruments for which the evidence/ evidences indicate that they have become defaulted (non – performing)	When the borrower becomes more than 90 days past due in the payment of the contractual installments	The standard includes some factors – for example but not limited to – that affect and provide evidence on occurrence of credit default.

5.8.1.2. Transfer from second stage to first stage

The group doesn't transfer financial asset from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid and after one period and three months of regularity of payment and meeting all terms of the first stage.

5.8.1.3. Transfer from third stage to second stage

The group doesn't transfer the financial asset the third stage to the second stage until all the following conditions have been met:

- Completion of all quantitative and qualitative elements of the second stage.
- Repayment of 25% of the balance of the outstanding financial assets, including accrued segregated / statistical interest.
- Regularity of payment for at least 12 months.

5.8.1.4. Period of recognition of the financial asset under the final category from the second stage

Period of recognition (classification) of the financial asset under the final category from the second stage doesn't exceed nine months from the date of transfer to such stage.

5.8.2. Measurement of Expected Credit Losses (ECL)

The group, at the reporting date, estimate the provision of impairment of financial instrument at a value equivalent to the lifetime expected credit losses, except for the following cases in which the provision of impairment losses is estimated at a value equivalent to the expected credit losses over 12 months:

- Debt instrument determined as having low credit risks at the reporting date (debt instruments under the first stage)
- Other financial instruments in which the credit risks have not significantly increased at the reporting date since the initial recognition (debt instruments under the first stage).

The group considers the expected credit risks as a probable – weighted estimation of the expected credit risks which are measured as following:

- Expected credit risks on the financial assets under the first stage are measured based on the present value of the total monetary deficit computed on the basis of the historical probability of default rates, amended by the expectation of the average scenarios of macro- economic indicators for the next 12 months multiplied by the value on default, taking into account the probable -weighted rates of recovery expected when calculating the loss rate for each category of the debt instruments with similar credit risks, as these expected credit risks take into account the amount and time of payments, therefore the credit losses arise, even if the entity expects the full payment, but in a subsequent time after the debt falls due under the contractual terms. The expected credit losses over 12 months are considered a part of the expected credit losses over the lifetime of the asset which result from the default in payment of a financial instrument and are probable during 12 months after the reporting date.

5.8 <u>Impairment of Financial Assets (continued)</u>

- The expected credit losses of the financial assets under the second stage are measured based on the present value of the total monetary deficit computed on the basis of the historical probability of default rates, amended by the expectation of the average scenarios of macro-economic indicators for the lifetime of the asset multiplied by the value on default, taking into account the probable -weighted rates of recovery expected when calculating the loss rate for each category of the debt instruments with similar credit risks,
- The credit impaired financial assets, at the reporting date, are measured by the difference between the total carrying amount of the asset and the present value of the expected future cash flows.

The commitments of loans and similar debt instruments are included in the calculation of value upon default. These commitments are charged on the balances outstanding on the date of the financial statements after they have been transferred to value in the case of using those commitments in the future.

The group, when calculating the loss rates, takes into account the expected recovery rates from the present value of the expected cash flows, whether from the cash and in – kind collaterals or the historical or future expected payment rates as following:

- For the debt instruments designated under the first stage, only value of cash collaterals and the like, represented in cash and other financial instruments that can be transferred easily to cash in a short time (3 months or less) or without the occurrence of a change (loss) in its value due to the credit risks, is considered.
- For the debt instruments designated under the second and third stages, only types of the collaterals in accordance with the rules issued by CBE on 24 May 2005 concerning the determination of the creditworthiness of the clients and making the provisions, while the value of these collaterals is calculated in accordance with the rules of preparation and presentation of the financial statements of the group and the recognition and measurement bases issued by CBE on 16 Dec 2018, are considered.
- For the debt instruments held by the groups working abroad, the probability of default rates are determined on the basis of credit classification of the main office of the group that works abroad and in a way not exceeding the credit classification of the country where main office is located, taking into account the instructions issued by Central bank concerning the risks of countries. The loss rate is calculated at 45%.
- For the debt instruments held by the banks working in Egypt, the probability of default rates are determined on the basis of classification of the group by the International External Rating

Agencies and branches of the Egyptian banks abroad are treated as the main office and branches of foreign banks working in Egypt are treated as their main office. The loss rate is calculated at 45%.

- For the debt instruments issued by entities other than the groups, the probability of default rates are calculated based on the classification of the financial instrument issuer conducted by the International External Rating Agencies, in a way not exceeding the credit classification of the issuer in the case of the foreign entities. The loss rate is calculated at 45%.
- The impairment provision of the financial assets recognized in the financial position is discounted from the financial assets when presenting the statement of financial position, while the impairment provision relating to the loan commitments, financial guarantees contracts and contingent liabilities is recognized under the liability provisions in the financial position.
- For the financial guarantee contracts, the group estimates the expected credit loss based on the difference between the payments expected to be made to the collateral holder, less any other amounts of the group expects to recover.

5.8.3. <u>Restructured Financial Assets</u>

If the conditions of a financial asset are renegotiated or amended or a new financial asset replaces a current financial asset due to financial difficulties faced by the borrower, an assessment is conducted to determine whether the financial asset is derecognized from the records and the expected credit losses are measured as following:

- If the rescheduling will not lead to de-recognition of the current asset, the expected cash flows resulting from the amended financial asset are used when calculating the cash deficit in the current asset. The expected credit losses are calculated over the lifetime.
- If the rescheduling will lead to de-recognition of the current asset, the expected fair value of the new asset is treated as final cash flows from the current financial asset when derecognizing it. This value is used in calculating the cash deficit from the current financial asset which has been discounted from the expected date to derecognize the asset till the reporting date by using the original effective interest of the current financial asset.

5.8.4. <u>Presenting Provisions of Expected Credit Risks in the Statement of Financial Position</u>

The provisions of expected credit risks are presented in the statement of financial position as following:

- Financial assets measured at amortized cost as a discount from the carrying amount of the assets.
- Commitments on the loans and financial guarantee contracts: generally, as a provision.
- When the financial instrument includes both the used and non – used portions of the permitted limit of this instrument, and the group can't determine the expected credit risks of the non – used portion separately, it will present the provision of collective loss for both used and non – used portion and the amount is presented as a discount from the total carrying amount of the used portion. Any increase in the provision of loss to the total amount used as a provision is presented for the non – used portion.
- For debt instruments at fair value through comprehensive income, no impairment provision is recognized in the statement of financial position because the carrying amount of such assets is

their fair value. However, the impairment provision is disclosed, and it's recognized in the fair value reserve.

5.8.5. written -off debts

The debts are written off (either partially or in full) when there is no real possibility of recovering such debts and, generally, when the group determines that the debtor does not have assets , resources or sources of income that could generate sufficient cash flows to repay the debts that will be written off. However, financial assets that are written off could still be subject to procedures taken by the group for recovery of amounts due. The discount is made on the provision for impairment of the debts that are written off, whether a provision has been made for it or not.

5.9. Purchase & Resale Agreements and Sale & repurchase agreements

The financial instruments sold in accordance with the repurchase agreements under assets added to the treasury bonds and other government securities are presented in the financial position. The liability (purchase & reseal agreements), less the treasury bonds and other government securities is presented in the financial position by the difference between price of sale and price of purchasing as it is an interest due over the period of the agreements by using the effective interest rate method.

5.10. Financial Derivatives

The financial derivatives are recognized at fair value at the date the derivative contract is signed. It's subsequently measured at fair value. Fair value is obtained from the market prices quoted in the active markets, recent market transactions or the assessment techniques such as the discounted cash flows models and options pricing models, based on cases.

All derivatives are reflected in the assets if its fair value is positive or in the liabilities if its fair value is negative. The method of recognition of profits or losses resulting from changes of fair value of the derivatives depends on whether the derivative is designated as a hedge instrument and on nature of the hedged item. The changes of fair value of the derivatives that are not qualified for hedge accounting are recognized under "net trading income" in the statement of income. "Net income from the financial instruments designated, on inception, at fair value through profits or losses" is recognized in the statement of income under the profits and losses resulting from changes in the fair value of the derivatives that are managed in conjunction with the financial assets and liabilities classified, on inception, at fair value through profits or losses.

The changes in fair value of the derivatives designated and qualified for the hedges of the fair value are recognized with any changes in the fair value relating to the risk of the hedged asset or liability. The impact of the effective change in fair value of the interest rate swap contracts and the related hedged items is taken to "net income from interest".

Impact of the effective changes in fair value of the future currency contracts is taken to "Net Trading Income'. Ineffective impact in all contracts and the related hedged items mentioned in the previous paragraph is taken to the "Net Trading Income".

Effective part of the changes in fair value of the derivatives designated and qualified for the cash flows hedges is recognized in equity. Profits and losses relating to the ineffective part is immediately recognized under "Net Trading Income" in the statement of income. The amounts accumulated in equity are brought forward to the statement of income at the same periods when the hedged item has an impact on the profits or losses. Profits or losses relating to the effective part of currency swaps and options are taken to "Net Trading Income ". When a hedge instrument is due or sold or if the hedge is no longer meeting the conditions of hedge accounting, the profits or losses accumulated in the equity at that time remain under equity, and they are recognized in the statement of income when the expected transaction is eventually recognized. However, if the expected transaction is no longer expected to occur, then the profits or losses accumulated in equity are immediately brought forward to the statement of income.

5.11. Intangible Assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of acquired subsidiary or associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets and goodwill on acquisitions of associates is included in investments in associates.

Group management annually evaluates whether there is a impairment of the goodwill, and the analysis necessary to estimate whether the book value of fame is expected to be fully recovered and the book value of fame is reduced if it is higher than the expected value recovered. Any losses as a result of impairment are uploaded to the income list and cannot be refunded later.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

The goodwill is distributed on the cash generating units to analysis the value impairment and the goodwill is distributed on the cash generating units based on the goodwill direct benefits to those cash generating units.

5.11. Intangible Assets (Continued)

Computer Software

Expenses relating to development or maintenance of computer software are recognized as an expense in the statement of income when incurred. The expenses relating directly to specific software under control of the group and expected to generate economic benefits exceeding its cost for more than one period are recognized as an intangible asset. The direct costs include the cost of the staff involved in the software development, in addition to an appropriate portion of the related general expenses.

Expenses leading to increase or expansion in the computer software more than the original descriptions are recognized as development cost and these expenses are added to the cost of the original software.

Cost of the computer software recognized as an asset over the period in which it's expected to be used no later than 3 periods is depreciated. The new computer system is depreciated not later than 10 periods.

5.12. Fixed Assets

Fixed assets are represented mainly in the main offices, branches and offices. All assets are shown at historical cost less depreciation and impairment losses. The historical cost includes the expenses related directly to the acquisition of fixed assets.

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The subsequent expenses are recognized at fair value of the outstanding asset, considering them as a future asset, when appropriate, when future economic benefits flow relating to the financial asset to the group is probable and the cost was reliably determined. Expenses of maintenance and repair in the period they are charged are expensed under other operations expenses

Lands are not depreciated. Depreciation of other fixed assets is accounted on straight line bases of cost allocation so that the residual value over the lifetime is estimated as following:

Buildings	2.5% - 14.3%
Leasehold improvements	20%
Machinery and equipment	20%
Computers	25%
Vehicles	16,67% to 20%
Other	20%

Leased fixed assets:

Leased assets are recorded as under the fixed assets at historic cost in accordance with the Egyptian Accounting Standards related to Finance Lease and in accordance with law decree number 95 for the year 1995. And it is depreciated using straight line method with appropriate depreciation rates based on the useful life estimated for each asset, which varies between 3 and 6 years from the date of use. The Fixed Assets recovered due to breach of contract are recorded by the net book value or the replacement cost whichever is lower and classified as fixed assets for the purpose of leasing in the Balance Sheet.

5.13. Investment property

The investment property represented in lands and buildings owned by the Group in order to have rental income or capital increase instead of using them in administrative purposes.
The property investment evaluated initially by the cost to be presented in the financial statements after deducting the accumulated depreciation and impairment losses and the buildings are depreciated with fixed installments as the property investment represented in the financial statements by the net amount after deducting both of the accumulated depreciation and the accumulated impairment losses.

5.14. Employees Benefits

5.14.1. Specific Subscription Plans

Represent pension regulations whereby the group pays fixed contributions and the group commits to pay contributions to the General Organization for Social Insurance, and the group does not incur any additional liabilities once these contributions are paid. These periodic contributions are charged to the statement of income for the period in which they are due and are recognized in employee benefits.

5.14.2. Employees' Share in Profits

The group pays a portion of the cash dividends expected to be distributed as employees' share in the profits and it's recognized in the profits as part of the dividends in equity and as liabilities when approved by the bank's shareholders' general assembly, and no liabilities related to the employees' share in undistributed profits are recognized.

5.14.3. System of Defined Benefits

The group is committed to pay specific benefits to its employees before January 2006 based on the salary of 1 January 2006, within the limits of a specific scope for the annual increase. Liability of the defined benefit recognized in the financial position represents the present value of liabilities of the defined benefits at the end of the financial period less fair value of the plan assets, considering any amendments related to previous services that were not previously reflected.

The liabilities of the defined benefit plan are estimated annually by a qualified independent actuary by using the estimated incremental unit method. The fair value is estimated by discounting the cash flows expected to be repaid using the effective interest rate on bonds and government treasury bills due to the lack of special bonds that are traded in the market actively.

Actuarial gains and losses arising from changes in actuarial assumptions are charged on the statement of equity in the period in which they occur.

5.14.4. Medical Benefits Plan

The group covers health care for employees and their families during the period of their service at the group, in accordance with the applicable regulations. The group also covers health care for some employees after retirement, through a health care service provider. The service provider provides an integrated medical network that covers geographically most of the republic.

The group also bears the costs of such health care without the employee incurring any burdens, except for those costs that are spent outside the scope of coverage. The periodic contributions are charged on the statement of income for the period in which they are due and are recognized under employee benefits. In respect of the retired workers, the expected cost of health care over one – period service of employee is included by using the same defined benefit method. The liabilities are assessed annually by qualified actuaries.

5.15. Income tax

The income tax on the bank's period's profits or losses includes both current tax, and deferred tax Income tax is recognized in the statement of income, except when it relates to items directly recognized into equity, in which case the tax is also recognized directly in equity. Income tax is calculated on the taxable profits using the prevailing tax rates as of balance sheet in addition to tax adjustments for previous period.

Deferred income tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined based on the method used to realize or settle the current values of these assets and liabilities, using the tax rates prevailing as of the balance sheet date. Deferred tax assets are recognized when there is a reasonable probability that future taxable profits will be realized through which the asset can be utilized. Deferred tax assets are reduced by the portion that will not be realized for the expected tax benefit over the following periods. However, if the expected tax benefit increases, deferred tax assets will be increased within the limits of the foregoing.

5.16. Cash and cash equivalents

For the purpose of the statement of cash flow, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and balances due from Central Banks other than for mandatory reserve, due from banks, and treasury bills and other government securities.

5.17. Other provisions

Provisions for restructuring costs, legal claims and other governmental claims are recognized when: The group has a present legal or constructive liability as a result of past events; it is more likely that an outflow of resources will be required to settle the liability; and the amount can be reliably estimated.

Where there are similar liabilities, the likelihood that an outflow will be required in settlement is determined by considering the class of liabilities as a whole. A provision is recognized even if there is little likelihood of an outflow of cash for an item within that group.

Reversals of provisions no longer required (whether fully or partially) are presented under other operating income /expense in the statement of profits and losses.

The present value of the estimated payments to be made for payment of the liabilities determined for payment is measured one period after the balance sheet date using an appropriate rate for the payment of the liability - without being affected by the applicable tax rate - which reflects the time value of the money and if the term is less than one period the estimated value of the obligation is calculated The impact of which is substantially calculated at present value.

5.18. Borrowing

Loans obtained by the group are first recognized

at fair value less cost of the loan. Loan is subsequently measured at the amortized cost, while the statement of profit and loss statement is charged by the difference between the net proceeds and the value that will be satisfied over the borrowing period using the effective interest method. Fair value of the portion that represents a liability for the bonds convertible into shares is determined by using the market-equivalent interest rate for the non-convertible bonds, and this liability is recognized by the amortized cost method until the bonds are transferred or matured, and the remaining proceeds are charged on the option of conversion which

is recognized under equity with net of the income tax effect and it is not re-measured.

5.19. Capital

5.19.1. Cost of capital

Issuance expenses directly attributable to issuance of new shares or options or acquisition of a business are shown in equity as a deduction, by net proceeds, net of tax.

5.19.2. Dividends

Dividends are recognized in equity in the period in which they are approved by the Group's general assembly. These dividends include the employee share in profits and board of director's bonus as stipulated by the article of association and law.

5.19.3. Treasury Shares

The purchasing amount of treasury shares is deducted from their cost until they are canceled, and in the case that those shares are sold or reissued in a subsequent period, all collected amounts are added to the equity.

5.20. Comparatives

Comparatives are reclassified, when required, to comply with changes in the presentation used in the current period.

5.21. Segment Reports

A segment of business is a group of assets and operations associated with providing products or services which have risks and benefits that are different from those associated with other business sectors. The geographical sector is associated with providing products or services within a single economic environment with risks and benefits that are specific to them than those associated with geographical sectors operating in a different economic environment.

6. Credit Risk Management

The group, as a result of its activities, is exposed to various financial risks, considering that these risks are the basis of the financial activity. Some risks or a group of risks are analyzed, assessed and managed collectively, and therefore the group intends to achieve an appropriate balance between risk and interest and to reduce the potential negative effects on the financial performance of the group. The most significant types of financial risk are credit risk and market risk. Market risk includes foreign exchange rate risk, interest rate risk and other price risks.

Risk management policies are adopted to determine and analyze risks to limit, control and monitor the risks and commit to limits through the reliable techniques and updated information systems. The group periodically reviews and amends the risk management policies and systems to reflect changes in markets, products and services, and the best recent applications.

Risks are managed by Risk Committee, the Market Risk Management and Credit Risk Management, in terms of the policies approved by the Board of Directors. Risk Management determines, assesses and covers the financial risks in close cooperation with the various operating units of the group. The board of directors provides written principles for managing the risks as a whole, in addition to written policies covering specific risk areas such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non – derivative instruments. In addition, the Risk Committee is responsible for periodic review of the risk management and control environment.

6.1. Credit Risks

Credit risks represent the potential loss arising from the possibility that borrowers or counterparties will fail to fulfill their liabilities in accordance with contractual terms. Credit risks arise mainly from bank balances, loans and advances to banks, individuals, small, medium, or micro enterprises, and the related commitments. Credit risks may also arise from the granted support loans / credit guarantees such as credit options (credit default swap contracts), financial guarantee contracts, letters of credit and letters of guarantee.

The group is also exposed to credit risks from the activities of investment in debt instruments and unpaid positions from trading activities and financial derivatives.

6.1 Credit Risks (continued)

Credit risks are considered as the most significant risks for the group's activity and, therefore, the group manages the exposures to credit risks carefully. The credit risks of the group are managed and control mainly by the retail banking credit risk management staff and the risk management institutions that report to both the Risk Committee, senior management, heads of activity units and the Board of Directors on regularly periodic basis.

6.1.1. Credit Risks Measurement

Loans and Advances to Banks and Clients

Estimation of exposure to credit risks to manage the credit risks is a complex matter that requires the use of statistical and electronic models, as the level of exposure to credit risks changes depending on the changes in market conditions and other economic areas in a complex and rapid degree. The exposure to credit risk changes depending on the changes in the level, value and timing of expected cash flows and the passage of time. Accordingly, assessment of the credit risk of the assets portfolio requires further estimations of the probability of default and the related loss rates. The group measures credit risk losses by using the probability of default (default in contractual liabilities) based on the carrying amount balance of the financial instrument at the date of Exposure at Default and loss given default.

6.1.2. Classification of Credit Risks

The group assesses the probability of default at the level of each client / related group / credit product, by using techniques to classify the clients into different categories, taking into account the minimum rating in accordance with the CBE instructions in terms of determining the creditworthiness of the clients and making the provisions issued during the period 2005. Therefore, the group uses a group of internally developed models and evaluation techniques for the categories of counterparties, clients and the nature of various loans in light of the available information that is collected on the date of adoption of the used model (such as: level of income, level of disposable income and guarantees for individual clients, revenues, type of industry, and other financial and non-financial indicators of the institutions). The group completes such indicators with a set of external data, such as the inquiry reports issued by both CBE and credit reporting companies on borrowers and the reports issued by the other Local and External Credit Rating Agencies. Moreover, the models used by the group allow the systematic exercise of expert assessment of credit risk officials in the final internal credit rating. Therefore, this allows to consider other matters and indicators that may not have been taken as part of other data inputs in the internally or externally developed assessment models and techniques.

Credit grades are assessed so that the risk of default increases incrementally at each higher risk grade, namely the difference in default rates between the rating grade A and A- is less than the difference in default rates between rating grade B and B-. Additional considerations for each type of credit portfolio held by the group are set out below:

6.1.2.1. Individuals, Retail Banking Products and Small & Micro Enterprises

After the date of initial recognition, the borrower's payment behavior is monitored periodically to calculate a measurement of the payment pattern. Any other information known about the borrower, supposed to be determined by the group, may have an impact the creditworthiness, such as unemployment rates and non-payment precedents, as they are included to measure the payment pattern and default rates are, accordingly, determined for each payment pattern measurement.

6.1 Credit Risks (continued)

6.1.2.2. (Large & Medium) Enterprises and Companies

The rating is determined at the level of the borrower/groups with similar credit risks. Any updated or new credit information or assessments are included in the credit system constantly and periodically. In addition, information about the creditworthiness of the borrower / groups with similar credit risks is also updated periodically from other sources such as financial statements and other published financial and non-financial statements. This should determine the grade of the recent internal credit rating and default rates.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6.1.2.3. <u>Debt Instruments issued by Egyptian Government and Central Bank</u>
<u>Debt Instruments, Treasury Bills and Government Bonds</u>

The bank uses the external ratings issued by the institutions mentioned in the CBE's instructions to manage the credit risk in terms of the debt instruments in the investment portfolio. These published classifications are monitored and updated regularly and periodically. The default rates associated with each rating are determined based on the rates realized over the previous twelve months, as published by the aforementioned rating agencies. The loss rate of the government and CBE debt instruments dominated in local currency is zero.

The credit rating of the bank in terms of the debt instruments includes 20 rating classes for regular instruments (1-16), and 4 classes for non-performing instruments (from 17 to 20). The key measurement gives each category a rating with a specified range of probabilities of default, which are stable over time. The bank agrees the internal rating categories with the rating categories determined by the CBE in accordance with the instructions of determining creditworthiness, establishing provisions and reviewing that interview regularly.

The classification techniques are subject to periodic recalibration and validation to reflect the latest expectations in light of all assumptions that were actually observed. The following is the bank's internal assessment table against the external ratings:

A- <u>Internal Assessment of the group against the external rating of the financial investments and banks</u>

No	Probability of Default %	External Rating
1	0.0001%	AAA
2	0.0002%	AA+
3	0.0004%	AA
4	0.0012%	AA-
5	0.0022%	A+
6	0.0036%	A
7	0.0060%	A-
8	0.0105%	BBB+
9	0.0160%	BBB
10	0.0292%	BBB-
11	0.0482%	BB+
12	0.0972%	BB
13	0.2049%	BB-
14	0.0545%	B-
15	1.1285%	B
16	3.1281%	B-
17	7.9995%	CCC+
18	21.0030%	CCC
19	51.9876%	CCC-
20	100%	D

6.1 <u>Credit Risks (continued)</u>

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

B- Internal Assessment of the group against the external rating of financial institutions

No	Probability of Default %	External Rating
1	0.0219%	AAA
2	0.0326%	AA+
3	0.0527%	AA
4	0.0962%	AA-
5	0.1383%	A+
6	0.1872%	A
7	0.2535%	A-
8	0.3540%	BBB+
9	0.4565%	BBB
10	0.6545%	BBB-
11	0.8860%	BB+
12	1.3512%	BB
13	2.1146%	BB-
14	3.7903%	B-
15	5.8238%	B
16	10.5142%	B-
17	17.8488%	CCC+
18	30.3784%	CCC
19	53.1943%	CCC-
20	100.000%	D

Future data is used in assessing whether there is a significant increase in the credit risk of financial instruments and estimating the expected credit losses (ECL). The management of group determines the main economic variables that affect credit risk and expected credit losses for each credit portfolio by carrying out an analysis of historical data. The economic variables and the related effect on both Probability of Default “PD” and the Exposure at Default “EAD” and Loss Given Default “LGD” are different depending on the financial asset. The group will use expert opinions regarding these assumptions and estimates, if necessary.

To determine the impact of such economic variables on both Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD), the management of the Group carries out the “regression analysis” to understand the historical effects arising from such variables on the default rates and the inputs used in calculating both Exposure at Default (EAD) and Loss Given Default (LGD).

Further to the key economic scenarios, the management of group establishes other potential scenarios in addition to assumptions relating to each scenario separately. The Lifetime probability of default (PD) relating to the key assumption and other assumptions are used, as the outcome of multiplication is determined for each assumption with the related probabilities of each, in addition to the supporting indicators and qualitative indicators. Based on the results of such study, it is assessed whether this financial asset is located at the first, second or third level, on the basis of which it is determined whether the expected credit losses “ECL” will be computed on 12- month bases “12-month ECL” or over lifetime of the financial instrument “Lifetime ECL”.

6.1 Credit Risks (continued)

The expectations and probabilities of occurrence are subject to a high degree of uncertainty, as it is known to any economic forecasts, therefore the actual results may be significantly different from those anticipated. The group makes the best estimate of these potential expectations and carries out an analytical study of the irrelevant and non -similar factors for the different credit portfolios to conclude appropriate assumptions for all possible scenarios.

6.1.3. Future Data Used in the Expected Losses

6.1.3.1. Variable Economic Assumptions

The most significant assumptions that have an impact on the expected credit losses “ECL” are:

- Consumption Pricing Indicators (CPI),
- Unemployment Rate,
- Gross Domestic Product (GDP),
- Unemployment Indictor,
- Internal Rating Reduction.

6.1.3.2. Classification of the instruments relating to the losses measured on basis of the similar groups

For ECL provisions, groups are classified based on similar credit risk characteristics, as risk exposure within the group is homogeneous. When carrying out this classification, it is considered that there is enough information that enables the group to classify the bank with statistical reliability. When enough information is not available, the group considers the complementary internal / external reference data. Examples of these characteristics and any supplementary data used to determine the classification are set out below:

6.1.3.3. Individual Loans - The groups are formed in the light of:

- Period of facility.
- Type of product (such housing / purchasing the real estate mortgage, overdraft, credit card and car loans).
- Rating the borrower in terms of private work or an employee.
- Institutions loans.
- Probability of default model (S& P) is used.
- A conciliation was made between “S&P) and “ORR”.

The model was updated by some economic indicates to keep the probability of default in line with the clients existing in Egypt.

The model was updated by the ratios of change in the low credit rating of the other clients of the group for two periods to keep the ratios of model default in line with the clients of the group.

6.1 Credit Risks (continued)

6.1.4 Maximum Exposure to credit risks-Impaired financial Instruments

The following table includes the analysis of maximum exposure to the credit risks of financial instruments for which the provision of expected credit risks (ECL) is recognized:

Individuals **Amount in EGP 000**

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Credit Grade	Order of Expected Credit Risks First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	Total
-- Standard monitoring	8 354 071	--	--	8 354 071
Special monitoring	--	523 401	--	523 401
Default	--	--	314 406	314 406
Total carrying amount	8 354 071	523 401	314 406	9 191 878
Loss provision	(138 930)	(31 045)	(157 085)	(327 060)
Net carrying amount	8 215 141	492 356	157 321	8 864 818

Corporates

Amount in EGP 000

31 December 2021

Credit Grade	Order of Expected Credit Risks First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	Total
Standard monitoring	16 561 053	--	--	16 561 053
Special monitoring	--	849 136	0	849 136
Default	--	--	399 559	399 559
Total carrying amount	16 561 053	849 136	399 559	17 809 748
Loss provision	(122 184)	(179 378)	(189 725)	(491 287)
Net carrying amount	16 438 869	669 758	209 834	17 318 461

6.1 Credit Risks (continued)

Loans and Balances with Banks

Amount in EGP 000

31 December 2021

Credit Grade	Order of Expected Credit Risks			Total
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
-- Standard monitoring	856 971	2 782 109	--	3 639 080
Total carrying amount	856 971	2 782 109	--	3 639 080
Loss provision	--	(4 376)	--	(4 376)
Net carrying amount	856 971	2 777 733	--	3 634 704

Treasury Bills and Debt Instruments

Amount in EGP 000

31 December 2021

Credit Grade	Order of Expected Credit Risks			Total
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	19 894 604	--	--	19 894 604
Total carrying amount	19 894 604	--	--	19 894 604
Loss provision	(8 931)	--	--	(8 931)
Net carrying amount	19 885 673	--	--	19 885 673

Other Assets

Amount in EGP 000

31 December 2021

Credit Grade	Order of Expected Credit Risks			Total
	First Stage 12 Months	Second Stage Overtime	Third Stage Overtime	
Standard monitoring	749 385	--	--	749 385
Total carrying amount	749 385	--	--	749 385
Loss provision	(3 818)	--	--	(3 818)
Net carrying amount	745 567	--	--	745 567

6.1 Credit Risks (continued)

6.1.5. Credit Guarantees

The group uses many policies and practices to decrease the credit risks. The most widely adopted of these is the acceptability of collateral for debt instruments and loan commitments. The group has internal policies regarding classes of collateral that can be accepted to limit or decrease the credit risks.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

The group accrues out an assessment of the guarantees that have been obtained when establishing these loans. This assessment is regularly assessed. The key types of guarantees are:

- Cash and cash equivalent
- Real estate mortgage
- Derivatives Margin agreement that has been signed with the group as a part of main offsetting agreements.
- Commercial mortgages
- Financial assets pledge such as debt instruments and equity instruments.

The guarantee held as collateral against the financial assets other than loans and advances depends on the nature of the instrument, as debt securities, government bonds and other qualified bills are generally not secured, except for the asset-backed securities and similar instruments secured by portfolios of financial instruments. The derivatives are often secured.

The policies adopted by the group have not been changed significantly in terms of obtaining guarantees during the financial period, and there has been no change in the quality of those guarantees held by the group compared to the previous financial period.

The group closely monitors the guarantees held against the low – credit financial assets, as it is likely that the group will hold collateral to mitigate potential credit losses.

Financial assets with low- credit value and the related guarantees held to mitigate potential losses are shown as follows:

Description	Total assets exposed to credit risks	Impairment provision	Carrying amount	Fair value of held guarantees
Financial Assets				
Loans to individuals				
Overdrafts	30 087	(332)	29 755	54 147
Credit cards	227 534	(16 965)	210 569	33 254
Personal loans	8 932 800	(309 764)	8 623 036	2 083 866
Real estate loans	1 458	0	1 458	1 880
Loans to institutions				
Overdrafts	4 717 422	(208 576)	4 508 846	435 538
Syndicated loans	1 435 041	(94 612)	1 340 429	549 897
Other loans	11 657 283	(188 099)	11 469 184	945 382
Total impaired loans	**27 001 625**	**(818 348)**	**26 183 277**	**4 103 964**

6.1 Credit Risks (continued)

6.1.6. Written – Off Financial Instruments (Loans)

The group excludes the financial assets that are still under compulsory collection for unpaid contractual amounts of the bad assets. The group seeks to fully recover some amounts due in law that were partially or fully written off due to the lack of a possibility of a full recovery.

6.1.7. Amendments to loan terms and rescheduling

The group sometimes amends terms of the loans granted to the clients due to the commercial renegotiation or non-performing to increase the chances of recovery. The activities of restructuring include arrangements of extension of repayment terms, grace periods, exemption from repayment or some or full interests. Restructuring policies and practices are based on indicators or cr iteria that indicate – based on the discretion of management - that repayment is likely to continue. These policies are constantly reviewed.

6.1.8. Reduction and Risk Avoidance Policies

The group manages, limits and controls the concentration of credit risks at the debtor level, groups, industries and countries.

The group regulates the levels of acceptable credit risks by setting limits to the amount of risk that will be accepted at the level of each borrower, or group of borrowers, and at the level of economic activities and geographical sectors. These risks are monitored constantly and are reviewed annually or on a recurring basis, when necessary. Limits of the credit risks at the level of the borrower / bank, producer, sector and country are quarterly approved by the Board of Directors.

Credit limits for any borrower, including banks, are divided into sub-limits that include the amounts in -and off- financial position, and the daily risk limit relating to trading items such as forward foreign exchange contracts. Actual amounts are compared with the daily limits as follows:

Exposure to credit risks is also managed through periodic analysis of the ability of borrowers and potential borrowers to meet the repayment of their liabilities and by amending lending limits, if appropriate.

Means of setting limits to the risks are shown as following:

Guarantees

The group adopts many policies and controls to limit the credit risks. These means include the guarantees obtained against borrowed funds. The group sets guiding rules for specific acceptable classes of guarantees. The key types guarantee of loans and advances are:

- Cash and cash equivalent.
- Real estate mortgages.
- Commercial mortgages.
- Pledge of financial instruments such as debt instruments and equity.

The financing is often granted in the longer term and loans to the companies are secured while credit facilities for individuals are not secured. In order to reduce the credit loss to a minimum, the group seeks to get additional guarantees from the concerned parties and when indicators of impairment are shown for a loan or facilities.

The guarantees taken as collateral for assets other than loans and advances are determined based on the nature of the instrument. Generally, the debt instruments and treasury bills are not secured, except for groups of financial instruments covered by Asset-Backed Securities and similar instruments that are secured by a portfolio of financial instruments.

6.1 Credit Risks (continued)

6.1.9. Derivatives

The group maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts) by both amount and term. The amount exposed to credit risk, at any time, is determined at the fair value of the instrument that provides a benefit for the group, i.e. an asset with a positive fair value that represents a portion of the contractual / notional value used to express the size of the existing instruments. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the group requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counter party to cover the aggregate of all settlement risk arising from the group market's transactions on any single day.

6.1.10. Master Netting Arrangements

The group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of assets and liabilities shown in the balance sheet, as transactions are either usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

6.1.11. Credit Related Commitments

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

6.1.12. General Group Risk Measurement Model

Following is a table of the worthiness levels for institutions in accordance with the internal assessment bases compared to the Central Bank of Egypt assessment bases and the provision ratios required for the impairment of the assets exposed to credit risk: -

CBE Rating Categorization ORR	Rating description	Provision%	MRA rating	Internal rating description
1	Low Risk	0%	AAA	Good loans
2	Average Risk	1%	AA	Good loans
3	Satisfactory Risk	1%	A	Good loans
4	Reasonable Risk	2%	BBB+ / BBB / BBB-	Good loans
5	Acceptable Risk	2%	BB+ / BB / BB-	Good loans
6	Marginally Acceptable Risk	3%	B+ / B / B-	Standard monitoring
7	Watch List	5%	CCC+	Special monitoring
8	Substandard	20%	CCC	Non-performing
9	Doubtful	50%	CCC-	Non-performing
10	Bad Debt	100%	D	Non-performing

6.1 Credit Risks (continued)

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6.1.13. Maximum credit risk limit before collaterals

Credit risk exposure items (in-balance sheet): -

	31 December 2021	31 December 2020
Balances with Central Bank limited to the statutory reserve ratio	4 597 605 063	5 166 439 116
Treasury bills and other government securities	8 696 312 500	4 345 959 082
Balances with banks	3 073 278 725	1 665 615 738
Loans and advances to banks	565 801 200	550 169 514
Loans and advances to customers		
Loans to individuals:		
- Personal loans	8 932 799 977	7 478 086 429
- Credit cards	227 534 006	215 853 546
- Overdrafts	30 086 576	76 437 065
- Real estate loans	1 457 505	2 884 529
Loans to corporate entities:		
- Overdrafts	4 717 421 513	3 493 833 448
- Direct Loans	11 347 605 948	8 225 382 431
- Syndicated loans	1 435 040 803	1 491 676 135
- Other loans	309 679 481	328 260 944
Investment in debt instruments	11 338 495 788	6 782 275 092
Other assets	749 384 643	466 284 382
	56 022 503 728	**40 289 157 451**

Credit risk exposures item without taking collaterals (off-balance sheet): -

	31 December 2021	31 December 2020
Commitment over irrevocable loans and other obligations related to credit	120 141 099	204 171 573
Acceptances papers	678 871 339	239 277 680
Letters of guarantee	4 284 760 225	2 757 771 928
Letters of credit	1 110 941 527	404 107 848
	6 194 714 190	**3 605 329 029**

6.1 Credit Risks (continued)

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6.1.14. Loans and Advances

Balances of Loans and advances are set out below:

	31 December 2021		31 December 2020	
	Loans and advances to customers	Loans and balances with banks	Loans and advances to customers	Loans and balances with banks
A. Neither past due nor impaired	24 915 122 943	856 970 859	19 452 082 857	1 356 618 060
B. Past due but not impaired	1 372 537 768	2 782 109 066	1 322 076 710	859 167 192
C. Subject to impairment	713 965 098	--	538 254 960	--
Total	**27 001 625 809**	**3 639 079 925**	**21 312 414 527**	**2 215 785 252**
Less:				
Impairment losses provision	(818 347 534)	(4 375 709)	(775 611 103)	(2 092 043)
Net	**26 183 278 275**	**3 634 704 216**	**20 536 803 424**	**2 213 693 209**

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6.1 Credit Risks (Continued)

A. Loans and Advances neither past due nor impaired

The credit worthiness of the portfolio of loans and advances that were neither past due nor impaired can be assessed by the internal rating system adopted by the Group.

31 December 2021

	Retail				Corporate					
Grades	Overdrafts	Credit cards	Personal loans	Real estate loans	Overdrafts	Direct loans	Syndicated loans	Other loans	Total loans and advances to customers	Loans and Balances with Banks
1. Good	28 235 670	203 782 905	8 120 594 624	1 457 505	3 979 354 155	10 392 988 292	1 027 355 763	309 679 481	**24 063 448 395**	**856 970 859**
2. Standard monitoring	--	--	--	--	30 972 005	647 606 171	173 096 372	--	**851 674 548**	--
Total	**28 235 670**	**203 782 905**	**8 120 594 624**	**1 457 505**	**4 010 326 160**	**11 040 594 463**	**1 200 452 135**	**309 679 481**	**24 915 122 943**	**856 970 859**

31 December 2020

	Retail				Corporate					
Grades	Overdrafts	Credit cards	Personal loans	Real estate loans	Overdrafts	Direct loans	Syndicated loans	Other loans	Total loans and advances to customers	Loans and Balances with Banks
1. Good	76 118 269	194 343 572	6 697 733 842	2 884 529	2 605 100 946	7 784 744 349	1 091 843 360	293 104 944	**18 745 873 811**	**1 356 618 060**
2. Standard monitoring	--	--	--	--	59 339 418	211 880 853	399 832 775	35 156 000	**706 209 046**	--
Total	**76 118 269**	**194 343 572**	**6 697 733 842**	**2 884 529**	**2 664 440 364**	**7 996 625 202**	**1 491 676 135**	**328 260 944**	**19 452 082 857**	**1 356 618 060**

6.1 Credit Risks (Continued)

B. Loans and advances past due but not impaired

These are the loans and advance that are past due for less than 90 days but not impaired yet, unless other information indicates the opposite. Loans and advance past due but not impaired and the fair values of the related collateral are as follows:

31 December 2021

	Retail			Corporate				
Grades	Overdrafts	Credit cards	Personal loans	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers	Loans and Balances with Banks
Well – performing /No Dues	--	962 976	50 475 006	273 404 349	22 303 780	234 588 668	581 734 779	**2 782 109 066**
Past due up to 30 days	6	269 568	79 115 786	9 902 088	59 529 922	--	148 817 370	--
Past due 30-60 days	18 470	4 237 542	256 249 469	10 567 025	55 928 578	--	327 001 084	--
Past due 60-90 days	643 469	3 632 507	127 796 695	132 799 334	31 119 761	--	295 991 766	--
Past due more than 90 days	--	--	--	17 846 410	1 146 359	--	18 992 769	--
Total	**661 945**	**9 102 593**	**513 636 956**	**444 519 206**	**170 028 400**	**234 588 668**	**1 372 537 768**	**2 782 109 066**
Fair value of collateral	640 671	2 028 045	78 617 401	240 329 830	41 416 743	--	363 032 690	--

31 December 2020

	Retail			Corporate				
Grades	Overdrafts	Credit cards	Personal loans	Overdrafts	Direct loans	Syndicated loans	Total loans and advances to customers	Loans and Balances with Banks
Well – performing /No Dues	--	40 392	852 553	409 562 970	30 457 762	--	440 913 677	**859 167 192**
Past due up to 30 days	30 208	481 649	110 533 023	115 244 792	66 497 609	--	292 787 281	--
Past due 30-60 days	92 589	15 073 343	341 755 979	65	32 331 947	--	389 253 923	--
Past due 60-90 days	14 143	976 400	195 489 533	4 565	2 637 188	--	199 121 829	--
Total	**136 940**	**16 571 784**	**648 631 088**	**524 812 392**	**131 924 506**	--	**1 322 076 710**	**859 167 192**
Fair value of collateral	104 431	5 117 132	240 593 889	203 546 988	67 734 806	--	517 097 246	--

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

6.1 Credit Risks (continued)

C. Loans and advances individually impaired

31 December 2021

	Retail			Corporate		
Grades	**Overdrafts**	**Credit cards**	**Personal loans**	**Overdrafts**	**Direct loans**	**Total loans and advances to customers**
Impaired loans	1 188 961	14 648 508	298 568 397	262 576 147	136 983 085	**713 965 098**
Fair value of collaterals	858 086	4 704 044	16 976 231	20 250 000	36 400	**42 824 761**

31 December 2020

	Retail			Corporate		
Grades	**Overdrafts**	**Credit cards**	**Personal loans**	**Overdrafts**	**Direct loans**	**Total loans and advances to customers**
Impaired loans	181 856	4 938 190	131 721 499	304 580 692	96 832 723	**538 254 960**
Fair value of collateral	31 265	1 232 347	226 646	41 948 358	123	**43 438 739**

6.1 Credit Risks (continued)

6.1.15. Restructured Loans and Advances

The group's policy depends on restructuring/scheduling activities is most commonly applied to term loans – in particular, customer finance loan, include extended payment arrangements, modification and deferral of payments are based on indicators or criteria that, in the judgment of local management, indicate that payment will most likely continue. These policies are kept under continuous review.

6.1.16. Written-off loans

In accordance with the board of directors' decision or its specialized committees, the written-off loans from the non-performing loans are written-off against its related loans loss provisions and that after exhausting all the possible recovering operations.

Loans and advances to customers	**31 December 2021**	**31 December 2020**
Corporate		
- Direct loans	27 393 077	13 871 542
Retail		
- Personal loans	37 082 379	21 826 983
- Credit cards	3 087 328	2 284 776
	67 562 784	**37 983 301**

6.1.17. Debt securities and Treasury Bills

The table below presents an analysis of debt securities, treasury bills and other governmental securities according to the rating agencies at financial year end.

31 December 2021	**Treasury bills & Governmental securities**	**Debt Instruments**	**Total**
From AA+ to AA-	--	460 747 079	**460 747 079**
Less than A-	8 556 108 011	10 877 748 708	**19 433 856 719**
Total	**8 556 108 011**	**11 338 495 787**	**19 894 603 798**

31 December 2020	**Treasury bills & Governmental securities**	**Financial assets at fair value**	**Total**
From AA+ to AA-	--	436 624 941	**436 624 941**
Less than A-	4 345 959 082	6 345 650 150	**10 691 609 232**
Total	**4 345 959 082**	**6 782 275 091**	**11 128 234 173**

Concentration of financial assets risk exposed to credit risk

6.1.18. Geographical sectors

The following table represents an analysis of the Group's credit risk exposure at their carrying amounts categorised by geographical sectors at the end of the financial current year.

31 December 2021 — Amounts in EGP 000

	Cairo	Alex/ Canal Red sea/ Sinai	Delta	Upper Egypt	Foreign countries	Arab countries	Total
Credit risk exposure items in-balance sheet:							
Balances with central Bank limited to the statutory reserve ratio	4 597 605	--	--	--	--	--	**4 597 605**
Treasury Bills	8 696 313	--	--	--	--	--	**8 696 313**
Balances with Banks	2 097 429	--	--	--	943 543	32 307	**3 073 279**
-- Bank loans and advances	565 801	--	--	--	--	--	**565 801**
Loans and advances to customers:							
Retail Loans:		--	--		--	--	
Personal loans	6 636 967	1 263 667	727 620	304 545	--	--	**8 932 799**
Credit cards	194 285	20 025	9 833	3 391	--	--	**227 534**
Overdrafts	10 893	3 758	14 160	1 276	--	--	**30 087**
Real estate loans	1 458	--	--	--	--	--	**1 458**
Corporate loans:		--	--		--	--	
Overdrafts	4 278 557	319 431	119 432	1	--	--	**4 717 421**
Direct loans	9 683 134	1 503 679	152 287	8 506	--	--	**11 347 606**
Syndicated loans	1 365 286	69 755	--	--	--	--	**1 435 041**
Other loans	300 998	--	--	8 681	--	--	**309 679**
Investment in debt instruments	11 338 496	--	--	--	--	--	**11 338 496**
Other assets	749 385	--	--	--	--	--	**749 385**
Total at the end of the year 2021	**50 516 607**	**3 180 315**	**1 023 332**	**326 400**	**943 543**	**32 307**	**56 022 504**
Total at the end of the year 2020	**34 863 300**	**2 677 729**	**906 744**	**306 552**	**1 515 655**	**19 177**	**40 289 157**

6.1 Credit Risks (continued)

6.1.19. Industry sectors

The following table represents an analysis of the Group's credit risk exposure at their carrying amounts categorised by industry sectors of the Group's clients.

31 December 2021 — Amounts in EGP 000

	Commercial	Manufacturing	Agriculture	Energy	Transportation	Tourism	Financial institutions	Constructions	Real-estate	Public	Others	Governmental	Individuals	Total
Credit risk exposure items in-balance sheet:														
Balances with central Bank limited to statutory reserve ratio	--	--	--	--	--	--	--	--	--	--	--	4 597 605	--	**4 597 605**
Treasury bills and other governmental securities	--	--	--	--	--	--	--	--	--	--	--	8 696 313	--	**8 696 313**
Balances with banks	--	--	--	--	--	--	3 073 279	--	--	--	--	--	--	**3 073 279**
Bank loans and advances	--	--	--	--	--	--	565 801	--	--	--	--	--	--	**565 801**
Loans and advances to customers:														
Retail Loans:														
Personal loans	--	--	--	--	--	--	--	--	--	--	--	--	8 932 799	**8 932 799**
Credit cards	--	--	--	--	--	--	--	--	--	--	--	--	227 534	**227 534**
Overdrafts	--	--	--	--	--	--	--	--	--	--	--	--	30 087	**30 087**
Real estate loans	--	--	--	--	--	--	--	--	--	--	--	--	1 458	**1 458**
Corporate loans:														
Overdrafts	642 625	1 229 480	82 336	69 338	69 785	1 395	686 386	1 039 408	389 571	242 579	264 518	--	--	**4 717 421**
Direct loans	2 128 371	2 831 462	535 894	580 680	194 495	75 561	1 827 076	505 091	661 234	158 715	1 849 027	--	--	**11 347 606**
Syndicated loans	--	424 777	0	106 602	0	0	89 876	0	114 700	699 086	0	--	--	**1 435 041**
Other loans	23 119	--	--	--	--	--	--	--	--	251 320	35 240	--	--	**309 679**
Investment in debt instruments	--	--	--	--	--	--	--	--	--	--	--	11 338 496	--	**11 338 496**
Other assets	--	--	--	--	--	--	--	--	--	--	749 385	--	--	**749 385**
Total at the end of the year 2021	**2 794 115**	**4 485 719**	**618 230**	**756 620**	**264 280**	**76 956**	**6 242 418**	**1 544 499**	**1 165 505**	**1 351 700**	**2 898 170**	**24 632 414**	**9 191 878**	**56 022 504**
Total at the end of year 2020	**2 423 340**	**3 502 317**	**196 735**	**730 366**	**289 671**	**123 874**	**4 415 655**	**682 245**	**778 496**	**1 541 536**	**1 534 092**	**16 297 568**	**7 773 262**	**40 289 157**

6.2. Market risk

The group is exposed to the market risk represented in the fluctuations in fair value or future cash flows arising from the changes in the market prices. Market risk arises from open positions in the rate of interest rate, currency and equity products, as each of them is exposed to public and private movements in the market and changes in the level of sensitivity to market rates or the prices such as interest rates, exchange rates and prices of equity instruments. The group classifies the extent of its exposure to the market risk into trading and non – trading portfolios. Market risk management arising from trading or non-trading activities is concentrated in the group's risk management and is monitored by a professional team. Periodic reports on market risks are regularly submitted to the Risk Management Committee and the group's senior management. The trading portfolios include those positions arising from the group's direct dealings with the clients or the market. However, the non-trading portfolios result mainly from the exchange rate risks of open positions of foreign currencies and the interest rate risks of assets and liabilities that are sensitive to changes in interest rates.

6.2.1. Market Risk Measurement Techniques

The most significant measurement means used to control the market risk are set out below:

6.2.1.1. Value at Risk (VaR)

The group adopts the VaR technique to the open currency centers at the end of the day. The model prepared by the Risk Management Committee was approved during the month of April 2010. The used model's accuracy is also monitored through back testing and the related results are reported to the Risk Management Committee.

The value at risk is a statistical expectation of the potential loss of the current portfolio arising from adverse market movements. VaR reflects the maximum value that the group can lose in a single day, however by using a determined confidence coefficient (99%) and, therefore, there is a statistical probability of (1%) that the actual loss is greater than the expected VaR. The group estimates the previous movement based on data from more than five prior periods.

The use of such method does not prevent the loss from exceeding those limits, if there are higher movements in the market. Therefore, the securities portfolio of the group is listed for liquidation and it currently comprises only one share. A VaR measurement model in terms of the securities has not been activated. Accordingly, it's restricted to the open financial positions in foreign currencies. Three different trust transactions are used, i.e., 95% (low), 98% (average) and 99% (high)

6.2.1.2. Stress Testing

Stress tests indicate volume of the expected loss that may arise from severe adverse conditions. Stress tests are designed to be in line with the activity, by using a typical analysis of determined scenarios. Stress tests conducted by the risk management sector of group include stress testing of risk factors, as a set of effective movements is adopted on each risk category and the pressures of developing markets is tested. The developing markets are subject to effective movements and test of special stresses, including possible events affecting specific centers or regions, such as what may arise in a region due to the release of restrictions on a currency. Results of the stress tests are reviewed by senior management and the board of directors.

6.2 Market risk (continued)

Value at Risk (VAR) for trading portfolio as per the risk type:

Amounts in EGP 000

	31 December 2021			31 December 2021		
	Average	High	Low	Average	High	Low
	98%	99%	95%	98%	99%	95%
Foreign exchange risk	317 947	360 149	254 645	602 041	681 951	482 176
VaR	**317 947**	**360 149**	**254 645**	**602 041**	**681 951**	**482 176**

6.2.2. Exchange Rate Fluctuations Risk

The group is exposed to the exchange rate fluctuations risk on the financial position and cash flows. The main office has set limits to the foreign currencies at the total fair value at a level of each currency separately. The following table summarizes the carrying amount of the financial instruments categorized by the related currencies.

	31 December 2021					Amounts in EGP 000
	EGP	**USD**	**EUR**	**GBP**	**OTHER**	**Total**
Financial assets						
Cash and balances with central banks	4 580 235	79 406	8 637	1 721	3 891	**4 673 890**
Balances with Banks	14 368	2 366 121	212 934	41 143	822 939	**3 457 505**
** Loans and advances to banks	--	565 801	--	--	--	**565 801**
** Loans and advances to customers	24 708 417	2 248 356	44 853	--	--	**27 001 626**
Financial Investment:				--	--	
- Through profit or loss	75 142	--	--	--	--	**75 142**
- Through OCI	17 985 885	1 001 072	51 804	--	--	**19 038 761**
- Amortized Cost	1 507 810	248 566	--	--	--	**1 756 376**
Property investment	4 231	--	--	--	--	**4 231**
Other Financial Assets	1 663 179	240 205	77 633	0	12 461	**1 993 478**
Total financial assets	**50 539 267**	**6 749 527**	**395 861**	**42 864**	**839 291**	**58 566 810**
Financial liabilities						
Due to Banks	2 248 307	54 293	969	963	1	**2 304 533**
Customers' deposits	42 585 752	4 026 946	378 422	42 020	836 589	**47 869 729**
Other Financial Liabilities	5 748 248	2 626 404	15 734	77	2 085	**8 392 548**
Total financial liabilities	**50 582 307**	**6 707 643**	**395 125**	**43 060**	**838 675**	**58 566 810**
Net on balance sheet financial position	(43 040)	41 884	736	(196)	616	--
Credit commitments	10 124	110 017	--	--	--	**120 141**
31-Dec-20						
Total financial assets	36 306 639	5 811 738	247 169	46 003	29 628	**42 441 177**
Total financial liabilities	36 274 982	5 845 117	245 674	46 380	29 024	**42 441 177**
Net on balance sheet financial position	**31 657**	**(33 379)**	**1 495**	**(377)**	**604**	--
Credit commitments	94 047	110 125	--	--	--	**204 172**

*Loans and advances are recognized at aggregate value (not discounted).

**Financial investments held to maturity recognized at aggregate value (not discounted)

6.2 Market risk (Continued)

6.2.3. Interest rate risk

The group is exposed to the effects of fluctuations in the levels of the prevailing interest rate in the market, i.e. the risk of cash flows of the interest rate represented in the fluctuation of future cash flows of a financial instrument due to changes in the interest rate of the instrument and fair value risk of the interest rate, i.e. is the risk of fluctuations in the value of the financial instrument as a result of a change in the interest rates in the market. The interest margin may increase due to these changes; however, the profits may decrease if unexpected movements occur.

The tables below summaries the group 's exposure to the interest rate fluctuations risk that include carrying value of the financial instruments categorized based on the re-pricing dates or the maturity date – whichever is earlier.

Sensitivity analysis of Interest Rate

Changes in interest rates affect equity by the following ways:

- Retained Earnings: Increase or decrease in the net interest income and fair value of the financial derivatives included in profits and losses.

	31 December 2021						Amounts in EGP 000	
Description	**Up to 1 month**	**1-3 months**	**3-6 months**	**6-12 months**	**1-3 years**	**Over 3 years**	**Non-interest bearing**	**Total**
Cash and reserve balances with central Bank	--	--	--	--	--	--	5 056 166	**5 056 166**
Balances with Banks	2 599 574	172 884	--	157 167	--	--	142 450	**3 072 075**
-- Loans and advances to banks	312 571	--	93 772	--	--	156 286	--	**562 629**
Loans and advances to customers	7 524 988	9 862 907	562 235	1 679 117	3 593 313	2 619 648	341 070	**26 183 278**
Financial Investments								
Through Profit or loss	16 012	27 442	15 892	8 819	--	--	6 977	**75 142**
Through OCI	853 834	2 519 758	1 130 389	4 646 057	5 194 302	3 794 246	348 012	**18 486 598**
Amortized Cost	0	15 673	0	77 139	656 294	1 003 317	--	**1 752 423**
Investments in subsidiaries and associates	--	--	--	--	--	--	4 231	**4 231**
Other debit balances & derivatives	--	--	--	--	--	--	1 121 414	**1 121 414**
Deferred tax assets	--	--	--	--	--	--	20 626	**20 626**
Fixed & Intangible Assets	--	--	--	--	--	--	508 852	**508 852**
Total financial assets	**11 306 979**	**12 598 664**	**1 802 288**	**6 568 299**	**9 443 909**	**7 573 497**	**7 549 798**	**56 843 434**
Due to Banks	2 272 273	--	--	--	--	--	32 260	**2 304 533**
Customers' deposits	11 912 116	8 741 767	5 478 378	10 902 513	5 868 036	1 713 943	3 252 976	**47 869 729**
Other credit balances & derivatives	--	--	--	--	--	--	1 531 925	**1 531 925**
Other provisions	--	--	--	--	--	--	173 273	**173 273**
Retirement benefits liabilities	--	--	--	--	--	--	84 519	**84 519**
Minority interest	--	--	--	--	--	--	114	**114**
Owners' equity	--	--	--	--	--	--	4 879 341	**4 879 341**
Total financial liabilities and equities	**14 184 389**	**8 741 767**	**5 478 378**	**10 902 513**	**5 868 036**	**1 713 943**	**9 954 408**	**56 843 434**
Re- pricing gap	**(2 877 410)**	**3 856 897**	**(3 676 090)**	**(4 334 214)**	**3 575 873**	**5 859 554**	**(2 404 610)**	--
31 December 2020								
Total financial assets	8 777 579	7 963 721	1 855 297	4 065 156	5 305 844	5 724 481	7 616 822	**41 308 900**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Total financial liabilities and equities	13 788 577	7 667 457	2 962 632	5 876 017	3 195 325	81 369	7 737 523	**41 308 900**
Re- pricing gap	**(5 010 998)**	**296 264**	**(1 107 335)**	**(1 810 861)**	**2 110 519**	**5 643 112**	**(120 701)**	--

6.2 Market risk (Continued)

- Fair value reserve: Increase or decrease in the fair value of the financial assets at fair value through comprehensive income (before 1 January 2019: available for sale) recognized directly in the statement of comprehensive income.

6.2.4. Liquidity risk

6.2.4.1. Liquidity Risk Management

Liquidity risk is the risk that the group is unable to meet its 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 obligation to repay depositors and fulfil commitments to lend

Liquidity risk control adopted by the Risk Management Sector of the group include the following:

- Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or borrowed by customers. The group maintains an active presence in global money markets to enable this to happen.
- Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow.
- Monitoring the liquidity ratios against internal and regulatory requirements by the Central Bank of Egypt.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

Assets and liability management also monitors unmatched medium-term assets, the level and type of undrawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees.

6.2.4.2. Funding approach

Sources of liquidity are regularly reviewed by a separate team of the risk management sector of the group to maintain a wide diversification by currency, geography, provider, product and term.

6.2 Market risk (Continued)

6.2.4.3. Non -Derivative Cash Flows

			31 December 2021			Amounts in EGP 000	
Description/ Maturity Date	**Up to1 month**	**1 – 3 months**	**3 – 6 months**	**6 – 12 months**	**1 – 3 years**	**Over 3 years**	**Total**
Due to local banks	2 261 506	--	--	--	--	--	**2 261 506**
Due to foreign banks	47 062	--	--	--	--	--	**47 062**
Customers' deposits	4 493 716	6 925 337	2 649 999	4 774 345	6 905 089	24 638 238	**50 386 724**
Other liabilities	1 420 441	--	--	--	--	84 519	**1 504 960**
Total financial liabilities according to the contractual maturity date	**8 222 725**	**6 925 337**	**2 649 999**	**4 774 345**	**6 905 089**	**24 722 757**	**54 200 252**
***Total financial assets according to the contractual maturity date**	**18 684 722**	**5 331 744**	**5 927 604**	**14 708 326**	**15 613 704**	**7 983 380**	**68 249 480**

			31 December 2020			Amounts in EGP 000	
Description/ Maturity Date	**Up to1 month**	**1 – 3 months**	**3 – 6 months**	**6 – 12 months**	**1 – 3 periods**	**Over 3 periods**	**Total**
Due to local banks	1 702 661	--	--	--	--	--	**1 702 661**
Due to foreign banks	42 941	--	--	--	--	--	**42 941**
Customers deposits	7 634 340	5 171 658	1 558 320	2 950 737	4 491 791	13 008 327	**34 815 173**
Other liabilities	1 536 714	--	--	--	--	82 706	**1 619 420**
Total financial liabilities according to the contractual maturity date	**10 916 656**	**5 171 658**	**1 558 320**	**2 950 737**	**4 491 791**	**13 091 033**	**38 180 195**
***Total financial assets according to the contractual maturity date**	**10 767 130**	**3 707 989**	**4 312 475**	**11 727 629**	**13 853 249**	**6 092 674**	**50 461 146**

Assets available to satisfy all liabilities and cover loan-associated commitments include cash, balances with the central bank, bank balances, treasury bills and other governmental securities, loans and advances to banks and customers. The group has the ability to satisfy the unexpected net cash flows by selling securities and finding other financing sources.

* Assets shown in the table represent the cash flows discounted in accordance with the contractual maturity date.

6.2 Market risk (Continued)

6.2.5. Fair Value of Financial Assets and Liabilities

Financial instruments not measured at Fair Value

The table below summarizes the book value and fair value of the financial assets and liabilities not presented at fair value on the group's statement of financial position:

	Amounts are in EGP 000's			
	Book Value		Fair Value	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Financial assets				
Balances with Banks	3 072 075	1 665 616	3 072 075	1 665 616
Current Loans	10 458 100	11 210 355	10 458 100	11 210 355
Financial liabilities				
Due to Banks	2 304 533	1 744 010	2 304 533	1 744 010
Current deposits	40 271 465	29 454 260	40 271 465	29 454 260

6.2.5.1. Balances with Banks
Fair value of the variable-rate overnight placements and deposits represents the related present value. The expected fair value of the variable interest – bearing deposits is estimated on the basis of the discounted cash flows by using the prevailing interest rate in financial markets for debts with credit risk and a similar maturity date.

6.2.5.2. Loans and Advances to Banks
Loans and advances to banks comprise loans other than deposits with banks. The expected fair value of the loans and advances represents the discounted value of the expected future cash flows to be collected. The cash flows are discounted by using the current market interest rate to determine the fair value. Loans and advances are shown at net of impairment losses provision.

6.2.5.3. Investment securities
Investments securities comprise only the financial assets with specific or determinable maturity date and the business model tends to hold them to get the principal investment and interest. Fair value of those financial assets is determined for the financial assets held to maturity on the basis of market prices or prices obtained from brokers. If this data is not available, fair value is estimated by using the financial market prices for traded securities with similar credit characteristics, maturity dates and similar rates.

6.2.5.4. Due to Other Banks and Customers
Estimated fair value of the deposits with indefinite maturity, including the interest – free deposits, represents the amount that would be paid on demand.
Fair value of the Fixed-interest deposits and the other loans not traded in an active market is determined on the basis of the discounted cash flows by using the interest rate on the new debts with a similar maturity date.

6.2.5.5. Issued Debt Instruments
The total fair value is calculated on the basis of current financial market prices. In respect of the securities for which there is no active markets, the discounted cash flow model is used for the first time on the basis of the current rate that's appropriate for the remaining period to the maturity date.

6.3. Capital risk management
The Group's objectives when managing capital, which is a broader concept than the 'equity' on the balance sheet statement, are:

- To comply with the legal capital requirements set by Arab Republic of Egypt and other countries in which the Bank's branches operates.
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- Ensuring that the Group's performance complies with the Risk Appetite limits approved by the Board of Directors of the Group, which are annually monitored through the Risk Matrix

To maintain a strong capital base to support the development of its business.
Capital adequacy and capital uses are daily reviewed by the management of the group in accordance with the requirements of the regulatory authority (the Central Bank of Egypt in the Arab Republic of Egypt or the Regulatory Authorities where the foreign bank branches operate) through models based on the Basel Committee's guidelines. The required data are submitted and deposited with the Central Bank of Egypt on a quarterly basis.

The CBE requires the bank to

- Maintain, as a minimum, an amount of EGP 500 million.
- Maintain ratio of 10% or more of total regulatory capital to its risk-weighted assets and contingent liabilities.

Numerator of the capital adequacy comprises the following two tranches:
Tier 1 capital: It is the main capital that comprises the paid-up capital (net of the carrying amount of treasury shares), retained earnings and reserves arising from dividends, except for the group risk general reserve, net of any goodwill previously recognized and any brought forward losses.

Tier 2 capital: It is the subordinated Capital that consists of what is equivalent to the general risk provision in accordance with the principles of creditworthiness issued by the CBE, not exceeding 1.25% of total risk – weighted assets and contingent liabilities, and subordinated loans / deposits with maturities of more than five periods (with depreciation of 20% of its value per period of the last five
periods of its maturities) and 45% of the increase between fair value and carrying amount of both the financial assets at fair value through comprehensive income and financial investments assessed at amortized cost and in subsidiary and associates.
When calculating the total nnumerator of capital adequacy standard, the group takes into account that the subordinated capital shall not exceed the main capital and the subordinated loans (deposits) shall not exceed 50% of the main capital.
Assets are weighted by risk weights ranging from zero to 100%, designed in accordance with the nature of the debtor party for each asset, reflecting the related credit risk associated and considering the cash collateral. The same treatment is used for amounts off – balance sheet after conducting amendments to reflect the contingent nature and potential losses of such amounts.
The group has committed to all local capital over the past two years. The following table summarizes components of the main and subordinated capital at the end of these two years.

6.3 Capital risk management (continued)

Amounts are in EGP 000's

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	31 December 2021	31 December 2020
Capital		
Tier 1 after deductions		
Issued and Paid up capital	3 234 662	1 617 331
General reserve	13 540	13 540
Legal reserve	134 883	134 299
Capital reserve	2 201	2 201
General risk reserve	4 242	4 242
Retained Earnings	108 627	1 919 324
Profit for the year	847 088	--
Total accumulative comprehensive income items	330 187	377 493
Minority Interest	114	104
Total deductions from Tier 1	(37 748)	(20 806)
Total Tier 1 after deductions (1)	**4 637 796**	**4 047 728**
Tier 2 after deductions		
45% of Special Reserve	1 926	1 926
The significant provisions required against debt instruments, loans, credit facilities and contingent liabilities included in Tier 1	282 712	216 202
Total Tier 2 after deductions (2)	**284 638**	**218 128**
Total capital (1+2)	**4 922 434**	**4 265 856**
Credit risk -weighted assets and contingent liabilities:		
Total credit risk	28 156 425	22 158 350
Total market risk	9 915	148 169
Total operation risk	3 203 363	2 679 879
Total credit risk -weighted assets and contingent liabilities	**31 369 703**	**24 986 398**
***Capital Adequacy Ratio %**	**%15.69**	**%17.07**

* The capital adequacy ratio has been prepared in accordance with the items of the consolidated financial statements and the instructions issued by the Central Bank on 24 December 2012, considering the instructions issued on 26 February 2019 to adopt IFRS 9.

6.4. Leverage ratio

CBE Board of Directors had approved in its meeting held on 7 July 2015 special supervisory instructions related to leverage ratio of maintaining a minimum level of leverage ratio of 3% to be reported on a quarterly basis as follows:

- As a guidance ratio starting from end of September 2015 till March 2017
- As an obligatory ratio starting from the period 2018

This ratio will be included in Basel requirement Tier 1 (minimum capital adequacy ratio) in order to maintain the effectiveness and safety of the Egyptian banking system, as well as keep up with the best international regulatory practices.

Financial leverage ratio reflects the relationship between tier1 for capital that are used in capital adequacy ratio (after exclusions) and the Group's assets (on and off-balance Sheet items) that are no risk weighted assets.

Ratio Components

Numerator components:

The numerator consists of the tier 1 for capital that are used in capital adequacy ratio (after exclusions) in accordance with the CBE's requirements.

Denominator components:

The denominator consists of all group's assets (on and off-balance sheet items) according to the financial statements, called "Group Exposures" including the following totals:

1) On balance sheet exposure items after deducting Tier 1 exclusions for capital base
2) Derivatives contracts exposure
3) Financing financial securities operations exposure
4) Off-balance sheet exposures "weighted exchange transactions"

The below table summarizes leverage ratio on 31 December2021 and 31 December 2020.

Leverage ratio:

Amounts are in EGP 000's

	31 December 2021	31 December 2020
Tier 1 of Capital after deductions	**4 637 796**	**4 047 728**
Total In -balance sheet exposures, derivatives, and securities financing	57 067 162	41 485 924
Total Off-balance sheet exposures	3 126 906	2 058 229
Total In-balance sheet and Off-balance sheet exposures	**60 194 068**	**43 544 153**
Leverage ratio	**%7.70**	**%9.30**

7. **Cash and Balances with the Central Bank Limited to the Reserve Ratio**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	31 December 2021	31 December 2020
Cash	460 511 420	444 816 317
Balances with the Central Bank limited to the statutory reserve ratio	4 597 605 063	5 166 439 116
	5 058 116 483	**5 611 255 433**
Less: ECL provision	(1 950 919)	(2 088 717)
	5 056 165 564	**5 609 166 716**
Cash	460 511 419	444 816 317
Non-interest-bearing balances	4 213 378 899	4 772 287 082
Fixed Interest-bearing balances	384 226 165	394 152 034
	5 058 116 483	**5 611 255 433**
Less: ECL provision	(1 950 919)	(2 088 717)
	5 056 165 564	**5 609 166 716**
Current Balances	**5 056 165 564**	**5 609 166 716**

8. Balances with Banks

	31 December 2021	31 December 2020
Current accounts	306 886 375	413 117 188
Deposits	2 766 392 350	1 252 498 550
	3 073 278 725	**1 665 615 738**

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Less ECL provision	(1 203 598)	--
	3 072 075 127	**1 665 615 738**
Central Banks	9 677 156	2 894 706
Local Banks	2 087 751 969	127 888 525
Foreign Banks	975 849 600	1 534 832 507
	3 073 278 725	**1 665 615 738**
Less ECL provision	(1 203 598)	--
	3 072 075 127	**1 665 615 738**
Non-interest-bearing balances	142 450 174	149 127 466
Variable interest-bearing balances	164 436 201	263 989 722
Fixed interest-bearing balances	2 766 392 350	1 252 498 550
	3 073 278 725	**1 665 615 738**
Less ECL provision	(1 203 598)	--
	3 072 075 127	**1 665 615 738**
Current balances	**3 072 075 127**	**1 665 615 738**

9. Loans and advances to banks

	31 December 2021	31 December 2020
Term loans	565 801 200	550 169 514
Less: ECL provision	(3 172 111)	(2 092 043)
	562 629 089	**548 077 471**

10. Loans and advances to customers

	31 December 2021	31 December 2020
Individual		
Personal loans	8 932 799 977	7 478 086 429
Credit cards	227 534 006	215 853 546

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Overdraft	30 086 576	76 437 065
Real estate loans	1 457 505	2 884 529
Total (1)	**9 191 878 064**	**7 773 261 569**
Corporate including small loans for economic activities		
Overdrafts	4 717 421 513	3 493 833 448
Direct loans	11 347 605 948	8 225 382 431
Syndicated loans	1 435 040 803	1 491 676 135
Other loans	309 679 481	328 260 944
Total (2)	**17 809 747 745**	**13 539 152 958**
Total loans and advances to customers (1) + (2)	**27 001 625 809**	**21 312 414 527**
Less: Impairment losses provisions	(818 347 534)	(776 600 070)
	26 183 278 275	**20 535 814 457**
Current balances	10 458 099 703	11 210 355 383
Non-current balances	16 543 526 106	10 102 059 144
	27 001 625 809	**21 312 414 527**

10. Loans and advances to customers (continued)

Movements of impairment losses provisions on loans and advances during the year reflected as follows:

31 December 2021				
(Retail)				
Personal loans	**Credit Cards**	**Overdrafts**	**Real estate**	**Total**

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ECL provision balance at the beginning of the year	**248 252 086**	**12 849 710**	**157 885**	--	**261 259 681**
Impairment charge	313 614 009	16 583 972	174 156	--	**330 372 137**
Proceeds from previously written off loans	37 082 379	3 087 328	--	--	**40 169 707**
Written off amounts during the year	(289 184 893)	(15 556 433)	--	--	**(304 741 326)**
ECL provision balance at the end of the year	**309 763 581**	**16 964 577**	**332 041**	--	**327 060 199**

31 December 2021

(Corporate)

	Overdrafts	Direct Loans	Syndicated loans	Other Loans	Total
ECL provision balance at the beginning of the year	**342 431 251**	**143 100 891**	**13 011 320**	**1 090 512**	**499 633 974**
Impairment charge (reverse)	(133 831 688)	131 993 469	65 962 244	774 844	**64 898 869**
Proceeds from previously written off loans	--	27 393 077	--	--	**27 393 077**
Written off amounts during the year	--	(100 238 697)	--	--	**(100 238 697)**
Foreign exchange differences	(23 184)	(308 495)	(68 209)	--	**(399 888)**
ECL provision balance at the end of the year	**208 576 379**	**201 940 245**	**78 905 355**	**1 865 356**	**491 287 335**

10. Loans and advances to customers (continued)

31 December 2020

(Retail)

Personal loans	Credit Cards	Overdrafts	Real estate	Total

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

ECL provision balance at the beginning of the year	**112 301 228**	**5 204 095**	**92 186**	--	**117 597 509**
Impairment charge	201 832 727	10 623 678	65 699	--	**212 522 104**
Proceeds from previously written off loans	21 826 983	2 284 776	--	--	**24 111 759**
Written off amounts during the year	(87 708 852)	(5 262 839)	--	--	**(92 971 691)**
ECL provision balance at the end of the year	**248 252 086**	**12 849 710**	**157 885**	--	**261 259 681**

	31 December 2020 (Corporate)				
	Overdrafts	**Direct Loans**	**Syndicated loans**	**Other Loans**	**Total**
ECL provision balance at the beginning of the year	**240 732 566**	**83 336 862**	**64 030 936**	**149 979**	**388 250 343**
Impairment charge (Reverse)	102 532 668	46 994 221	(50 938 430)	940 533	**99 528 992**
Proceeds from previously written off loans	--	13 871 542	--	--	**13 871 542**
Written off amounts during the year	--	(138 548)	--	--	**(138 548)**
Reclassification	--	16 215 167	--	--	**16 215 167**
Foreign exchange differences	(833 983)	(1 471 938)	(81 186)	--	**(2 387 107)**
ECL provision balance at the end of the year	**342 431 251**	**158 807 306**	**13 011 320**	**1 090 512**	**515 340 389**

11. Financial investments

Financial investments at fair value through profit and loss (FVTPL)	**31 December 2021**	**31 December 2020**
Debt instrument		
Treasury Bills	47 079	1 418 670

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Mutual Fund certificates	75 094 682	46 291 342
Total Financial investments at FVTP&L	**75 141 761**	**47 710 012**
Financial investments at fair value through other comprehensive income (FVTOCI)		
Debt instrument		
Bonds	9 582 478 002	5 459 406 106
Treasury Bills	8 556 108 011	4 366 403 497
Equity instrument		
Listed	303 631 517	299 856 478
Unlisted	44 380 031	41 085 819
Total Financial investment at FVTOCI	**18 486 597 561**	**10 166 751 900**
Financial investments at Amortized Cost		
Debt Instrument		
Bonds	1 756 017 785	1 322 868 986
Less: ECL provision	(3 594 551)	(3 124 380)
Total Financial investment at Amortized cost	**1 752 423 234**	**1 319 744 606**
Debt instruments with fixed interest rates	19 891 056 326	11 146 972 879
	19 891 056 326	**11 146 972 879**

Financial Investment Profits are represented in:	**31 December 2021**	**31 December 2020**
Debt instruments gain through OCI	7 425 485	9 656 798
	7 425 485	**9 656 798**

11. Financial investments (continued)

The movement in financial investments during the year may be summarized as follows:

	FVTP	FVTOCI	Amortized Cost	Total
Balance at 1 January 2020	**86 544 340**	**6 871 182 069**	**1 681 240 225**	**8 638 966 634**
Additions	172 712 324 543	11 464 754 802	58 582 992	**184 235 662 337**
Disposals (sale / redemption)	(172 755 437 778)	(8 161 184 170)	(415 318 480)	**(181 331 940 428)**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Amortization of issuance premium / discount		4 592 407	1 375 485	**5 967 892**
Loss from changes in fair value	--	93 916 803	--	**93 916 803**
Foreign exchange revaluation	4 278 907	(13 192 440)	(3 011 236)	**(11 924 769)**
ECL	--	--	(3 124 380)	**(3 124 380)**
REPO	--	(93 317 571)	--	**(93 317 571)**
Balance at 31 December 2020	**47 710 012**	**10 166 751 900**	**1 319 744 606**	**11 534 206 518**
Balance at 1 January 2021	**47 710 012**	**10 166 751 900**	**1 319 744 606**	**11 534 206 518**
Additions	232 389 224 116	20 745 418 147	1 477 482 068	**254 612 124 331**
Disposals (sale / redemption)	(232 367 204 290)	(12 398 726 746)	(1 042 055 624)	**(245 807 986 660)**
Amortization of issuance premium / discount	--	2 054 123	(2 131 618)	**(77 495)**
Loss from changes in fair value	--	(46 443 799)	--	**(46 443 799)**
Foreign exchange revaluation	5 411 923	(5 671 390)	(146 027)	**(405 494)**
ECL	--	--	(470 171)	**(470 171)**
REPO	--	23 215 326	--	**23 215 326**
Balance at 31 December 2021	**75 141 761**	**18 486 597 561**	**1 752 423 234**	**20 314 162 556**

12. Investment in associates

Financial investments in associates are not listed in stock exchange.

	31 December 2021					
	Value	Contribution %	Company's assets	Company's liabilities	Company's revenues	Company's profits
Investments in capitals of associates						
Alexandria for Financial Investments and Development	--	22.00%	79 395 820	36 505 434	2 233 833	304 738
Total	--		**79 395 820**	**36 505 434**	**2 233 833**	**304 738**

	31 December 2020					
	Value	Contribution %	Company's assets	Company's liabilities	Company's revenues	Company's profits
Investments in capitals of associates						
Alexandria for Financial Investments and Development	--	22.00%	79 395 820	36 505 434	2 233 833	304 738
Total	--		**79 395 820**	**36 505 434**	**2 233 833**	**304 738**

13. Intangible assets

	31 December 2021	31 December 2020
Net book value at beginning of the year	**487 636**	**1 482 966**
Amortization	--	(995 330)
Net book value at end of the year	**487 636**	**487 636**

14. Other assets

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	31 December 2021	31 December 2020
Accrued revenues	720 246 879	461 333 736
Prepaid expenses	223 984 086	182 744 809
Projects under construction	508 123	51 647 417
Assets reverted to the Bank	101 167 915	109 595 102
Refundable deposits	8 512 256	8 265 271
Advance payments for purchase of fixed assets	3 816 230	41 307 818
Other debit balances	66 996 289	155 875 785
Less: ECL provision	(3 817 881)	(2 609 679)
	1 121 413 897	**1 008 160 259**

15. Deferred income tax

Deferred income tax is provided in full, using the liability method on temporary differences using tax rate of 22.50 %.

Deferred tax assets and liabilities can be off-set when there is a legal reason to offset between the current taxes on assets versus the current tax on liabilities, in addition, when the deferred tax is following the same tax authority.

	31 December 2021	31 December 2020
Fixed assets	(13 407 909)	2 028 737
Provisions (Other than ECL)	34 033 417	13 170 857
Total	**20 625 508**	**15 199 594**

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(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

	Land and buildings	Leasehold improvements	Machinery and equipment	Computer systems	Vehicles	Others	Total
Balance at 1 January 2020							
Cost	430 328 972	171 850 370	65 737 517	314 349 974	29 381 131	46 462 835	**1 058 110 799**
Accumulated depreciation	(201 899 835)	(105 870 933)	(46 814 337)	(234 826 309)	(14 040 532)	(36 087 069)	**(639 539 015)**
Net book value at 1 January 2020	**228 429 137**	**65 979 437**	**18 923 180**	**79 523 665**	**15 340 599**	**10 375 766**	**418 571 784**
Additions	--	10 879 472	9 005 698	27 364 122	5 095 200	2 394 727	**54 739 219**
Disposals	(1 881 497)	--	--	(5 061 428)	(2 181 993)	--	**(9 124 918)**
Depreciation cost	(11 382 188)	(20 528 117)	(6 907 676)	(36 535 725)	(4 894 606)	(3 559 717)	**(83 808 029)**
Disposals depreciation	1 379 232	--	--	5 061 428	1 007 860	--	**7 448 520**
Net book value at 31 December 2020	**216 544 684**	**56 330 792**	**21 021 202**	**70 352 062**	**14 367 060**	**9 210 776**	**387 826 576**
Balance at 1 January 2021							
Cost	428 447 475	182 729 842	74 743 215	336 652 668	32 294 338	48 857 562	**1 103 725 100**
Accumulated depreciation	(211 902 791)	(126 399 050)	(53 722 013)	(266 300 606)	(17 927 278)	(39 646 786)	**(715 898 524)**
Net Book value at 1 January 2021	**216 544 684**	**56 330 792**	**21 021 202**	**70 352 062**	**14 367 060**	**9 210 776**	**387 826 576**
Additions	47 369 845	20 888 620	6 142 048	136 830 199	3 575 300	2 497 765	**217 303 777**
Disposals	--	--	--	(2 843 810)	(5 114 386)	0	**(7 958 196)**
Depreciation cost	(11 835 745)	(20 540 750)	(7 353 434)	(46 504 549)	(4 733 559)	(3 403 969)	**(94 372 006)**
Disposals depreciation	--	--	--	2 843 810	3 208 139	0	**6 051 949**
Net book value at 31 December2021	**252 078 784**	**56 678 662**	**19 809 816**	**160 677 712**	**11 302 554**	**8 304 572**	**508 852 100**
Balance at 31 December2021							
Cost	475 817 320	203 618 462	80 885 263	470 639 057	30 755 252	51 355 327	**1 313 070 681**
Accumulated depreciation	(223 738 536)	(146 939 800)	(61 075 447)	(309 961 345)	(19 452 698)	(43 050 755)	**(804 218 581)**
Net book value at 31 December2021	**252 078 784**	**56 678 662**	**19 809 816**	**160 677 712**	**11 302 554**	**8 304 572**	**508 852 100**

17. Property investment

	31 December 2021	31 December 2020
Land	2 044 486	2 044 486
Building	2 840 647	2 840 647
Total	**4 885 133**	**4 885 133**
Accumulated depreciation	(654 049)	(540 423)
Net	**4 231 084**	**4 344 710**

18. Due to Banks

	31 December 2021	31 December 2020
Current accounts	33 710 780	29 625 080
Deposits	2 270 822 285	1 714 385 278
	2 304 533 065	**1 744 010 358**
Local Banks	2 257 471 321	1 701 070 248
Foreign Banks	47 061 744	42 940 110
	2 304 533 065	**1 744 010 358**
Non-interest-bearing balances	32 260 331	11 015 289
Interest bearing balances	2 272 272 734	1 732 995 069
	2 304 533 065	**1 744 010 358**
Current balances	**2 304 533 065**	**1 744 010 358**

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19. Customers' deposits

	31 December 2021	31 December 2020
Demand deposits and current accounts	21 820 943 342	11 133 873 928
Time and call deposits	14 854 751 538	15 091 822 408
Certificates of deposits	8 513 238 532	4 796 977 512
Saving deposits	2 329 628 302	2 249 870 779
Other deposits	351 167 635	268 600 130
	47 869 729 349	**33 541 144 757**
Corporate deposits	33 538 262 835	22 690 684 138
Individual deposits	14 331 466 514	10 850 460 619
	47 869 729 349	**33 541 144 757**
Non-interest-bearing balances	3 258 915 355	1 702 131 849
Variable Interest-bearing balances	21 232 935 990	11 928 713 765
Fixed Interest-bearing balances	23 377 878 004	19 910 299 143
	47 869 729 349	**33 541 144 757**
Current balances	40 271 465 187	29 454 259 705
Non-current balances	7 598 264 162	4 086 885 052
	47 869 729 349	**33 541 144 757**

20. Derivatives

The Group uses the following derivative instruments for both hedging and non-hedging purposes:

- Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates, or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an organized financial market.

- The Group credit risk is considered as minimal. Forward rate agreements are individually negotiated and require cash settlement at a future date for the difference between a contracted rate of interest and the current market rate, based on a nominal value agreed on.

- Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an exchange of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (i.e., cross-currency interest rate swaps). No exchange of principal takes place, except for certain currency swaps.

- The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to fulfil their obligation. This risk is monitored on an ongoing basis with reference to the fair value, and a proportion of the notional amount of the contracts. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

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20. Derivatives (continued)

- The contractual amounts of certain types of financial instrument provide a basis for comparison with instruments recognized on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks.
- The derivative instruments become favorable (assets) or unfavorable (liabilities) as a result of fluctuations in foreign exchange rates or the interest rates relating to these relatives. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favorable or unfavorable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

The fair values of held for trading derivative instruments are set out below:

	31 December 2021			31 December 2020		
	Contractual amount	Assets	Liabilities	Contractual amount	Assets	Liabilities
Currency contracts	33 005 070	--	(1 880 075)	80 458 250	--	(1 987 830)
Total foreign currency derivatives		--	**(1 880 075)**		--	**(1 987 830)**
Total held for trading derivative assets / (liabilities)		--	**(1 880 075)**		--	**(1 987 830)**

21. Other liabilities

	31 December 2021	31 December 2020
Accrued interest	110 732 285	130 828 038
Accrued expenses	274 174 417	323 335 836
Taxes due on treasury bills and bonds	164 947 445	84 919 570
Dividends payable	1 423 179	1 423 179
Unearned income	139 489 407	129 862 634
Paid under capital	314 334 000	314 642 000
Other credit balances	524 942 636	666 903 233
	1 530 043 369	**1 651 914 490**

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22. Other Provisions

	31 December 2021				
	Tax claims provision	claims Legal	Contingent	Other	Total
Provision balance at the beginning of the year	29 553 700	67 519 405	34 923 872	5 199 430	137 196 407
Charged on statement of income	15 000 000	10 615 196	11 359 659	--	36 974 855
Foreign exchange differences	--	(23 383)	(12 936)	(3 850)	(40 169)
Utilized during the year	--	(564 625)	--	(293 251)	(857 876)
Provision balance at the end of the year	44 553 700	77 546 593	46 270 595	4 902 329	173 273 217

	31 December 2020				
	Tax claims provision	Legal claims provision	Contingent	Other	Total
Provision balance at the beginning of the year	15 193 700	36 348 337	37 286 150	5 276 780	94 104 967
Charged on statement of income	14 360 000	31 312 133	(2 361 690)	--	43 310 443
Foreign exchange differences	--	(6 788)	(588)	(77 350)	(84 726)
Utilized during the year	--	(134 277)	--	--	(134 277)
Provision balance at the end of the year	29 553 700	67 519 405	34 923 872	5 199 430	137 196 407

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

23. Retirement benefit obligations

The Bank applies a scheme to meet the retirement benefits liabilities which includes the staff employed before 1 January 2006.The Bank has prepared actuarial study through an independent actuary on30 November 2021 to calculate the liabilities of retirement benefits plan which depends, in terms of its financial assumptions, on the market expectations at balance sheet date. The study includes the amounts expected for the period subsequent to the date of actuarial study preparation and shows the retirement benefits liabilities as follows:

Balance sheet liabilities:	**31 December 2021**	**31 December 2020**
Pension benefits	84 519 442	82 705 750
Total	**84 519 442**	**82 705 750**

Amounts recognized in the statement of income:	**31 December 2021**	**31 December 2020**
Pension benefits	(8 689 847)	(9 512 059)
Total	**(8 689 847)**	**(9 512 059)**

Pension benefits:

The amounts recognized in the balance sheet are as follows:	**31 December 2021**	**31 December 2020**
Present value of liabilities	132 799 724	130 338 344
Fair value of assets	(48 280 282)	(47 632 594)
Total	**84 519 442**	**82 705 750**

The movement in the liabilities during the year are as follows:	**31 December 2021**	**31 December 2020**
Balance at the beginning of the year	**130 338 344**	**136 345 610**
Service cost	2 662 716	3 265 364
Interest cost	17 796 853	17 112 409
Employees contributions	3 076 769	3 260 087
Benefits paid	(24 976 377)	(19 805 938)
Actuarial losses	3 901 419	(9 839 188)
Balance at the end of the year	**132 799 724**	**130 338 344**

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23. Retirement benefit obligations (continued)

The movement in the assets during the year are as follows:	31 December 2021	31 December 2020
Balance at the beginning of the year	**47 632 594**	**46 643 959**
Expected return	5 896 232	4 641 911
Bank contributions	5 873 490	6 223 803
Employees contributions	3 076 769	3 260 087
Benefits paid	(24 976 377)	(19 805 938)
Used	6 673 929	4 994 521
Actuarial losses	4 103 645	1 674 251
Balance at the end of the year	**48 280 282**	**47 632 594**

The amount recognized in the statement of income are as follows:	31 December 2021	31 December 2020
Service cost	(2 662 716)	(3 265 364)
Interest cost	(17 796 853)	(17 112 409)
Expected return	5 896 232	4 641 911
Bank contributions	5 873 490	6 223 803
Total (included in staff cost note 33)	**(8 689 847)**	**(9 512 059)**

The principal actuarial assumption used are as follows:	31 December 2021	31 December 2020
Discount rate	14.70 %	15.50 %
Expected return on assets	6.30 %	15.50 %
Rate of compensation increase	8.50 %	13.50 %

	Number of shares (in millions)	Common stocks (EGP)
Balance at 1 January 2021	103.8	1 617 331 003
Free Shares	103.8	1 617 331 003
Balance at 31 December2021	**207.6**	**3 234 662 006**

	Number of shares (in millions)	Common stocks (EGP)
Balance at 1 January 2020	103.8	1 617 331 003
Balance at 31 December 2020	**103.8**	**1 617 331 003**

a. Authorized capital

The Bank's authorized capital amounted EGP 10,000 million at 31 December 2021 , The ordinary general assembly meeting approved on 27 October 2021 to increase the authorized capital amounted EGP 7,000 million to reach amount EGP 10,000 million, and this increase still under registration.

b. Issued and paid in capital

The issued and paid in capital is EGP 3,235 million at 31 December 2021 distributed on 207 581 662 shares with nominal value of EGP 15.5826 .The ordinary general assembly meeting approved on 27 October 2021 to increase paid up capital by distributing Stock dividend for shareholders in amount of EGP 1,617 million to reach amount EGP 3,235 million, and this increase still under registration.

c. Capital increase

On 1 March 2012, the board of directors approved issued capital increase and on 18 April 2012 the existing shareholders were invited to subscribe in the capital increase by amounted EGP 200 404 035. On 10 June 2012 the subscription has been closed and the capital increase was registered in the banks' register on 26 May 2013 and the commercial register on 17 March 2013. On 22 May 2014, the existing shareholders were invited to subscribe in the issued capital increase by amount of EGP 200 million. On 30 June 2014, subscription was closed by amount of 178 502 968 and the increase was registered in the commercial register on 2 June 2015 along with the amendments of the article of association (articles 6and7) concerning the capital structure. On 21 May 2015, Piraeus Bank Egypt announced final agreement with Al Ahli Bank of Kuwait to acquire its full percentage of ownership and the Central Bank of Egypt agreed on 4 August 2015 while on 5 November 2015, General authority for Investment (GAFI) agreed the shares transfer. On 10 November 2015, the shares were transferred in Boursa, and the commercial register was amended on 25 July 2016 by changing the bank's name to be Al Ahli Bank of Kuwait - EGYPT (S.A.E) .The ordinary general assembly meeting approved on 27 October 2021 to increase paid up capital by distributing Stock dividend for shareholders in amount of EGP 1,617 million to reach amount EGP 3,235 million, and this increase still under registration.

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24. Equity (continued)

24.2. Reserves

a. Legal Reserves

According to the Bank's articles of association, 5% of the net profits is transferred to the legal reserve until this reserve reaches 100% of the bank's paid capital. If any amount is taken from the reserve, transfer is required to be made. The general assembly meeting based on the proposal of the board of directors can decide percentage of the net profits to form new reserve.

b. General Reserve

According to Central Bank of Egypt requirements and instructions, the general reserve is formed to meet unexpected risks.

c. Capital Reserve

According to Central Bank of Egypt requirements and instructions, the capital reserve is formed from the capital gains realized from sale of fixed assets before dividends distribution.

d. Special Reserve

According to Central Bank of Egypt instructions, approved by its board of directors 16 March 2008, the changing of accounting policy related to first time adoption of the new accounting policies should be retained in special reserve and should not distributed without Central Bank of Egypt approval and the special reserve includes the change of accounting policy for valuation of available for sale investments

e. Fair value reserve

Represents recognition of the effect of the fair value of the financial instruments classified under "financial investments through OCI" after tax deduction. No profits or losses are recognized in the statement of income, unless the debt instruments are sold, and the equity instruments are recognized directly in the retained earnings.

f. General Banking Risk Reserve

Represents the difference between the provision for loan impairment losses calculated on the basis of determining the creditworthiness, formation of the provisions issued by the CBE under IFRS 9, and the value of the ECL provision charged on the financial statements, after the initial recognition at the beginning of the first period of the adoption of the changes in the accounting policies.

General Banking Risk Reserve is formed by approximately 10 % annually from the value of assets reverted to the Bank and will not be disposed during the determined period in accordance with the provisions of law.

g. General Risk Reserve

Based on the CBE's instructions issued on 26 February 2019 to adopt IFRS 9, as of 1 January 2019, the special reserve - credit and general banking risk reserve - credit and IFRS 9 risk reserve are combined into one reserve under the name of the general risk reserve, on condition that the difference between the provisions required based on the aforementioned instructions is deducted from the general risk reserve.

The general risk reserve is set out below:

Transferred from the special reserve	31 083 607
Transferred from general banking risk reserve	141 045 251
Transferred from IFRS 9 risk reserve	112 627 355
Difference between the provisions required under IFRS 9	(280 513 949)

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

Balance at the end of the year	**4 242 264**

25. Non-controlling interest

	31 December 2021	31 December 2020
Capital	58 000	58 000
Reserves	3 187	3 187
Retained earnings	43 068	36 900
Profit for the year	9 636	6 168
	113 891	**104 255**

26. Cash and cash equivalents

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

	31 December 2021	31 December 2020
Cash (Under Note 7)	460 511 420	444 816 317
Bank current accounts (Under Note 8)	306 886 375	413 117 188
Treasury bills (Under Note 11)	198 568 000	1 418 670
	965 965 795	**859 352 175**

27. Contingent liabilities and commitments

1. **Judicial claims**

   There are number of legal cases filed against the Group for which required provisions were built up to cover the expected losses from these cases.

2. **Loan and advances commitment**

   The Group commitments related to loan commitment and guarantee are as follows:

	31 December 2021	31 December 2020
Commitment over irrevocable loans and other liabilities related to credit	120 141 099	204 171 573
Acceptances papers	631 477 230	220 002 777
Letters of guarantee	3 252 326 842	2 049 330 496
Letters of credit	570 700 131	130 766 448
Total	**4 574 645 302**	**2 604 271 294**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

28. Net interest income

Interest on loans and similar income:	31 December 2021	31 December 2020
Loans and advances and due from Banks:		
- Banks	138 156 471	59 721 786
- Customers	3 015 711 061	2 855 976 240
	3 153 867 532	**2 915 698 026**
Treasury bills	882 887 128	511 929 987
Investment in Financial instrument through amortized cost	127 645 510	213 902 954
Investment in Financial instrument through OCI	1 046 239 513	475 079 033
	2 056 772 151	**1 200 911 974**
	5 210 639 683	**4 116 610 000**
Interest on deposits and similar charges		
Deposits and current accounts and due to Banks:		
- Banks	(60 950 381)	(83 130 379)
- Customers	(2 989 019 275)	(2 141 397 426)
- Financial instruments sold under agreements to repurchase	(2 374 913)	(2 880 278)
	(3 052 344 569)	**(2 227 408 083)**
Net	**2 158 295 114**	**1 889 201 917**

29. Net fees and commission income

	31 December 2021	31 December 2020
Fee and commission income:		
Fees and commissions related to credit	211 360 189	160 241 721
Custodian fees	3 011 546	2 173 322
Other fees	222 481 826	184 449 490
	436 853 561	**346 864 533**
Fee and commission expense:		
Other fees paid	(140 269 133)	(106 365 404)
Net	**(140 269 133)**	**(106 365 404)**
	296 584 428	**240 499 129**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

30. Dividends

	31 December 2021	31 December 2020
Securities at OCI	43 129 041	14 527 502
	43 129 041	**14 527 502**

31. Net trading income

	31 December 2021	31 December 2020
Gain from foreign currencies transactions	47 293 875	52 934 172
(Loss) gain from valuation of forward foreign exchange	(6 540 219)	4 023 855
Loss from revaluation of debt instruments at fair value through profit or loss	3 945 384	7 488
Debt Instrument for trading	21 041 631	29 025 993
	65 740 671	**85 991 508**

32. Impairment on loan losses

	31 December 2021	31 December 2020
Loans and advances to customers	(379 564 590)	(315 393 736)
Loans and advances to Banks	(1 084 785)	(707 162)
Balances with Banks	(1 199 917)	1 088 452
Cash and Balances with central banks	135 022	(153 328)
Debt Instruments at OCI	1 032 352	(2 065 988)
Debt Instruments at amortized cost	(471 320)	8 118 689
Other Assets	(1 209 128)	(1 232 279)
	(382 362 366)	**(310 345 352)**

Al Ahli Bank of Kuwait - EGYPT (S.A.E)

Notes to the consolidated financial statements – For the year ended 31 December 2021

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

33. General and administrative expense

	31 December 2021	31 December 2020
Staff costs		
Wages and salaries	(383 703 673)	(385 062 476)
Social insurance	(18 955 500)	(15 708 362)
Retirement costs		
Defined contribution plan	(23 443 435)	(22 470 825)
Pension benefit (Note 22)	(8 689 847)	(9 512 059)
Other administrative expenses	(391 922 654)	(399 022 072)
	(826 715 109)	**(831 775 794)**

34. Other operating expenses

	31 December 2021	31 December 2020
Loss from valuation of balances of monetary assets and liabilities in foreign currencies other than that held for trading	(1 864 254)	(35 749 527)
Gain from sale of fixed assets	3 180 862	1 973 036
Gain from selling assets reverted to the bank	--	9 641 648
Software cost	(34 205 334)	(37 203 860)
Financial and operating lease	(25 527 219)	(27 271 019)
Charge of other provision	(36 974 855)	(43 310 443)
Others	40 833 626	21 662 920
	(54 557 174)	**(110 257 245)**

35. Earnings per share

	31 December 2021	31 December 2020
Profit for the year	847 098 091	674 778 924
Weighted average number of ordinary shares	207 581 662	207 581 662
	4.08	**3.25**

On November 2021, The number of shares was doubled based on stock dividends to shareholders from retained earnings.

36. Interest rates adopted during the financial year

The average interest rates on the interest-bearing assets and liabilities are 12.12% and 7.29 % respectively.

37. Tax Situation

A) Al Ahli Bank of Kuwait – Egypt:

First: Corporate income taxes

The tax exemption of the Bank has been expired on 31 December 1985, the tax settlement was done till the end of 2004 as the Bank has paid due taxes for this period.

In accordance with the tax Law No. 91 of 2005 and its executive regulations, the Bank has submitted the tax declarations for the period 2005. The tax declaration reflected tax losses. These tax declarations have been approved for period 2005; according to circular No. (3) Of 2011 and this period is finished.

The Bank has finalized tax inspection for the periods 2006 to 2014 and paid all due tax liabilities.

The periods 2015 to 2017 are inspected and the outcome of the inspection is pending.

The Bank has submitted the tax declarations for the period 2020 in accordance to the tax Law No. 91 of 2005 in the legal due dates.

Second: Salaries and wages taxes

The inspection of salaries and wages taxes of the bank staff for the period from the beginning of the activity till the end of 2015 have been finalized and taxes due liabilities were paid. Currently, there is no differences due from this tax till 31 December 2015.

The Bank deducts Salaries and wages tax according to law and submit it to the Tax Authority in the legal due dates.

Third: Stamp duty taxes

The periods from 1 August 2006 till 30 September 2015 were inspected and all taxes due were paid for this period.

For the periods from 1 October 2015 till 30 December 2021, the bank deducts the qualitative and proportional tax in accordance with the stamp law, as amended, and paid it to the Tax Authority in the legal due dates.

The periods 2015 to 2017 are inspected and the outcome of the inspection is pending.

B) Al Ahli Kuwait –Egypt Investments Company:

Corporate income taxes

The Company is subject to the decree of the law no. 91 for the year 2005; the Company started operation at 25 October 2007 and submitted the tax return for the years ended 31 December 2008, till 2019 on legal due dates. The Company wasn't inspected by the Tax Authority yet.

C) Al Ahli Kuwait –Egypt Leasing Company:

The Company started operation on 21 August 2006 and submitted the tax return for the years since inception until the year ended 31 December 2015 on legal due dates according to the decree of the law no. 91 for the year 2005 and below is the tax position as per the tax's consultant memo dated 31 December 2019.

First: Corporate income taxes

For the years 2007/2008

The Company submitted the tax return on its legal due date according to the decree of the law no. 91 for the year 2005. The declarations were approved, and the company was not notified of any amendments to it by the tax authority.

For the years 2009/2010

The tax examination was carried out and the company was notified of the tax differences according to the "19 Z models, and they were appealed against within the legal dates, and an internal committee is currently working to end the dispute."

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

37.Tax Situation (continued)

For the years 2011/2012

A tax estimate form 19 has been issued and has been challenged, and re-examination is currently in process.

For the years 2013/2017

The company has been notified of the tax examination for those years, and the examination is currently in process.

For the years 2018/2020

The company submits tax returns on legal dates, and the company has not been notified of the tax examination for those years.

Second: Salaries and wages taxes

For the years from Company's inception till 2012

The tax examination for these years was completed, the dispute was ended, and the tax differences due were paid.

For the years 2013/2016

The company has been notified of the inspection and the examination is currently in process.

For the years 2017/2020

The company is obligated to pay the business gain tax regularly and on legal dates in accordance with the provisions of Law No. 91 of 2005 and its implementing regulations, and the company was not notified of the examination for those years.

Third: Value added taxes

The company is exempt from general sales tax according to Law No. 95 of 1995 amended by Law 16 of 2001 for financial leasing activity.

The company is exempt from value-added tax according to the provisions of Law No. 67 of 2016, schedule of exemptions, item No. (36).

Fourth: Withholding taxes

The company applies the provisions of Law No. 91 of 2005 regarding withholding on account of tax and makes the supply on the legal dates. The company has been notified of the examination and the examination is currently in process.

Fifth: Stamp duty taxes

For the years from Company's inception till 2013

The company has been notified of the inspection and the examination is currently in process.

For the years 2014/2017

Checked and payment.

For the years 2018/2020

The company pays the stamp tax on the tax forms and has not notified the company of the examination for those years.

38. Income tax

	31 December 2021	31 December 2020
Current tax	(465 867 913)	(321 624 906)
Deferred tax (note 15)	5 425 914	8 905 367
	(460 441 999)	**(312 719 539)**

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

39. Related party transactions

The Bank's parent company is Al Ahli Bank of Kuwait which holds 98.60% of ordinary shares and the other 1.40% is held by other shareholders.

The Bank has entered into several transactions with the related parties (with the parent company) on the ordinarily course of business. Transactions and balances of related parties at the end of the financial year are as follows:

The Bank's parent company and subsidiaries:

	31 December 2021	31 December 2020
Balances with Banks	10 069 756	1 755 248
Due to Banks	10 760 103	5 820 340
Contingent liability (LGs / LCs)	86 226 378	183 620 292
Accounts receivable	477 344	624 625
Accounts payable	314 334 000	314 642 000

A) Loans and Advances to related parties

	Board of directors and close family members	
	31 December 2021	31 December 2020
Loans outstanding at the beginning of the year	**7 252 137**	**10 049 533**
Loans movement during the year	(2 754 855)	(2 797 396)
Loans at year end	**4 497 282**	**7 252 137**
Loans interest and similar income	**439 136**	**809 743**

B) Deposits from related parties

	Board of directors and close family members	
	31 December 2021	31 December 2020
Deposits at the beginning of the year	**4 157 794**	**2 379 674**
Deposits movement during the year	1 333 968	1 778 120
Deposits at year end	**5 491 762**	**4 157 794**
Deposits cost and similar costs	**327 812**	**267 592**

C) Other related parties

The Total rental expenses of the subsidiaries of Al Ahli Bank of Kuwait - EGYPT at 31 December 2021 and 31 December 2021 amounted to EGP 1 012 000.

The total fees and commissions collected from subsidiaries at 31 December 2021 and 31 December 2020 amounted to EGP 22 423 and EGP 37 676 respectively.

The Bank revenues from services to subsidiaries by the Bank at 31 December 2021 and 31 December 2020 amounted to EGP 3 000 000.

(In the notes all amounts are shown in Egyptian Pounds unless otherwise stated)

39. Related party transactions (Continued)

D) **Board of Directors compensation**

	31 December 2021	31 December 2020
Board of director's allowances	235 000	140 000
	235 000	**140 000**

E) **Board of Directors and top management benefits**

	31 December 2021	31 December 2020
Salaries	31 961 417	26 083 980
End of service (Pension)	2 708 219	2 328 858

The monthly average of the remuneration for the highest twenty employees in the Bank from January to 31 December2021 amounted to EGP 3 964 481 and from January to 31 December2020 EGP 4 654 209 respectively.

40. Al Ahli Bank of Kuwait Egypt mutual fund – with periodic cumulative income

One of the licensed activities of the Bank in accordance with the Capital Market Authority No.95 of 1992 and its executive regulations, the fund is managed by sigma Company for mutual funds and securities portfolios management, the number of fund certificates has reached 1 million certificates amounting to EGP 100 million, 50 thousands certificates were allocated to the Bank with face value of EGP 100 for following up the fund's activity and the redeemable value for the certificate amounted to EGP 139.56 per certificate on the balance sheet date .

According to the fund management contract and the subscription prospectus, there are fees and commissions paid to Al Ahli Bank of Kuwait-Egypt for the fund supervision and other managerial services provided which amounted to EGP 44 050 for the year ended 31 December2021 recorded at fees and commissions item in the statement of income.

Al Ahli Bank Of Kuwait mutual fund – with periodic cumulative dividends

One of the licensed activities of the Bank in accordance with the Capital Market Authority No.95 of 1992 and its executive regulations, the fund is managed by sigma Company for mutual funds and securities portfolios management; with face value amounting to EGP 10 per certificate.

The Bank had purchased 1 million certificates amounted to EGP 10 million, redeemable value for the certificate amounted to EGP 34.14 per certificate on the balance sheet date.

According to the fund management contract and the subscription prospectus, there are fees and commissions paid to Al Ahli Bank of Kuwait- Egypt for the fund supervision and other managerial services provided which amounted to EGP 1 128 899 for the year ended 31 December2021 recorded at fees and commissions item in the statement of income.

41. Important Events

The coronavirus ("COVID-19") pandemic is continuing across the various geographies globally, causing disruption to business and economic activities. Albeit to a lesser degree, by strengthening vaccinations and starting to vaccinate citizens in many countries, including Egypt. However, the continued spread of the Corona virus COVID-19 and the emergence of mutated strains, led to the continuing uncertainty in the global economic environment. ABK - Egypt is closely monitoring the situation through the business continuity planning and other risk management practices to manage the business disruption caused by COVID-19 outbreak on its operations and financial performance.

Based on the uncertainties caused by COVID-19 and following the actions taken by the state regarding the co-existence procedures, ABK- Egypt is closely Following up the loan portfolio considering the relevant impact of COVID-19 on the qualitative and quantitative factors where determining the Significant increase in Credit Risk is specifically done for the whole portfolio with its different economic sectors. Therefore, The ECL amounts recognized in the financial statements of the bank have been increased as a result of the impact of the COVID-19 pandemic (Credit Risks Note).

BRANCH NETWORK

ABK-Egypt Branches

Greater Cairo

Zamalek Branch:
104 26th July St., Zamalek.

Talaat Harb Branch:
10 Talaat Harb St., Evergreen Building 4th Floor, Downtown

Shobra Branch:
49A Shobra St., Shobra

Manial Branch:
3 Mathaf El Manial St., Manial

New Maadi Branch:
4/1 Laselki St., Maadi

Helwan Branch:
100A Mansour St., Helwan

Heliopolis Branch:
52 Nazeeh Khalifa St., Heliopolis

El Hegaz Branch:
299 El Hegaz St. Ground floor, Heliopolis

El-Tahra Branch:
12 Saraya El Koba Sq., in front of Tahra Palace

Nasr City Branch:
13 Abou Dawood
El-Zahery St., Nasr City

Abbas Akad Branch: Building No 15, Block 50 – Region 6, Nasr City

10th of Ramadan City Branch:
No. 25 City Center, 10th of Ramadan City

Giza Branch:
32B Mourad St., Giza

Faisal Branch:
6-7, El Mansoureya Housing,
end of Faisal St.

Mohandessin Branch:
4 Syria St., Mohandessin

Shooting-Club Branch:
36 Shooting Club St., Mohandessin

6th of October Branch:
Block 1/18/A - Beside El Hossary Mosque - Central road (Al Madina Center Tower)

Arkan Plaza Branch:
New Arkan Mall, El Bostan St., Al Sheikh Zayed, Giza

Smart Village Branch:
Cairo/Alex Desert Road, Km28, Smart Village, Building B227-B228

El-Dokki Branch (Pyramisa):
60 Giza Street (Charles de Gaulle)

New Cairo Branch:
fifth settlement, Ninety road,
in front of Concord Plaza B-340

Marghany Branch:
Shop No.2, Plot No.16 Box 911A Golf Area, Marghany Street

Obour Branch:
Region 7 at Gero Land-Golf City mall

Al Masa Branch:
Al Masa New Capital Hotel, New Administrative Capital, New Cairo City

Alexandria

Patrice Le Momba Branch:
2 Patrice Le Momba St., Bab Sharq

Semouha Branch:
56 Fawzy Moaz Street Flat 5 at Semouha Heights

El Montaza Branch:
746 El Gueish St., El Mandara

Loran Branch:
477 El Gueish Road, Cornish, Loran

Nabi Daniel Branch:
15 Mahmoud Azmy St., Attareen

Delta

Mansoura Branch:
28 Ali Mubarak St. from Saad Zaghloul St., Toreel

Tanta Branch:
48 El Gueish St., Tanta

New Zagazig Branch:
Borg Shalek / 25 Talat Harb Street & 7 El-Kady Street

Damanhour Branch:
Building No.2, Intersection of Omar ibn El Khattab St. & Abd El Salam
El Shazly St., Damnhour

Damietta Branch: Zaher District, Corniche El Nile, Damietta,
Ras El Bar Road

Suez Canal

Port Said Branch:
Intersection of Gomhoreya St., Damietta St. & Hafez Ibrahim St., El Sharq

Suez Branch:
Building No.1, Intersection of El Borg Road & 23rd of July St.

Ismailia Branch:
El Gawhara Tower,
Shebin El Koum St.

Red Sea

Hurghada Branch:
El Hadaba El Shamalia
Turkish Airlines building

Sharm El Sheikh - Hadaba Branch:
Salah Taher St., Hadabet Om El Seed

Upper Egypt

Aswan Branch:
82 Abtal El Tahrir St., Bandar Aswan

Assiut Branch:
1 ElHelali St., Nile Tower & Thawra St., Assuit

Sohag Branch:
Intersection of No. 15 St. &
El Gomhoreya St., El Hag Ahmed Dief Allah Towers, Sohag

Menia Branch:
191 Cornich El Nile St., Al Menia

Bani Suef Branch:
29 Zemam Bandar Bani-Suef, Grand Nile Tower at Cornich, Intersection Soliman Metwaly St. with Mohamed Awad, Bani Suef

البنك الأهلي الكويتي - مصر
AL AHLI BANK OF KUWAIT - EGYPT