QNB ALAHLI

Finding Opportunity in Every Challenge

Annual Report 2020

QNB ALAHLI truly believes that Innovation is the key to acheive its vision to become the First Choice Bank in Egypt through driving greater value and ensuring that its business is ready for the future.

Read more about our **Strategy** on page 12

Assets
EGP 290,163 m

Net profit
EGP 7,492 m

Earnings Per share
EGP 3,08

Read more in our **Financial statements** section on page 44

Contents

QNB ALAHLI Chairman & Managing Director's Statement

The financial results and achievements, affirms our ability to work and make a difference under any circumstances, relying on the bank's strong financial position, our employees' dedication and the business continuity plan throughout 2020.

Mr. Mohamed Osman El-Dib

> Chairman & Managing Director

Last year was an exceptional year on different levels, as we witnessed one of the greatest challenges to face humankind for decades, namely the global outbreak of COVID-19. However, with every new challenge, QNB ALAHLI proves its ability, to not only withstand and cope with the harshest changes, but to also reaffirm its ingenuity in transforming challenges into opportunities, and crises into rewarding gifts to foster growth, progress, and undeniable achievements.

We have reaffirmed these values since the beginning of the COVID-19 crisis. Our tangible achievements were the outcome of the tireless efforts of the Board of Directors and all employees of QNB ALAHLI. I would like to take this opportunity to express my sincere gratitude and appreciation for the valuable contributions of our board and every team member this particular year, the year of the toughest challenges, brilliant opportunities and important milestones.

The financial results, achievements, key figures and relevant indicators that are included in this report underscore, once again, our ability to work and make a difference under any circumstances, relying on the bank's strong financial position, our employees' dedication in delivering our strategy, and the business continuity plan we put into action throughout the year.

Despite the negative impact of COVID-19 on all economic activities in Egypt and the entire world: the lockdown measures, the slowdown of global trade and the setback of various activities, QNB ALAHLI's financial indicators were positive even under the exceptional operations necessary to weather the adverse events related to the global crisis.

Dealing with COVID-19 crisis professionally

Since the outbreak of COVID-19 in Egypt in March 2020, QNB ALAHLI has applied strict precautionary measures obligated by the Central Bank of Egypt to combat the virus spread. Our crisis management committee was in permanent session to assess and monitor the situation on a daily basis, while taking necessary measures to ensure safety and health of the bank's teams and customers alike. The committee aimed to achieve two key goals: to support the safety and health of employees and customers, and to help ensure hassle-free business continuity in all branches and business units.

To achieve these goals, we allowed employees at greater risk to work from home, while encouraging employees who were travelling abroad to self-isolate. At the same time, we restricted in-office visitors, suspended in-person training courses, and provided plastic shields for windows to prevent direct contact between employees and customers. To ensure adequate distance between employees, we divided staff presence as much as possible in accordance with the CBE directives and Ministry of Health and in line with international guidelines. In addition, we applied disinfection protocols throughout the day.

For customer safety, we reduced the number of customers inside branches by 50%, provided disinfectant to customers, and asked customers to wear masks inside branches. The bank also launched a "Your place....Your safety" initiative, encouraging customers to use electronic payment options as a safe alternative to cash payment.

Outstanding financial results

QNB ALAHLI was able to maintain positive financial indicators in 2020 despite the challenging economic environment domestically and globally due to COVID-19. The positive results demonstrate the resilience and flexibility of our policies and procedures to upgrade operations and mitigate the negative repercussions of COVID-19. In addition, we withstood fierce competition, took advantage of emerging opportunities through our 231 branches across Egypt, catered to the needs of different market segments, and provided unique electronic and digital services.

As for the financial results, our standalone net profit amounted to EGP 7,399 million, while consolidated net profit reached EGP 7,492 million. The total balance of loan portfolio reached EGP 174 billion, with an annual growth rate of 7%, while the bank's market share of total loans reached 7.47%. Credit facilities granted to SMEs reached 22.5% of the total credit facilities and exceeded the targeted percentage set by the CBE in 2019. Customers' deposits reached EGP 234 billion with an annual growth rate of 12%.

In addition, we have the highest deposit utilization rate, with a loan-to-deposit ratio of 74%, compared to prevailing rate of the sector of just 46%. We focus on the growth of key banking operations and maintain high liquidity for all currencies, and our total assets reached EGP 290 billion with a growth rate of 6% year-on-year.

The bank aligns with the government's efforts to transform to cashless society and introduce innovative banking services

The Egyptian government, through CBE and other entities, aims to shift to a cashless society and support electronic payments all over Egypt. These efforts were received positively by the banking sector, which aims to align with the governmental initiatives in this regard. QNB ALAHLI was one of the leading banks to launch state-of-the-art digital products and services to cater to the needs of our customer base, while coping with the directives of the government to achieve digital transformation.

The strategic project for digital transformation in electronic payments is one of the most important guarantees of strengthening governance and best utilization of resources, as it effectively contributes to automating public services provided to citizens, facilitating access to them with their actual value without any additional burdens, and consolidating the foundations of transparency and equal opportunities among citizens. The Government has already allocated 12.7 billion in the current fiscal year for the gradual transformation into digital Egypt and the promotion of electronic collection of governmental services as an alternative to the typical ways of payment.

The outbreak of COVID-19 has doubled the importance of electronic payment and collection in light of the precautionary measures, and the Ministry of Finance is cooperating with the banking sector to allow the payment of governmental dues in administrative offices through QR Code, electronic wallets in mobile phones, in addition to ATM cards, Automated payroll cards, prepaid cards and credit cards linked to bank accounts.

Aligning with the above initiatives and governmental directives, QNB ALAHLI is a leading bank in introducing the latest products and solutions that cater to different requirements and needs for individual and corporate customers, including but not limited to internet banking, digital wallets and POS.

The fin-tech industry is experiencing unprecedented development as electronic payments are recognized as perfect alternative to conventional cash payments. In collaboration with Visa, QNB ALAHLI launched two new services in 2020, the wearable payment wristband and Scan to Pay, which enables merchant's payment acceptance through mobiles and via QR Code.

The wearable payment wristband is one of the most advanced, fast and safe means of payment in the world, which is widely accepted, especially among young people, as technology represents a major part of their lifestyle and daily activities. We are proud to be the first bank to launch this product in the Egyptian market. The wearable payment wristband depends on the technology of contactless payments to enable the wristband wearer to pay for his/her purchases in any store or service outlet using electronic points of sale that read the wristband data remotely.

As for the PAYnGO service, it is part of the integrated solutions package provided by the bank to companies of all sizes under the umbrella of supply chain finance programs with easy terms and competitive prices. PAYnGO requires the merchant's QR Code to be scanned by the customer, then they enter the required amount and pay instantly through an e-wallet or via the VISA SCAN TO PAY app without cards or POS machines. Electronic payment products and solutions come as a part of the initiatives of the Central Bank of Egypt to transform Egypt into a cashless society, which is a strategic goal that QNB ALAHLI seeks to achieve through its innovative services and products.

Supporting SMEs … engines of development in Egypt

In order to support small and medium enterprises (SMEs) which are considered engines of development in Egypt, QNB ALAHLI launched an integrated program that not only provides banking services to this sector, but also provides it with advisory services. We inaugurated two business development service centers to support emerging, small and medium enterprises and provide business advice. We also sponsored the innovation incubator as a part of the Nilepreuneur's initiative under the auspices of the Central Bank of Egypt, and in partnership with Nile University, to raise awareness of creative design in various projects.

Supporting real estate financing initiatives

During the year, we renewed our cooperation protocol with the Social Housing and Mortgage Finance Fund by EGP 3 billion. The renewal of this protocol is based on the success of the two previous phases, which were limited to low-income segments and provided financing loans to more than 5,000 Social Housing Fund clients, through which the bank contributed EGP 538 million to the support of real estate financing sector.

Key social initiatives for the development of Egyptian society

Our Corporate Social Responsibility report for 2020 includes many social and humanitarian achievements that accompanied the business achievements of the bank. QNB ALAHLI participated in many projects that aim to support the most underprivileged sectors of society to fulfil our community obligations in various fields throughout Egypt.

During 2020, QNB ALAHLI continued to affirm its position as one of the largest entities in the banking sector in terms of supporting Egyptian society in facing the impact of the pandemic. The bank participated in The Egyptian Banks Initiative launched by the Federation of Egyptian Banks in coordination with the Central Bank of Egypt to support the economy and those affected due to the crisis. In the field of medical care, the bank donated many medical devices to hospitals, prepared and equipped rooms that provide free services to patients with the aim of eliminating waiting lists and providing the best medical services.

We also participated in the Decent Life Initiative under the patronage of the President of the Arab Republic of Egypt, to support groups and families in need, aiming to improve the housing environment for the most deserving families in the villages targeted by the initiative.

Prestigious international and regional awards

Confirming our leading position in providing the best service to customers in the banking sector, QNB ALAHLI won a total of 15 prestigious awards this year from leading international banking institutions and magazine. The bank was recognized for its products and services provided to its customers, including Best SME Bank - Egypt, Best Retail Bank in Egypt, and Best Digital Banking Products and Services - Egypt

For the second year in a row, we earned two awards from EMEA Finance magazine for the Best Green Finance Bank-Pan Africa and the Best Foreign Bank in Egypt. QNB ALAHLI is the first bank in Egypt to participate in facilitating green economy financing, a financing program launched by the European Bank for Reconstruction and Development.

In addition, QNB ALAHLI Life Insurance Company was awarded the most innovative insurance product for the year 2020 for its product (Breast Cancer Insurance) by International Finance magazine.

Acknowledgment

Finally, I would like to extend my sincere appreciation and gratitude to QNB ALAHLI's customers for their valuable trust. On behalf of the Board of Directors, I would like to thank all of QNB ALAHLI's staff for your collective efforts which contributed to sustainable growth especially given the exceptional circumstances we faced in 2020. You proved your ability to work and achieve success under all circumstances and challenges. I wish you continued success in 2021.

Our Future Aspirations

Competitive pressures represent a daily challenge for QNB ALAHLI. However, the efficiency of our strategy, our ability to adapt to market challenges, the awareness we showed during the pandemic, and our commitment to providing the best services and solutions for customers has allowed us to seize opportunities that arise from the challenges. This is in addition to enhancing our wide range of services and products.

We will continue to implement all precautionary measures to protect our employees and customers from the risks of COVID-19, while providing the best innovative digital banking services and products in line with the needs and requirements of our customers. Seeking to fulfill QNB group vision to be one of the leading banks in the Middle East, Africa, and South and East Asia by the end of 2021, and a global bank by 2030.

Board of Directors

Mr. Mohamed Osman El-Dib
> Chairman & Managing Director

Mr. Ali Rashid AlMohannadi
> Vice Chairman Non-Executive

Ms. Heba Ali Al-Tamimi
> Non-Executive Board Member

Mr. Tarek Fayed
> Executive Board Member

Mr. Adel Ali Al-Malki
> Non-Executive Board Member

Ms. Shaikha Salem Abdulla Al-Dosari
> Non-Executive Board Member

Mr. Abdulla Nasser Salem Al-Khalifa
> Non-Executive Board Member

Khaled Ahmed Khalifa Al-Sada
> Non-Executive Board Member

Nedhal Shafi Hassan Al-Nuaimir
Non-Executive Board Member

Strategic Report

QNB ALAHLI at a glance

QNB ALAHLI succeeded to maintain its status as a strong player in the Egyptian market. This has come as a result of its strategy to remain a committed business partner to its clients during all times.

Our Heritage

QNB ALAHLI is one of the leading financial institutions in Egypt which was established in April 1978.

The bank is ranked as the second largest private bank in Egypt.

QNB Group acquired 94.967% of QNB ALAHLI which included the full stake of Société Générale – France amounting to 77.17 % along with free float shareholders.

Retail Banking:

QNB ALAHLI has managed to capitalize on its leading position as a pioneer in developing and industrializing a world-class retail banking service, where QNB ALAHLI adopted a unique market segmentation approach to be able to structure products and solutions that meet the requirements of each segment.

SME's Banking:

QNB ALAHLI has capitalized on its trust in the power of SMEs to push growth and deliver sustained development, perhaps just as importantly manages to support its SME customers through the peaks of the economic cycle.

Awards

QNB ALAHLI pioneering role has been affirmed by winning 15 awards throughout the year 2020 from esteemed international financial institutions such as

> **Global Banking & Finance Review**

> **International Finance Magazine**

> **Capital Finance International Magazine**

> **EMEA Finance**

> **European Bank for reconstruction and development |(EBRD)**

Corporate and Investment Banking:

QNB ALAHLI provides dedicated products in corporate banking, financial advisory, project financing, structured financing, trade financing, cash management, and foreign exchange with its competitive offerings, it has managed to establish a strong bond with its various corporate clientele whether large domestic corporations, subsidiaries of multinational companies, medium caps, as well as SMEs.

Our Subsidiaries:

The Bank established a number of subsidiaries in specialized fields such as:

- **QNB ALAHLI Leasing**
- **QNB ALAHLI Life Insurance**
- **QNB ALAHLI Factoring**

Our Financial Strength

Assets
EGP 290,163 m

Net profit
EGP 7,492 m

Earnings Per share
EGP 3.08

CAR (Basel II)
21.92%

QNB ALAHLI is an integrated financial group as the bank is interested in supporting its subsidiaries that provide non-banking financial services which meet the needs of a wide segment of its customers

QNB ALAHLI Leasing
The company continued its outstanding performance as one of the first companies in this field and the company was able to support its position in the local market by increasing the growth of its business volume and profit rates in addition to maintaining high quality of its assets and it has ambitious plans to expand and increase the volume of its business and meet the growth of this activity.

QNB ALAHLI Life Insurance
The company maintained its advanced position in the field of life insurance and continued to increase the volume of its business steadily in addition to providing advanced and modern insurance products and services that meet the needs of the company's customers.

QNB ALAHLI Factoring
The company has maintained its market position and outstanding performance, especially with the promising sector of small and medium-sized companies, and the company continues to work to increase the volume of its business, which is balanced and through an ambitious work plan.

QNB ALAHLI has become the vehicle of choice for multilateral financiers to distribute credit amongst small businesses & companies in addition to help shape and implement women in business programs.

The Bank serves more than 1.24 million clients through 6700 banking professionals. The bank vision is to keep close to its clients through offering a wide range of products serving almost every financial need of corporates, medium and small enterprises or individuals. To achieve this vision, our bank expands its network of branches to more than 231 branches covering all governorates.

Moreover; the bank keeps enhancing its multi-channels automated tools to reach its clients through a network that reaches more than 611 ATMs, in addition to, a dedicated call-canter available 24 hours a day, 7 days a week.

QNB ALAHLI pays lots of attention to how it reaches out to its valued clients ensuring the ease and comfort with world-class professionalism, while the bank continues to selectively expand its always- expanding branch network.

QNB ALAHLI strives to employ its quality and innovative resources to support the Egyptian Economy and help in its development by always expanding the financial services coverage and financial inclusion.

As part of QNB ALAHLI Corporate Social Responsibility, it has cooperated with a number of community organizations in various initiatives and projects aimed at supporting the neediest sectors in society.

Since the beginning of Covid 19 outbreak in Egypt in March 2020, Various measures have been taken accross business boundaries and internal work environment, the Central Bank of Egypt had taken several measurements to mitigate the Corona virus impact on the Egyptian economy.

QNB ALAHLI has chosen to be proactive by conducting a timely and efficient approach of reaching out to its customers conveying to them the full support of the bank and facilitating to them the implementation of the CBE guidelines in a suitable and convenient manner that suits the specific conditions and requirements of each of them.

QNB ALAHLI's Strategy

Building on our solid performance, in spite of a challenging year, we continue to remain one of the best performing and strongest banks in Egypt

As part of QNB Group, we, at QNB ALAHLI, seek to contribute to the group's aspiration to become a leading bank in MEASEA. Building on our firm success, we are committed to our vision to become the First Choice bank in Egypt.

Our strategy for 2021 is guided by three strategic dimensions: drive exponential growth, enhance profitability and transform digital capabilities.

Amid a challenging global environment, our customer-centric approach remains the driver in all our endeavors. We continuously enhance our value proposition to cater all clients' needs and provide the best service at all times and under any circumstances.

We remain focused on Small & Medium Enterprises (SMEs), tailoring our products and services to the changing market needs.

We capitalize on our multichannel distribution model and continuously enhance our variety of channels to ensure convenience, reach and reliability:

- 230 Branches
- 600 ATMs
- 24/7 Call Center
- Direct Banking
- Digital Banking
- Online on-boarding platform

Our strategy for 2021 is guided by three strategic dimensions: drive exponential growth, enhance profitability and transform digital capabilities.

Strategic Dimensions	Measured by our four key performance aspirations:
Drive Exponential Growth	1. Size: Faster growth than market peers on assets, loans, and deposits
Enhance Profitability	2. Profitability: Achieve Best-in class profitability as measured by Return on Assets & Return on Equity
Transform Digital Capabilities	3. Strength: Maintain coverage of more than 100% on an annual basis
	4. Efficiency: Most cost efficient Bank with best in class Cost/ Income ratio & Best Quality of Assets with low NPL

We recognize innovation as an important element to deliver our aspiration and strategy.

Strategic Dimension	Steps taken and achievements in 2020	2021 strategic initiatives
Drive Exponential Growth		
Significantly grow SMEs & Corporate Loans & Deposits Portfolio & tackle untapped segments to enhance ROE	Grew SMEs share in Bank's portfolio	Continue to grow SME & MVSE business
	Diversified presence in untapped geographic locations via availing POS machines across the Nation, in accordance with the CBE direction	Capitalize on the merchant acquiring business to grow the SME & MVSE portfolio
Grow profitability and contribution of the Micro& Very small Enterprises	Maintained close monitoring of all credit cycles to ensure efficiency and convenience for clients	Increase POS Penetration via driving usage of POS/MPOS Machines
	Increased returns from existing Large Corporate clients through creating a systematic joint sales dialogue across all customers	Continue to increase Profitability from Corporate clients via enhancing ROE & wallet share
Actively grow Corporate business	Systematically reviewed & upgraded corporate clients where QNB ALAHLI could benefit from greater value creation	Introduce tailored programs for microfinance enterprises Support Project finance Transaction to Network Customers
		Increase Corporate and Investment Banking (CIBD) profitability via focusing on NBI, ROE & Fee generating business
Focus on growing deposits portfolio	Launched a dedicated arm to attract deposits from MVSE, SME & Corporate clients	Grow deposits' portfolio with a special focus on cheap funds
Increase market share via State-owned Infrastructure projects , Renewable Energy & Petroleum and Petrochemical	Explored new sectors which QNB ALAHLI previously undervalued	Streamline Risk management practices
	Elevated Corporate Banking to align different Enterprise markets into a single stream starting from SMEs up to Large Corporates' business	Increase market share through State-owned infrastructure projects, Real-Estate Finance, PPPs, renewable energy sector and Petroleum & Petrochemical sector
		Enhance cross-selling of Insurance, Factoring & Leasing products and services to Large corporate customers
		Grow export business and study further Trade Finance automation
Enhance First & First Plus Proposition & Offerings	Launched a dedicated Cards business model to focus on enhancing the cards value proposition	Increase cards' acquisition and utilization via capitalizing on the new cards' business model
		Design retention plans customized to customer behavior
		Increase market share & achieve maximum growth in profitability via increasing cross-selling & penetration rates per product
Leverage on Innovation to develop a competitive edge, achieve a leading position in the marketplace, and continuously unlock new value	Launched the Global Innovation Program	Continue to manage QNB ALAHLI's Domestic and Global Innovation Programs.
	Implemented Ten 24/7 Lean Innovation Program Initiatives	Launch QNB Beyond: Continue to capitalize on QNB ALAHLI's employees to innovate and disrupt
		Continue to incubate and launch Innovation Programs' projects and initiatives whether sustaining ones or disruptive ones
Transform Digital Capabilities		
Launch our Digital-Only Banking Business Model	Kicked-off a digital-only bank project in Egypt	Launch a state of the art Digital-Only Bank in Egypt
Implement digital transformation initiatives	Enhanced existing mobile offering which led customers to a high quality experience on the smart phones for all products and services	Introduce Blockchain for Trade Finance business
	Enhanced Internet and Mobile Banking services to better accommodate clients' needs	Leverage direct/remote channels to gain market share
		Develop innovative products across our global banking multichannel mix
		Leverage on QNB ALAHLI's Tools, Technology & Product Innovation to increase profitability

Strategic Dimension	Steps taken and achievements in 2020	2021 strategic initiatives
Enhance Profitability		
Increase Customer Acquisition via leveraging on our Multi-Channel Model	Capitalized on Direct Banking channels to increase our customer base	Continue to increase Customer Acquisition via leveraging our Multi-Channel Model (Contact Center & Direct Banking)
Enhance customer acquisition through our new Direct Banking channel	Augmented digital and remote offerings within our channel mix Enhanced customer experience in both physical and remote distribution channels	Remain focused on SMEs and Retail Banking leveraging on tools and technology: QR Code, e-Wallets, mVisa, etc
Enhance ATM Network	Enhanced our ATM network to offer a wider range of services	Expand current ATM network targeting underserved areas
Achieve 100% cooperation with QNB entities to enhance trade flows	Enhanced Digital Trade Finance Services (via TRADENET development)	Enrich the role of Global Transaction banking
Boost Efficiency & Sustainability		
Review and adjust risk appetite and risk framework (risk-return culture)	Adapted risk appetite to the global economic environment to ensure bus	Establish Risk Awareness and revamp Operational Risk across QNB ALAHLI
Optimize processes through automation and efficiency increase	Enhanced Straight-Through Processes (STP) across all SMEs Segments via dedicated processing teams Improved productivity via enhancing operational activities processes Improved processing time for top Retail, Corporate, and SME activities Standardized sales tools to improve client-facing time	Continue to enhance processing time for operational activities to deliver enhanced customer experience Continue to centralize/automate processes to increase client-facing time Integrate a new system for Loan Origination to our Scoring Models & Workflow system Continue to measure and control performance through KPIs and Scorecards to ensure Business Plan achievement
Leverage on QNB ALAHLI's Tools & Product Innovations	Ensured optimum number of staff is available in branches to improve customer experience in branches	Ensure business continuity during crisis periods and provide the required infrastructure and tools for efficient virtual workspace
Monitor SLAs to enhance Customer Experience in branches	Developed SLAs across business, support and control activities in order to ensure productivity	Promote branchless and cashless operating model Continue to improve waiting time in branches to improve service quality Enhance SLAs to ensure offering competitive service level
Adopt ESG/Sustainability as a main driver for growth	Introduced policies and systems to govern our sustainability practices	Integrate Environmental, Social, & Governance "ESG" criteria into our operational framework
Embed sustainability culture into our business	Identified Environmental and Social matters that are of importance to us	Issue the Environmental and Social Risk Management (ESRM) Policy
Set up a sustainability framework consisting of three pillars: sustainable finance, sustainable operations, and beyond banking		Issue the first QNB ALAHLI's Sustainability report

Delivering sustainable results

Four key performance aspirations act as the building blocks to deliver our strategy

> 6,500
Employees

> 600
ATMs

> 230
Branches

> 2,000
Customer Relationship Managers

> 200,000
E-wallet subscribers

> 250,000
Internet Banking users

> 50,000
POS Machines

QNB ALAHLI aspires to become the best performing bank and strongest bank in Egypt in terms of:

1. Size
We aim to deliver the fastest growth in the market. We want to grow on assets, loans, and deposits.

2. Profitability
We aspire to achieve best-in-class profitability; as measured by RoAA & RoAE.

3. Efficiency
We continuously seek to increase efficiency. Through Lean Six Sigma analysis, we aim to eliminate waste in order to render all bank procedures as efficient as possible.

We aspire to become the most efficient bank with lower cost-to-income ratio and best quality of assets with NPL.

We constantly work on reducing processing time to eliminate waste and enhance customer convenience. Average approval time for retail express loans reached 2 working days; SME facilities' follow an approval cycle less than 15 working days and via Lean Six Sigma, corporate facilities approval cycle reached less than 25 working days.

4. Strength
We aim to maintain coverage of more than 100% on an annual basis.

Retail Banking	SMEs Banking	Corporate Banking
Enhance value proposition for affluent market	Grow medium and very small enterprise segments	Enrich the role of Global Transaction banking
Expand current ATM network, targeting untapped areas	Enhance merchant acquiring value proposition	increase share of wallet and profitability in large corporates
Increase cards' acquisition and utilization	Offer and promote non financial services to entrepreneurs	Grow export business & expand digital offering
Continue to develop mortgage finance and enriche-banking tools	Capitalize on direct channels to increase customer acquisition	Continue to develop project finance

Bank Wide
- Acquire new deposits to increase deposits market share
- Ensure business continuity during crisis mode
- Implement a state of the art digital-only bank

Creating and delivering value

Continuously expanding and enhancing digital value offering

In the midst of a challenging year, our digital products and services have allowed us stay reachable and accessible to all our customers. We incessantly enhance and develop or digital products and services to accommodate our customers changing needs.

Amidst the global lockdown, QNB ALAHLI offered **Ma'ak Online**, the online onboarding platform, which only requires one visit to any branch to open the main account. Allowing a practical, safe and secure customer experience, the electronic tool is the sole platform through which the customer can interact with the bank to benefit from our saving products, .

We continuously expand and enhance the services available on our **Internet and Mobile Banking** platforms to ensure convenience and allow our customers to execute transactions remotely.

QNB ALAHLI was a pioneer in offering contactless and cashless payment solutions, which allowed our customers to perform transactions, safely and securely. We were the first bank to launch the **Wearable Payment** wristband, offering the latest tap-and-pay contactless payment technology.

Our variety of payment acceptance solutions allows our merchant clients to accept payments in a convenient manners, offering their customers cashless and contactless solutions. **Visa Scan to Pay** (previously m-Visa) service allows customers to enjoy cashless payments and offers a B2B mobile payment service using the QR Code technology. **QNB ALAHLI PAYnGO,** allows merchants to accept payments from their clients through smartphones and to follow the sales and payments instantaneously, through the application.

We successfully deployed more than 25,000 POS machines with QR and contactless features, across Egypt, covering underserved areas and capitalizing on our wide multichannel model and our experienced relationship managers.

Our **E-wallet** has become an integral part of our value proposition, offering a wide variety of services to customers and non-customers ensuring convenience, security and reliability.

Aiming to achieve a leading position in the market, we have embarked on a mission to establish a state of the art digital-only bank.

Creating and delivering value

Innovation and creativity are at the core of QNB ALAHLI's overall strategy

> "We recognize innovation as an important element to deliver our aspiration and strategy."

QNB ALAHLI truly believes that Innovation is the key to realizing its vision to become the First Choice Bank in Egypt through driving greater value and ensuring that its business is ready for the future.

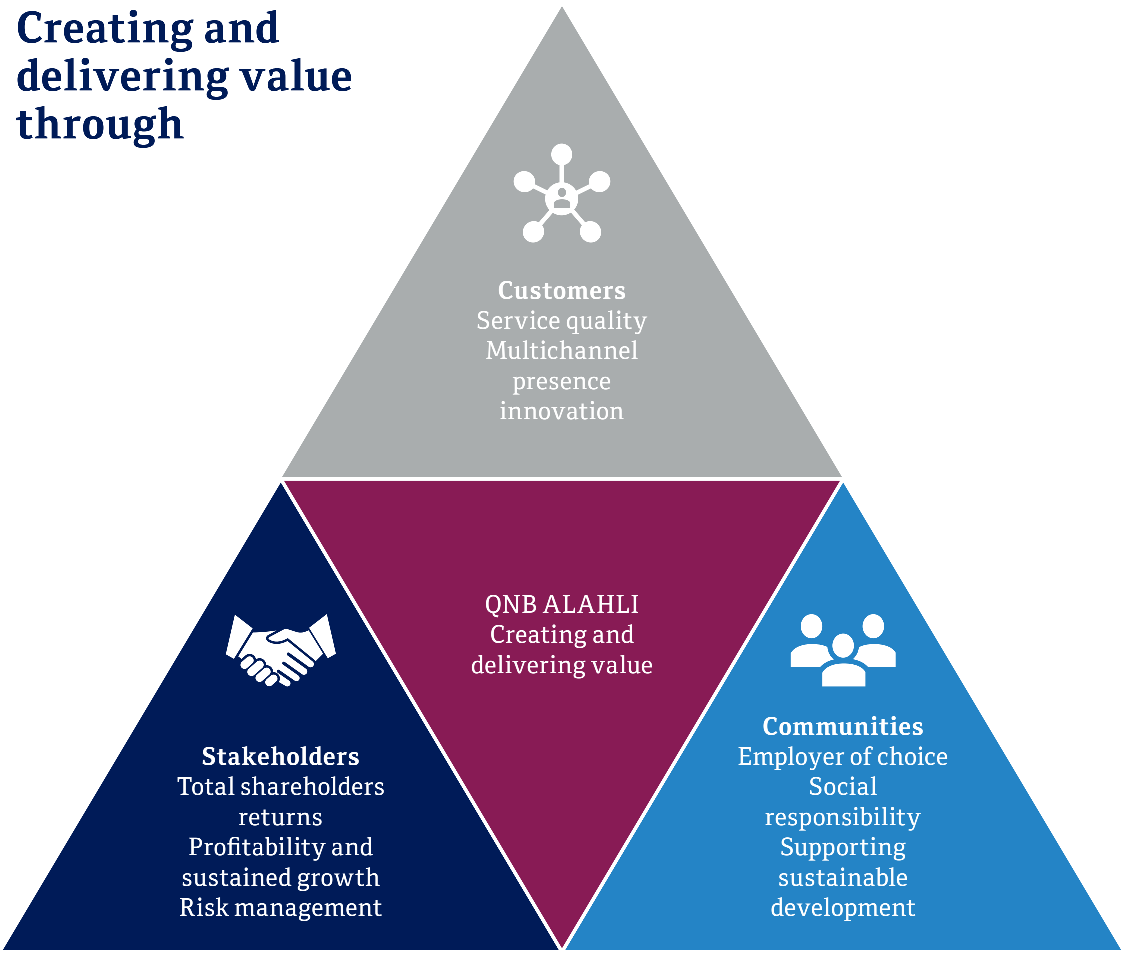
We recognize innovation as an important element to deliver our aspiration and strategy, supported by dedicated resources who are committed to unlocking new opportunities, delivering value and expanding the Innovation culture and mindset across the whole organization. While we seek to improve the overall customer experience through the new products and services we are capitalizing upon our Innovation Platform to explore new ways of working.

Our Innovation Approach

We started our Innovation efforts in 2005 and we have established an innovation process where employees across QNB ALAHLI can submit ideas to our Innovation Team which are validated, sharpened, and tested for feasibility. The aim of this process is to leverage our pool of employees to generate ideas as we believe that our employees are well paced to spot market trends and identify customer behaviors.

Innovation Lies at the core of QNB ALAHLI's overall strategy with the belief that Innovation Leads to growth, competitive intelligence, and competitive advantage.

Creating and delivering value through



Creating and delivering value

Sustainable finance, sustainable operations and beyond banking constitute QNB ALAHLI's sustainability/ESG framework

> "QNB ALAHLI is committed to creating a more sustainable future for its employees, customers, and the communities it serves."

As a leading private bank playing an essential role in the financial sector, our products and services shall create value for our stakeholders. We do this, by embedding a culture of sustainability into our business which allows us to support our customers, not just in the present, but also into the future.

This includes environmental aspects, such as climate change and resource scarcity; social aspects, such as human rights, financial inclusion, and data privacy. It also includes corporate governance aspects, such as board composition, anti-corruption and ethical business practices. Collectively, these ESG (Environmental, Social and Governance) factors shape our approach and priorities.

Leveraging on this, we have adopted a proactive approach to sustainability which strengthens QNB ALAHLI's business resilience and supports sustainable financial performance. Additionally, this proactive approach reduces risk, opens new business opportunities, improves brand value and reputation, provides a platform for innovation, helps in attracting and retaining diverse staff, achieves sustainable growth, cut costs, and reinforces stakeholders' relations.

Our sustainability framework consists of three pillars: sustainable finance, sustainable operations, and beyond banking. All three pillars support QNB ALAHLI's goal of having sustainable financial performance along with being a responsible bank.

Under each pillar we have identified the sustainability topics that are relevant to our business, stakeholders, along with a series of action plans to improve our performance.

Following the footsteps of QNB Group and paving the way for us to become a signatory to the United Nations Global Compact (UNGC), which is their first formal public commitment to sustainability, we shall be committed to imbedding the (UNGC) principles within our operational framework.

QNB ALAHLI is committed to creating a more sustainable future for its employees, customers, and the communities it serves.

Operational Performance

WholeSale & Commercial Banking

A Professional Performance despite Prevailing Global Challenges

The year 2020 presented unprecedented challenges on a global scale due to the COVID-19 pandemic and related impacts on every facet of life and business.

To attempt to mitigate the negative financial impact of the pandemic in Egypt, the Central Bank of Egypt implemented a variety of measures to support the economy socially, financially, and economically.

QNB ALAHLI has followed the Central Bank of Egypt's measures in an efficient and professional way.

The bank has been in close contact with its corporate and retail clients with the objective of supporting them during this challenging time as well as to assess and manage the increased risks.

Despite the unforeseen circumstances, the bank maintained its focus on increasing business while maintaining its leadership position in the Egyptian market.

The bank continued to play a significant role in large-ticket transactions with major corporations and for sizeable projects in sectors such as Food & Beverages, Oil & Gas, and Contracting.

In addition, the bank played a key role in Egypt's largest issuance in the history of the local corporate bonds.

QNB ALAHLI continued to play a strategic role in financing renewable energy developers, and it also led, managed, and participated in debt restructuring transactions with local banks to ensure business continuity for many clients.

Regarding Egypt's promising SME segment, QNB ALAHLI has further advanced its successful business model by expanding its customer base and increasing its well-managed involvement in diversified business sectors within the SME market. In addition to providing financing support to the segment, the bank has expanded its non-financial support to SME entrepreneurs as well.

In recognition of our achievements, QNB ALAHLI has been granted Best Corporate Bank from Global Banking and Finance Review.

Despite the unforeseen circumstances, the bank maintained its focus on increasing business while maintaining its leadership position in the Egyptian market

Retail banking

QNB ALAHLI's retail banking offers a comprehensive suite of products and services to provide our clients with the full range of opportunities to serve their increasingly sophisticated banking needs.

Based on QNB ALAHLI's knowledge of the market needs and mechanisms which has been acquired by the bank over its long experience that extends to more than 40 years of banking experience, through an integrated, extensive multichannel network which support our sustainable market position, growth and profitability.

Targeting being up to date with the growing market demands and aligning with financial inclusion initiatives, QNB ALAHLI enhanced its existing products and services portfolio to further support all segments of society.

Financial Inclusion

QNB ALAHLI's strong slate of financial inclusion activities in 2020 were implemented with special measurement due to the COVID-19 pandemic. The bank exceled in its effort to enhance financial literacy and attract new clients, focusing on underserved segments such as females, minors and senior citizens.

QNB ALAHLI launched the female value proposition "Laky Package" to serve a diversified banking needs of women aligning with Women Empowerment Initiatives, where the bank developed its depositary by creating an initiative that is considered the first in the market to allow mothers to donate to their children.

QNB ALAHLI launched facility program with simplified documents for Freelancers "Value proposition" to fit the specific needs of this segment by offering facilities for untapped customers.

Moreover, QNB ALAHLI enhanced its mortgage facilities by granting mortgage finance loans to middle income clients, contributing strongly in middle income segments initiative.

QNB ALAHLI tailored pensioners package with various benefits which suit this segment needs in addition to multiple digital solutions purposing minimizing the visits to the branch within "Covid-19 pandemic precautionary measures".

Digital Transformation

At QNB ALAHLI, the multi-faceted digital banking approaches aligns with market needs which differentiates us among our competitors. Our commitment is to develop innovative digital solutions by introducing dynamic digital products and services with the highest levels of security.

In addition to continuously enhancing our diverse range of digital products to support an ever-improved user experience, we have recently implemented an "Apply Now" feature on our website to allow clients to apply for loans and credit cards directly, and easily without the burdensome of visiting the branches.

We believe we have a strong digital strategy, driven by the voice of our customers, which aims to differentiate us from our competitors.

Retail banking
Continued

All achievements were a direct result of our strategy to position QNB ALAHLI as the bank of choice for customers.

Being said that, the bank is moving forward to enhance our customer experience by having different and easy access to our services without the burdensome of visiting branches through adding some new features; one of the unique examples:

"Ma'ak Online" service, which allows clients to open a bank account online with zero fees while enjoying a higher interest rate, exclusive offers and discounts.

The bank added numerous upgrades to its Internet Banking service, providing clients with online opportunities to redeem their credit card loyalty points, reissue credit card PIN codes, change supplementary cards limits; all contributing to a more robust user experience.

In alignment with Central Bank of Egypt directives to shift towards a cashless society, we enriched our cards portfolio by introducing a contactless feature to all of our cards for an easier, faster and more secure shopping experience for every client.

QNB ALAHLI's client enjoy accessibility to new SMS service for all debit transactions, allowing them to receive an instant SMS notifying them of the transaction details.

QNB ALAHLI was the first bank in Egypt to launch the Prepaid Wearable Wristband, in collaboration with Visa. The latest Tap and Pay contactless payment process which facilitates easier and faster transactions than ever before.

The successful implementation of the bank's ATM expansion plan has seen further spread of QNB ALAHLI's services across Egypt. Which comes as a useful solution matching with social distancing environment, the bank launched the Drive-Thru ATM.

Products and Premium Services

QNB First Plus exclusive customer base continues to grow based on the bank's core strength of providing comprehensive, seamless, high-quality banking services.

In the same context, the bank launched the World Elite MasterCard for UHNW First Customers to offer outstanding purchasing power, top-of-the-line features and benefits, and exclusive travel and insurance benefits designed for customers who enjoy the finer things in life.

offers

QNB ALAHLI cardholders enjoy year-round card offers, including installments and discounts across a variety of categories during special events catering to the needs of all segments, availing to clients with the most exclusive discounts and installment plans.

In recognition of International Disability Day, QNB ALAHLI launched a special offer for people with disabilities by providing a free first year bank package.

QNB ALAHLI's banking services have excelled in the Egyptian market, with more than 229 branches, 550 ATMs and more than 190 Cash acceptance ATMs (CDMs) covering nearly all Egyptian governorates and operating in underserviced areas to support customer growth.

QNB ALAHLI achieved a retail depository growth rate of 5.9% and remarkable growth of 21% in our retail loan portfolio and more than 1.75 million cards.

All achievements were a direct result of our strategy to position QNB ALAHLI as the bank of choice for customers with more than 6,700 banking professionals, excellent customer service and high-quality products and services covering all segments.

Awards

In recognition of QNB ALAHLI's industry excellence, the bank has been awarded in 2020:

- **Best Retail Bank – Egypt 2020**
  Capital Finance International magazine
- **Best e-Banking product – Mobile Banking 2020**
  International Finance Magazine
- **Best Retail Bank**
  Global Banking & Finance Review

SMEs banking

QNB ALAHLI is a leader bank in the field of digitized SME products and services with an extensive slate of offerings

QNB ALHLI Awards:

QNB ALAHLI was recognized as the Best SME Bank in Egypt in 2020 from several renowned international financial institutions, including:

- Capital Finance International magazine
- International Finance magazine
- Global Banking and Finance magazine

QNB ALAHLI has developed a comprehensive suite of banking services specifically designed to meet the needs of SMEs. This promising economic sector contributes to the national economy by creating jobs opportunities that support a broad sector of society. It also has a crucial impact on the growth of economy as a whole as the companies within the industry grow and further contribute to the sustainable development of the sector.

The SME sector offers promising opportunities for the bank to further develop its business and increase its market share. QNB ALAHLI was, once again, a market leader for SMEs applying for credit facilities online. Utilizing digital tools which became increasingly necessary due to the COVID-19 pandemic where the bank was able to serve SME clients skillfully while also ensuring a safe, physically distanced experience. The bank will continue integrating several products and services throughout the coming period as it leads the way in digitizing SME products.

QNB ALAHLI is a leader bank in the field of digitized SME products and services with an extensive slate of offerings including cash management, trade net services, cash payment services as well as products that facilitate, secure, and increase sales volume such as POS, PAYnGO and e-commerce.

QNB ALAHLI adopted a dynamic strategic plan to support the development of the SME sector in alignment with the SME initiative launched by the Central Bank of Egypt. The bank established two Business Development Service Centers (BDS Centers) for SMEs to provide non-financial services to this sector.

In addition, QNB ALAHLI has sponsored the Creative Design Incubator hub at Nile University for five years (covering five cycles). The initiative aims to create awareness about the creative industry, its importance in driving economic growth, and as a source of competitiveness and differentiation. The bank is widely recognized as the lead bank associated with this initiative and has received effusive praise from the organizers.

QNB ALAHLI increased its market share in the promising SME sector using a multi-faceted strategy to increase the number of customers, diversify economic activities, grow the amount of credit granted and deposits received, and maintain a very low rate of non-performing loans.

QNB ALAHLI has signed crucial cooperation protocols to reinforce the banks' strategic direction with regard to SMEs and offer support to industrial and commercial institutions. The most notable include:

- Cooperation protocol for the new leather Manufacturing city in Rubiky
- Cooperation protocol with the Industrial Development Authority (IDA)
- Cooperation protocol with Damietta City for Furniture (DFC)
- Cooperation protocol with the Federation of Egyptian Chambers of Commerce
- Cooperation protocol with the Micro, Small and Medium Enterprise Development Agency (MSMEDA)
- Cooperation protocol with Credit Guarantee Company (CGC)

QNB ALAHLI provides a wide range of tailored lending programs covering working capital, medium-term loans, unfunded facilities, and trade services with a short processing period. These programs include:

- Tailored fast lending program
- Financing against POS/QR proceeds
- Tech loans to finance technological equipment purchases and the renovation of technological office equipment
- Preapproved lending program for small exporters
- Supporting agribusiness under the SASME program (joint project co-financed by the French Agency for Development and the European Union) and in collaboration with the Egyptian Banking Institute (EBI).

QNB ALAHLI offers a selection of SME packages that have been strategically developed to meet the diverse business needs of SME and MVSE enterprises. The bank's packages provide them with the best solution to manage their cash flow including, but not limited to, current account, POS, cash net, free cheque books, Corporate Payment Services "CPS" and business debit/credit cards.

QNB ALAHLI increased its market share in the promising SME sector using a multi-faceted strategy

Corporate Social Responsibility

QNB ALAHLI's Corporate Social Responsibility

We are pleased to present QNB ALAHLI's social responsibility report for the year 2020, which carries many social and human achievements that accompanied the business achievements of our bank. QNB ALAHLI participated in several projects that aim to support the unprivileged sector of society, in fulfillment of its societal obligations in various fields allover Egypt.

During 2020, QNB ALAHLI's continued to affirm its position as one of the largest entities in the banking sector in supporting Egyptian Community to face the impact of Covid 19 through participation in the initiative launched by the Federation of Egyptian Banks in coordination with the Central Bank of Egypt "Egyptian Banks initiative" to support the Economy to face the current crisis and to support those affected by Covid 19.

QNB ALAHLI participated also in different aspects of social responsibility activities.

In Medical Care Field:
QNB ALAHLI continues to pay special attention to the health care field, by donating important medical devices to hospitals that provide free of charge services to eliminate waiting lists and to provide the best medical services to the neediest segments, among these medical institutions: i.e. Pediatrics Hospital in Ain Shams University Hospitals, National Institute of Diabetes and Endocrinology, Kasr El-Aini Center for Nephrology, Dialysis, Transplantation in Cairo University Hospital, and Josaab Foundation for Social Development.

QNB ALAHLI also participated in the establishment of an outpatient room in Magdy Yacoub Heart Foundation Hospital that works to change the health outcomes of the most vulnerable, particularly children, by improving comprehensive, advanced cardiac care available to all people in need, free of charge.

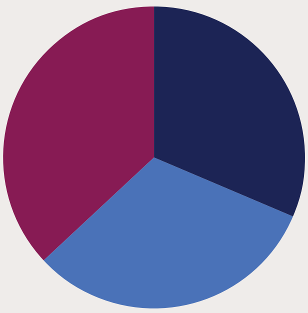
In addition, QNB ALAHLI signed a contract with the National Cancer Institute - Breast Cancer Hospital, for the renovation and development of the sterilization unit at the hospital that provides free-of charge services to more than 250 women per day.

In Worthwhile Social Causes:
QNB ALAHLI contributed to many development projects for improving the living conditions of poor families. QNB ALAHLI continued for the second year to participate in the national initiative "Decent Life" in cooperation with Misr El-Kheir Foundation for the housing improvement for unprivileged families in poor villages targeted by the initiative. The project is implemented in "Al-Esaweya village" in Sohag Governorate, which desperately needed health services and housing improvement. The project includes 22 houses in urgent need for roofing, furniture and renovation. In addition, a medical convoy is provided for the unprivileged people to improve their living conditions and to ensure a decent, risk-free life for the people of the village.

On the other hand, QNB ALAHLI also participated in the project of granting 35 young women small projects that enable them to raise the economic level of their families and reduce the rate of unemployment in Cairo Governorate by enabling them to own micro-income generating projects.

In addition, QNB ALAHLI celebrated the Orphan Day by providing donation to one of the charitable institution that support orphans.

QNB ALAHLI participated in several projects that aim to support the unprivileged sector of society, in fulfillment of its societal obligations in various fields allover Egypt.



- 12 Projects in the field of Education
- 12 Projects in the field of Health Care
- 14 Projects in the field of Social Welfare

Staff Engagement in CSR activities:
In alignment with QNB ALAHLI's strong belief to be a genuine contributor to the society and to deliver a better business performance and build a stronger brand,

QNB ALAHLI extended its scope of activities to onboard QNB ALAHLI employees along its journey of community support services through their participation in building wooden ceilings for homes of unsheltered people to protect them from heat and water leakage in the event of rain in Ismailia Governorate and in Behara Governorate in cooperation with Misr El-Kheir Foundation. This greatly created a sense of positive belonging among QNB ALAHLI employees.

In Educational Field:
QNB ALAHLI continues to pay special attention to the educational field and provides support to students in Alexandria University who have difficulty to pay their tuition fees due to financial hardship. The bank also participated in the development of "Al-Shohada Preparatory school for Girls in Ismailia" in cooperation with Misr El Kheir Foundation, which provides educational service for about 550 girls in 15 classes that need full maintenance and renovation. In addition, the bank inaugurates the projects of the development of "Al-Nahaya Elementary School", in Assiut Governorate, which serves more than 594 students in 12 classes in the village of Al-Nahaya, and the development of "Bahaa El Din Raslan Elementary School", Zagazig Center in Sharkia Governorate, which serves more than 400 students and includes 9 classes. In addition, the bank participated in the 2019-2020 students' graduation of the University of Science and Technology in Zewail City, after offering scholarships to many of them.

Youth development and support:
QNB ALAHLI continues to support youth through the participation in NilePreneur Initiative for the second year under the auspices of the Central Bank of Egypt in partnership with the Nile University by sponsoring one of the incubators "Creative Incubators " at Nile University, aiming to create awareness about the creative design industry being a competitive advantage in various projects and its importance in driving economic growth as a source of competitiveness.

On the other hand, QNB ALAHLI participated in the project of "Training for Employment", for raising the technical, professional and managerial skills of 100 women in Cairo Governorate. The training is followed by offering beneficiaries job opportunities through the implementation of production lines to manufacture craft products within their societies and linking them to the labor market through Misr El-Kheir Foundation.

QNB ALAHLI Support for People with special needs:

QNB ALAHLI participated in supporting the first charity Mutual Fund ATAA founded by Naser Social Bank, and operating under the supervision of the Financial Regulatory Authority (FRA) for the support of people with special needs in education, social and health care and all other channels that cater for people with special needs to empower and integrate them.

During 2020, QNB ALAHLI's continued to affirm its position as one of the largest entities in the banking sector in supporting Egyptian Community to face the impact of Covid-19.

Corporate Governance and Risk Management

Corporate Governance

QNB ALAHLI recognizes the need to adhere to the best practices in Corporate Governance, which is derived from the importance of implementing rational corporate governance policies and procedures.

QNB ALAHLI recognizes the need to adhere to the best practices in Corporate Governance, which is derived from the importance of implementing rational corporate governance policies and procedures.

Corporate Governance is considered by the bank as a core culture, long term vision and strategy, are applied sustainably and not only in the short term, in order to maximize the value of the bank to the shareholders, and maintain the confidence of customers and investors in addition to preserving the rights of all stakeholders, as well as the staff and customers. QNB ALAHLI always aspire to maintain the highest standards of Corporate Governance and publish the results reports accurately and transparently in full compliance with all applicable laws, regulations and controls.

The main pillars of governance:
Corporate Governance is based on four main pillars (responsibility, accountability, fairness, and transparency).

QNB Al-Ahli is committed to implementing these pillars through the following:

Frist Pillar: General Assembly of Shareholders

The General Assembly comprises of all shareholders of the bank, in proportion to the share owned by each shareholder. All shareholders are entitled to attend the General Assembly meetings, the Bank will facilitate the attendance of shareholders to the General Assembly meetings, in compliance with bank's statutes related to laws and regulations organizing the procedures and deadlines for calling the General Assembly and how to manage its meetings, the General Assembly is managed in a way that allow all shareholders to express their views in light of what is regulated by the law and bank's statutes, according to the agenda of the Assembly meeting, the Bank is adequately disclosing the topics that are included in the agenda of the Assembly meetings which is accompanied with the supporting information that enable shareholders to take their decisions properly, the bank provide reply to all enquiries raised by the shareholders sent before the meeting to be included in the agenda.

And then the Bank discloses the decisions taken by the General Assembly in addition to all the essential events to all that happened and to the public at the same time. Where the minutes of General Assembly meeting are published on the Bank website, the Bank is committed to provide the Central Bank of Egypt and financial regulatory authority as well as notify the Egyptian Exchange with ordinary and extraordinary General Assembly decisions immediately after its conclusion at the latest before the start of the first trading session following the end of the meeting, which guarantee the fair disclosure for all crucial information.

The Current Shareholding Structure of QNB ALAHLI

Owners of 5% or more of the bank's capital	Number of shares as of 31/12/2020	Percentage %
Qatar National Bank	2,046,369,862	94.967
Total	2,046,369,862	94.967

Second Pillar: Board of Directors

Composition of the Board of Directors

In accordance with Statutes of the Bank the current composition of the board of directors comprises of nine members, the bank is managed by a board of directors composed of a number of not less than five members selected by the general assembly from among the shareholders, for a period of three years and this does not prejudice the right of the legal person who is a member of the board of directors to replace whoever represents him in the board from among them. the Board are composed of executive and non-executive members to ensure that board decisions are not dominated by a specific individual or a small group of individuals, and the board of directors must have at least two of the executive members and the majority of the board members must be non-executives, and it is permissible to include two experienced members at most to the Board of Directors. When electing members of the Board of Directors, the cumulative voting system must be applied by granting each shareholder a number of votes equal to the number of shares he owns so that he can grant them all to one candidate or distribute them on more than one candidate when electing members of the Board of Directors, in a manner that allows proportional representation in the membership of the Board of Directors whenever possible.

The board of directors shall appoint among its members a chairman, a vice-chairman and one or more managing directors, and in the absence of the Chairman and the vice Chairman, the eldest member shall chair the board. All Board of Directors have the necessary experience and knowledge to perform their duties effectively and efficiently to achieve bank's goals, shareholders and customers,

the Board of Directors have full knowledge of their guiding role and their part towards establishing the guidelines of rational corporate governance.

The following is the composition of the Board of Directors in its current round 2019-2022:

Sr.	Name	(Executive / Non-Executive)	Position
1	Mr. Mohamed Osman Ibrahim EL-Dib	Executive	Chairman & Managing Director
2	Mr. Ali Rashid Ali Al-Mohannadi	Non-executive	Vice Chairman
3	Ms. Heba Ali Ghaith Al-Tamimi	Non-executive	Board Member
4	Mr. Tarek Abdel Raouf Magdy Fayed	Executive	Board Member
5	Mr. Adel Ali Mohamed Al-Malki	Non-executive	Board Member
6	Mr. Abdullah Nasser Salem Al-Khalifa	Non-executive	Board Member
7	Ms. Shikha Salem Abdullah Al-Dosari	Non-executive	Board Member
8	Mr. Khaled Ahmed Khalifa Al-Sada	Non-Executive	Board Member
9	Mr. Nedhal Shafi Hassan Al-Nuaimi	Non-Executive	Board Member

Duties & Responsibilities of the Board

QNB ALAHLI has Effective Board of Directors, based on the general assembly's assignment, the Board is individually and / or collectively responsible for Bank management with the optimum methods with the objective of maximizing the value of shareholders' investments and achieve the projected business plan results, preserving the rights of customers and all stakeholders. The BOD is keen to achieve all its objectives in full compliance with the applicable laws and regulations.

Board of Directors duties and responsibilities are defined as follows:

- Ensures that the Bank's organizational structure enables the Board of Directors and top management to assume their responsibilities and facilitates effective decision-making and applying rational corporate governance, this includes a clear delineation of the principal, responsibilities and main authorities of the Board, top management and control functions
- Approve Bank's strategic objectives, policies and plans, appoint and replace members of the executive management of the bank.
- Set Bank's values and standards, ensure compliance with obligations towards shareholders and other related parties
- Ensure that Bank's compliance with legislations, the Bank's Statutes and internal regulations, the board is also responsible for protecting the Bank against illegal and inappropriate practices and activities
- One of the main authorities of the board is approving business strategies activities, verifying the quality and integrity of financial control, internal control, in addition to assuring the Bank's financial adequacy, Board members are fully aware of all the Bank activities and functions
- Carefulness to apply the rational corporate governance standards in accordance with the bank business activities, market place and other relevant economic factors
- Establishing a legislative framework within the Bank, particularly about the organizational structure and business activities, including the methodology for allocating Human calibers to all divisions and departments

Corporate Governance Continued

- Periodic review of arrangements and agreements with external auditors to ensure consistency with the volume and nature of the Bank's operations
- Ensure the credibility and adequacy of financial and accounting rules, including those related to the preparation of financial reports
- Present the financial reports to shareholders regarding the Bank's business and activities
- Guarantee correct procedures for disclosure and communication with shareholders, investors and all other related parties, about the Bank's strategy, financial results and significant developments
- Provide effective internal control environment to assess and mitigate risks, in addition to creating an appropriate framework for risk management
- Setting a system to report the inadequate acts inside the bank to the Board of Directors
- Formulate clear, effective and adequate rules to deal with conflict of interest
- The Board is keen to ensure that adequate and timely information is available to all members of the Board enabling them to conduct their duties effectively and efficiently

Convene of Board meetings
The Board of Directors met 8 times during the year 2020 in the presence and presidency of the Chairman and Managing Director, as the regulatory controls require that Bank's Board of Directors meets at least eight times a year, BOD members may participate in BOD meetings through (telephone or video conference), in this case their participation is considered an actual participation in BOD meetings and they are entitled to vote, and their votes are calculated in the quorum for the meeting and the validity of the decisions taken by the BOD., and it may also be held outside the bank's official premises inside or outside Egypt on the condition that all board members or their representatives approved and attend, Provided that the meeting of the board is outside the Arab Republic of Egypt for one time during the fiscal year. also, decisions of the board of directors may be taken by circulation in case of necessity, provided that all members agree to them, on condition that the decision is approved later in the first meeting of the board of directors.

Reports & information submitted to the Board and its Subcommittees
In addition to reports and documents provided to the BOD prior to its meetings, Board members are provided with the sufficient information and documentation at the right time to enable them performing their duties. Moreover, committee members receive the relevant information prior to committee meetings for review and study, in order to take appropriate decisions within the various board committees.

Executive Management
While the Board of Directors undertakes absolute responsibility for Bank's governance framework, the Executive Management is responsible for day-to-day Bank activities, to insure they are being conducted effectively, securely and correctly in accordance with the Bank's internal policies, procedures and controls, within the framework of applicable laws & regulations.

Proactive and Precautionary measures to face the effects of Coronavirus pandemic ("COVID-19")
Coronavirus has spread across all geographic regions of the world, causing disruption to commercial and economic activities. QNB Al-Ahli is closely monitoring the situation through its business continuity and emergency plan for dealing with the repercussions of this virus to ensure business continuity while preserving the health of Bank employees and customers. Also, to limit the spread of infection, the role of the bank's Crisis and Emergency Management Committee has been activated, which convenes on a permanent basis, to follow developments in the situation, take the necessary decisions and track their implementation through the various departments, as well as trail on the implementation of the Central Bank's instructions in this regard. Because of the uncertainty caused by the outbreak of the Coronavirus ("COVID-19").

Considering the measures taken by the Central Bank of Egypt, QNB Al-Ahli is closely monitoring the loan portfolio to determine the impact of the virus on various quantitative and qualitative factors to identify potential increases in credit risks for the entire portfolio in its various economic sectors. accordingly, the bank continues to take proactive measures and procedures that it started from the first quarter of 2020, including strengthening the necessary allocations to mitigate the impact of COVID-19 on the loan portfolio, with the possibility of taking other precautionary measures in light of the fact that the pandemic has not ended yet. The Board sub-committees of the of Directors are being regularly updated with the latest Corona virus updates, as well as the precautionary measures taken by the bank.

Third Pillar: Committees

1- Board Committees
The Board of Directors has composed a number of committees to empower achieving Bank objectives optimally, such committees support and assist the BOD in the implementation of assigned responsibilities and duties, these committees were formed in accordance with Banks corporate governance regulations issued by the Central Bank of Egypt in addition to the relevant applicable laws & regulations, paying attention to the nature of the Bank's various activities. Each BOD committee comprises of at least three members, the committees submit their reports and recommendations periodically to the Board of Directors for taking the necessary decisions.

Each BOD committee has a Terms of Reference (ToR) which regulate its objective, scope of responsibilities, regularity, membership and attendance quorum. Such ToRs have been approved by the Board of Directors. Each committee reports to the Board of Directors with absolute transparency of its performed tasks, findings, conclusions and recommendations, the Board of Directors periodically follow-up the activities of committees to verify fulfilling its mandates. The Board committees may assign any of the Bank's Executive Directors or external consultants to perform specific tasks that help the committee in conducting its mandated activities. a brief overview of the formation of each committee and the number of its meetings during the year are Clearfield and explained at the annual report and the Bank's website.

1.1- Audit & Compliance Committee
The Committee comprises of three non-Executive Board members having adequate expertise in financial, accounting and auditing standards, the committee meetings are held at least four times a year and submit its reports to the Board of Directors, the committee has is mainly responsible for reviewing the bank financial statements and ensure the effectiveness of internal control environment, the committee follows up the performance of Internal audit and compliance departments in addition to the external auditors mandates.

2.1- Risk Committee
The Committee comprises of at least three members of the Board of Directors with a majority of non-executive members, Committee meetings are held at least twice a year and submit its report to the Board of Directors, the Committee is responsible for developing and monitoring the Bank's risk management strategy and determine hedge policies for protentional risks, It also reviews procedures and overall risk management framework, the committee also define the relevant roles and responsibilities throughout the Bank.

3.1- Corporate Governance & Nomination Committee
The Committee is composed of three non-executive members having adequate expertise in governance's standard and aware of regulatory environment, the committee meets twice a year and submits its report to the Board of Directors, the committee supervises the Bank's corporate governance practices and ensures that rationale governance's rules and procedures are effectively applied. The committee proposes appropriate changes in corporate governance policies, in addition to reviewing all nomination proposals for Board members or the reformation of the BOD.

4.1- Compensation & Benefits Committee
The committee is composed of three non-executive board members having adequate expertise of organizational structure and human resources issues, the committee meets at least once a year and submits its report to the Board of Directors, the committee is responsible for managing human resources activities, including setting the annual budget and reviewing the annual staff benefits and remunerations.

5.1- Executive Committee (EXCO)

Responsible for implementing the Bank's strategy and is capable of steering all the Bank's business and activities, in addition to reviewing the submitted issues by all Bank division and departments. The Committee is composed of executive members of the BOD and the Senior Executive Management, Committee meetings are held as needed.

2. Internal (Management) Committees
Executive Management has composed several specialized management committees to support and supervise the Bank vast activities as follows:

1.2- Assets and Liability Management Committee (ALCO)
The committee analyzes and approves the impact of the financial environment and market changes on the Bank's financial management methods with the necessary proposals and authorize any changes in applied interest rates for several banking operations, the committee meets at least twice per each quarter (8 times per year).

2.2- Risk Review Committee
The committee focus on reviewing credit cases proposed by risk division which require revising and taking the relevant credit decisions, including allocating provisions if needed, reviews reports of the Bank credit portfolio, the Committee meets on a monthly basis.

3.2- Operational Risk Committee
The committee reviews periodically the changes in operational risk exposure, bank regulatory environment, crisis management and business continuity plan, the Committee meets semi-annually.

4.2- Recovery Committee
The committee reviews Bank's NPL portfolio status and its related provisions, reviewing recovery achievements, discussing prospects of recovery, forecasting provisions level, the committee meets on a quarterly basis.

5.2- Tariffs Committee
The committee reviews, updates and validates the Bank's unified tariff, the Committee meets semi-annually.

6.2- Communication Committee
The committee approves the strategic framework and the proposed advertising campaigns, the committee meets when required at a minimum of twice per year.

7.2- FATCA Steering Committee
The committee ensures implementation of FATCA and compliance with relevant laws and regulations, the committee meets semi-annually.

8.2- Foreign Exchange Committee (FX)
The Committee allocate the foreign currency free market resources in compliance with the relevant rules, regulations and directives of the Central Bank of Egypt, the Committee meets on a daily basis.

9.2- New Products Committee
The Committee validates the characteristics of new products or services or significant changes to existing products and services, and make sure that all the risks have been identified, analyzed and accepted, the Committee convened when necessary.

10.2- The new branches committee
The Committee sets and implements Network Capex expansion plan, in terms of opening new branches, expansions, relocation of existing branches, major/minor renovations, rent, renewals, etc., The Committee meets on a monthly basis.

11.2- Credit Committees
The committee is responsible for approving credit granting decisions, it's divided into several credit sub-committees according to type and volume of the required credit facilities, the committees are convened when needed.

Corporate Governance
Continued

12.2- Quality Committees
The committee is responsible for following up the activities of total quality management and analyzing customer complaints and the actions taken to solve and reduce them, as well as studying internal and external customer satisfaction surveys and their results and recommendations of total quality management to improve the level of customer satisfaction in all the activities of the bank, and it also provides strategic guidance that guarantees excellence in the services provided to clients

13.2- Information Technology Committee
The committee is responsible for approving the strategic plans for information technology, directing and following up the implementation of those plans, as well as supervising the major initiatives / projects in this field, in addition to allocating resources and setting information technology priorities for all the bank's activities

14.2- Information Security Committee
The committee is responsible for approving any initiatives / modifications required on the information security policy, reviewing the bank's plans related to business continuity, disaster recovery and response to workplace accidents, also revising information security related events and determines if there are adequate controls to prevent their recurrence

3. Independent committee

Investment Funds Supervisory Committee (Protecting Investment Certificate holders)
It's an independent committee that is entitled to supervise all the activities of investment funds launched and sponsored by QNBAA, the committee comprises of minimum 3 members and maximum 11 members, the majority of its members must be independent, the committee meets at least four times during the year.

The duties and responsibilities of the committee have been identified by law, such as appointing the investment manager, fund admin services company, the custodian and fund's external auditors in addition to approving the financial statements of the fund, follow up the duties of the internal auditor of the investment manager, and assure that all parties fulfil their obligations.

Fourth Pillar : The Control Environment

Internal Control System
The Bank periodically develops to have an effective internal control system, to ensure having range of policies, rules and procedures, which prepared by Bank's regulatory authorities, the internal control system defines the competencies of each department or function in order to achieve a complete separation between responsibilities and duties, The internal control system has been approved by the Board of Directors, and the Audit and Compliance Committee periodically evaluates the system and submit its recommendations to the Board of Directors

The internal control system is designed to ensure the accuracy of the implementation of the internal regulations and the instructions of Qatar National Bank Group, As well as the instructions of all concerned regulatory authorities, Ensuring the accuracy and quality of information, whether for the internal use of the Bank or its clients from outside parties and regulatory authorities, and protecting the physical assets of the Bank from the exposed risks, ratifies and record those assets at bank records, ensure the achievement of the short-term or strategic objectives plans of the bank

Internal Audit Department
The bank attaches great importance to The internal audit function consider it as an independent and objective activity, designed to control all activities and support to achieve its objectives, through a systematic and structured approach to assess Bank's methods and systems of internal control and risk management procedures, ensure the corporate governance rules are applied properly for all departments and operational, financial and legal activities, Technical subordination to the Audit and Compliance Committee, and administratively subordinate to the Chairman of the Board of Directors,

the Bank has an independent internal audit department, this position is managed by a full-time executive director, The Head of Internal Audit submits a quarterly report to the Audit and Compliance Committee, present the internal audit activity during that period the main findings, and follow up the implementation, and the commitment of the various sectors of the Bank's departments and scheduled the implementation

Risk Management
Based on the instructions of the Central Bank of Egypt, the risk management identifies, analyses, measures and monitors various protentional risks to recognize the reasons and how to hedge and mitigate such risks, ensure the quality and effectiveness of risk management methods at the bank, and ensuring a robust information management system including early warning indicators, in addition to ensuring the extent of acceptable risk appetite for the bank with both strategic planning and capital adequacy management, ensure that adequate capital is in line with the level of risk associated with the Bank's activities.

Compliance Department
The Bank is committed to ensure that all its activities are being conducted in compliance with applicable laws and regulations, and relevant laws or ethical standards and monitoring compliance are the primary responsibilities of the Audit and Compliance Committee, the Board of Directors, the CEO and senior executive management directors. accordingly, the Bank has an independent Compliance Dept. with the objective of identifying, monitoring and evaluating any risks arising from non-compliance, supporting the bank with the technical opinion and continuous monitoring of compliance risks, provided that the compliance officer is technically and reportable subordinate to the Audit and Compliance Committee, while administratively reporting to the Chairman of the Board of Directors. the Compliance Sector applies an effective follow-up process to confirm respect with the new supervisory instructions and confirm their delivery to the related parties, and those responsible for their implementation and inclusion within the work procedures, as well as preparing quarterly reports regarding

the evaluation of the implementation of regulations and procedures to the Compliance and Review Committee. in addition to continuing to abide by the law, implementation and updates of the FATCA Agreement.

Corporate Governance Department
Corporate Governance Department is targeting to establish the principles of rational Bank Corporate Governance, monitor its implementation and evaluate its effectiveness. The role of Corporate governance department is to identify and demonstrate the rational behavior for the bank management in accordance with the best international practices of corporate governance, thus achieving a balance between the interests of all related parties (Stakeholders) in addition to ensuring the protection of shareholders' rights, to be fully aware of the significant information, voting rights and participation in the decisions regarding the fundamental changes in the Bank, which will have an impact on their investments. Moreover, to ensure full disclosure of all substantial information and fundamental events accurately, equally, transparently and on time

External Auditors
The Bank assigns external auditors who meet the conditions stipulated in the Accounting and Auditing Profession Law, Including competence, reputation and necessary expertise. Their experience, competence and abilities must be corresponding with the volume and nature of the Bank's activity. The External Auditors are appointed by the General Assembly based on the proposal of the Board of Directors and after the recommendation of the Audit and Compliance Committee. External auditors are fully independent of the Bank and its Board of Directors, they are neither shareholders nor members of the Board, and are not relative to any of Board of Directors, they also do not permanently engage in any technical, administrative or advisory tasks. External auditors are also neutral in expressing opinions, their assignment is invulnerable to the intervention of the Board of Directors. The Bank abides to the instructions of the Central Bank of Egypt concerning the rotation of external auditors, moreover, the Bank is committed to the present external auditor's report regarding its Corporate Governance activities in accordance with the applicable governance and disclosure regulations. Such report is being presented to the General Assembly of shareholders.

Internal Audit

An independent function that provides assurance and consulting services to the BOD to evaluate and improve the effectiveness of governance, risk management, and control processes

Scope and Responsibility of the Internal Audit
Internal Audit helps the BOD and the Audit & Compliance Committee in effective discharge of their responsibilities to serve the best interests of shareholders.

Internal Audit is headed by the Chief Internal Auditor, who reports to the Audit and Compliance Committee (ACC) of the Board.

For the purpose of fulfilling its role in its professional capacity, Internal Audit is authorized to have full and unrestricted access to any of the bank's records, documentation, systems, properties and personnel, including Executive Management and the BOD.

The Internal Audit charter and policy have been enhanced to align with the Basel Committee on Banking Supervision's recommended standards and the IIA's International Standards, to keep pace with the business expansion of the bank, and to provide adequate oversight of the Bank's subsidiaries.

Scope and responsibilities of Internal Audit includes:
- Advisory services, insight, and analysis
- Audit programs and techniques
- Promoting control awareness and risk culture
- Main audit projects and priorities for the upcoming year

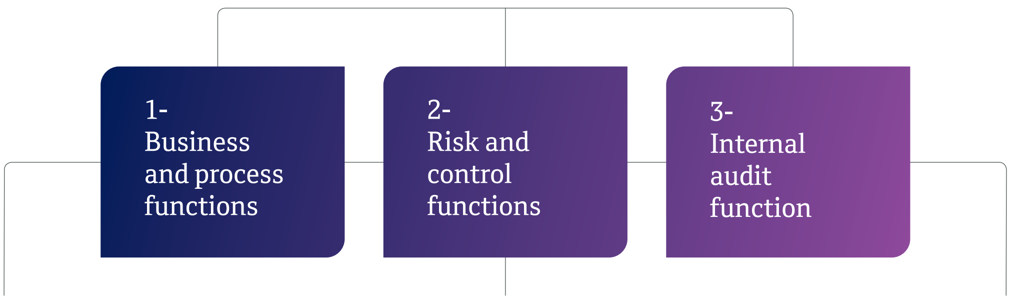
Professional practices and resources
Internal Audit has adopted the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) as well as Basel Committee recommendations and other leading standards.

The Internal Audit team is composed of individuals with experience from leading financial institutions and audit firms. The Internal Audit team is professionally qualified; undergo continuous professional development, awareness and training.

The Internal Audit maintains a quality assurance and improvement program that covers all aspects of the internal audit activity to increase the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement. Generally, the Internal Audit conforms with the IIA's International Standards and Code of Ethics, as per the results of external quality assessment.

The Internal Audit continues to develop its data analytics capability and extrapolation techniques to be able to identify systemic issues and execute efficient audits.

The Three Lines of Defense model
In line with Basel guidelines, QNB ALAHLI has adopted the "Three Lines of Defense" model.



1. Business and process functions
Responsible and accountable for identifying, assessing and controlling the risks of their activities.

2. Risk and control functions
(Risk Management, Compliance, legal, Financial and permanent controls) Ensures that the risks in the business and process units have been appropriately identified and managed.

3. Internal audit function
Independently assesses the effectiveness of the processes created in the first and second lines of control.

Provides assurance on these processes and value-added recommendations to improve the process and promote best practice.

Internal audit universe and coverage
All activities of QNB ALAHLI's branches, departments and subsidiaries are part of the Internal audit universe. The audit universe is carefully monitored and progressively refined to consider and reflect QNB ALAHLI's business strategy, growth and emerging risks.

The annual audit plan is developed using the Risk Based Approach and the best practices for assessing the risks of all the QNB ALAHLI's businesses and activities. This is supplemented with additional focus on regulatory requirements including Basel III capital adequacy and liquidity requirements, as well as management areas of concern and emerging risks.

The plan is continually reviewed and adjusted, as necessary through the year, in response to changes in the QNB ALAHLI's business activities, operations, systems and controls that change the risk structure of the bank.

The presentation to the ACC has been refined to focus on critical data and information that would enable effective monitoring and oversight of performance in various activities.

The oversight of subsidiaries has been refined, with focused scope and additional emphasis on the Governance, Risk Management and Internal Control structures and frameworks as part of the oversight and assessment process. This enables Internal Audit to align the governance structure and arrangements in the subsidiaries with those of the bank, thereby promoting the achievement of the QNB ALAHLI's vision and strategy.

Promoting transparency
Final audit reports incorporating audit issues, management's action plans and target dates for implementation, are issued to the Management, CEO and ACC. In addition, a quarterly report summarizing Internal audit activities and outcomes is also issued to, and discussed with, the ACC and the BOD.

Internal Audit performs timely and appropriate follow-up and valuation of all pending and closed audit issues including issues reported by the CBE and the external auditors.

Such follow-up activities are facilitated by the Audit management system. The periodical status report (Dashboard) on the follow-up activities is issued to the ACC, CEO and the divisional heads. The report also serves as an escalation to apprise the Executive Management, ACC and the BOD on the implementation status to remediate pending audit issues which are also used as part of the performance indicators for control environment. Continued focus on this has reduced the number of outstanding high priority issues.

Compliance

Independent Compliance division have been set in order to identify, monitor and evaluate any risks of non- Compliance and provide the bank with high level expertise and monitoring of Compliance risks.

QNB ALAHLI is committed to ensure that its activities are conducted in accordance with applicable banking rules, regulations, related laws and ethical and best standards.

Monitoring Compliance is undertaken by the Compliance division, and is monitored by and reported to the Audit & Compliance Committee, that has been delegated by the BOD to monitor Compliance risks.

Compliance values:

Compliance and adherence with the code of ethics, and principles such as prudence and due care that ensure meeting the leading professional standards and alignment with QNB Group's vision, mission, and strategy vis-a-vie:

> Not accepting transactions or entering into relations that fall outside laws or contrary to Code of Ethics.

> Zero tolerance policy with misleading data, products and service that non-compliant with laws and regulations.

> Refusing client relationships where the bank does not sufficient Know Your Customer (KYC) data to meet the requirement of due diligence, and enhanced due diligence when required.

> Whistleblowing project, QNB ALAHLI's Compliance considers Whistleblowing as a top responsibility and a key element of its effective Compliance program, the whistleblowing right is granted to all QNB ALAHLI's employees which enables them to raise serious concerns when the staff believe - based on good reasons - that a situation has serious concerns when they believe a potential non-compliance incident took place, with valid justification.

Whistleblowing Policy and Procedures were prepared in order in order to define Whistle-blowing, who could blow the whistle, and the channels that could be utilized to whistle-blow, including e-mail and the Whistle-blowing hot-line. The drafted policies and procedures concerning the same govern and guarantee the anonymity of the reporting staff.

Combating Financial Crime, Know Your Customers (KYC) Policy, and Enhanced Due Diligence:

> New High risk /Sensitive Customers criteria added to the policy, which requires the Compliance Division to evaluate and approve the relationship for acceptance and on-boarding.

> QNB ALAHLI's Compliance assesses new and existing products and services from Compliance and AML/CFT perspectives; and updates the bank's strategy and procedures on an ongoing basis to cover Compliance and AML/CFT risks.

AML/CFT transactions monitoring:
Combating Money Laundering is practiced on both Head Office level & the branches level, due to the significant volume of banking transactions done through QNB ALAHLI's branches or its electronic channels, as well as the complexity of some products.

QNB ALAHLI has an efficient automated tool for monitoring customer transactions that helps to identify & analyze the unusual patterns / suspicious behaviors among the customers, in addition to other tools and reporting channels initiated for an efficient risk mitigation process.

* FATCA : Foreign Account Tax Compliance Act
* AML/CFT : Anti Money Laundering and Combating the Financing of Terrorism

Sanctions and Embargos Policy:
Compliance is keen on ensuring that the bank copes with internationals sanctions and Embargo's to manage the risk of sanctions failure by monitoring all payments, transactions and trends linked to different jurisdictions, ongoing developments and updates on sanctions and programs.

Ongoing follow up to ensure proper implementation of CBE new regulations and international laws:
QNB ALAHLI's Compliance implement an efficient follow up process to ensure new regulatory requirements are communicated to relevant stakeholders, and ensure follow up completeness of actions taken to implement such regulation, furthermore, QNB ALAHLI has started to implement onsite Compliance review assignments to Provide objective assurance that bank's activities are complied with the CBE regulations and Laws.

In addition to report an evaluation on such implementation to the Audit & Compliance Committee on quarterly basis.

Furthermore, Compliance undertakes continues efforts to ensure the effective implementation of all FATCA requirements and enhance the relevant systems and controls, in addition to providing continuous training to the concerned stakeholders.

Training strategy:
Compliance at QNB ALAHLI adopted Group Compliance's Training Strategy & Programs for 2021, to ensure the spread of a Compliance culture and awareness of key risks and risk mitigation actions. Trainings include but are not limited to Compliance, AML/CFT, Sanctions, Fraud, KYC, special trainings concerning key regulatory requirements.

Continuous enhancement for Compliance Division:

> The Corporate Governance Dept. had recently joined Compliance division which is considered a step forward to strengthen the Compliance and governance environment.

> The continuous development of monitoring and reporting tools, including the relevant systems and applications to manage Compliance and AML/CFT risks.

> Professional Certification which is an ongoing educational process to ensure the continuous professional development of Compliance staff and raise their levels of expertise.

* FATCA : Foreign Account Tax Compliance Act
* AML/CFT : Anti Money Laundering and Combating the Financing of Terrorism

Risk Management

Risk management within QNB ALAHLI is a key focus at all levels of the Bank.

QNB ALAHLI has a robust risk management governance structure and framework that ensures a crucial balance between risk and reward.

Risk is an integral part of our business and decision-making process. Risk management within QNB ALAHLI is a key focus at all levels of the Bank.

Risk works to identify, measure, monitor, control and manage risk at all levels and reports to senior management and the board of directors. As a result, we have a robust risk management governance structure and framework that ensures a crucial balance between risk and reward.

QNB ALAHLI's Risk Appetite statement articulates the risk culture, governance and boundaries of QNB ALAHLI.

The Risk Appetite Statement provides a framework for QNB ALAHLI's approach towards risk-taking and is reviewed, reassessed and agreed alongside the bank's strategic and financial planning process.

Our risk profile and appetite are approved by the BOD and the Risk Committee then cascaded to every division, department and employee.

QNB ALAHLI ensures regulatory compliance in line with best risk management practices.

Risk identification, monitoring and control.
The identification of principal risks is a process overseen by the Risk Division. The material risks are regularly reported to the Risk Committee (RC), together with a regular evaluation of the effectiveness of the risk-operating controls.

During 2020, Risk Division continued the efforts to build up a strong risk management framework. This framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor and mitigate and report risk in a consistent and effective manner.

We continue to improve our frameworks for risk identification to ensure timely early-warning indicators and decision making. This has resulted in effective control of the non-performing portfolio, operational risk losses, cyber and other fraud protections, preventions and exposure to market risk.

Liquidity Risk
QNB ALAHLI considers the prudent management of liquidity as essential in ensuring a sustainable and profitable business and in retaining the confidence of the financial markets as well as the Central Bank of Egypt.

Ultimate responsibility for structural liquidity management resides with the local ALCO in accordance with the preapproved policies by the board of directors, with day-to-day management being managed by the treasury.

The risk management oversight process through representation within the ALCO provide assurance that the bank resources are sufficient in amount and diversity. This allows for the accommodation of planned and unplanned increases in funding requirements routinely without material adverse impact on earnings or on the Bank's perception in the market.

Stress testing and Internal Capital Adequacy Assessment (ICAAP)
QNB ALAHLI intends to maintain sustainable funding and liquidity across the bank in order to withstand unforeseen macroeconomic headwinds and shocks. The ICAAP process is an important component of assessing capital adequacy of the bank, as well as providing a forward-looking assessment of QNB ALAHLI's ability to operate in a more stressed economic situation. The results of this process help us to determine and plan how to position the bank in the strongest possible way. Through this, we ensure that we maintain healthy risk metrics in line with our approved risk appetite and regulatory limits.

Market Risk
Market Risk Exposures primarily relate to interest rate risk in the banking book and exchange rate risk that generally arise as a result of the Bank's day - to – day business activities. The bank manages its market risk via a comprehensive framework of limits that reflects a limited risk appetite. Oversight of market risk is delegated by the BOD to the Bank's ALCO Committee.

The operational risk team in QNB ALAHLI will continuously challenge the businesses to assume greater accountability through identification, measurement, assessment and control of their own risks.

Operational Risk
Operational risk frameworks are continually being enhanced and embedded with improved business continuity infrastructure and disaster recovery sites

Data quality and reporting on key risk indicators continue to improve as the frameworks evolve.

Keep the operational risk at the lowest level through applying best practices and complying with regulatory requirements, in line with the Bank's business strategy". Promote a Bank's wide operational risk awareness and management culture, further contributing to a process efficiency and efficacy.

A transparent governance structure is established and maintained, with clear roles and responsibilities, ensuring appropriate oversight and on-going review of the Operational Risk Management Framework. Risk governance is discussed at Operational Risk Committee where all risks and actions are routinely analysed and scrutinized and day-to-day activities and issues are assigned and resolved.

We made further significant improvements to our operational risk frameworks, reflecting the growing complexity of our business as it continues to expand locally, and invested in new tools to help build awareness. Our Operational Risk tools are aligned with international standards providing better analysis of all operational risk events and risks and their potential impact on the Bank, customers, regulators and reputation. The key components of operational risk framework are RCSA, actions management and KRI's which significantly enhance our capacity and ability to capture data, giving us a deeper and more comprehensive view of our risks.

According to bank management instructions, Operational Risk Department has taken all required precautions to ensure bank staff safety and business continuity during COVID-19 outbreak: (Distributing disinfectant Hand Gel, latex gloves ,Surgical masks in all Bank premises, replacing internal & external training by e-learning, Working with decreased staff capacity with priority to pregnant/women staff in general and for chronic disease cases and activating remote access protocol while applying all Information security aspects.

Cyber Threats
Cyber Security threats and incidents are rising worldwide. Cyber Security Risk is one of the top agenda items in executive boards across all industries.

We at QNB ALAHLI place the highest priority on data security and deploy the strongest controls and processes to maintain our systems and customer's data secured.

In 2020 QNB ALAHLI continued its strategic investment program in technologies that protect the Bank from constantly evolving sophisticated cyber-attacks.

The Information Security team consist of specialist staff who are engaged in detecting, monitoring and managing cyber security incidents, and blocking ongoing attacks.

QNB ALAHLI achieved PCI-DSS certification in October 2018 and is rectified in 2019, and 2020.

This achievement demonstrates QNB's commitment in investing and following best practices in order to protect the cardholder and customer data in its custody.

We manage credit risk through a framework of models, policies and procedures that measure and facilitate the management of credit risk. We ensure a strict segregation of duties between front-line transaction originators and the Credit Risk function as reviewers and analysts. Our credit exposure limits are approved within a set credit approval and authority framework.

The bank has an integrated process covering credit initiation, rating validation, analytics, approvals, credit administration and documentation, model risk validation controls, collateral management and limits monitoring at multiple levels.

Separate Financial Statements

AUDITORS' REPORT
To the shareholders of QNB ALAHLI Bank (S.A.E)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of QNB Al Ahli Bank (S.A.E.) which comprise the separate financial position as at December 31, 2020 and the related separate statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Separate the Financial Statements

These separate financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with 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 the separate financial statements that are free from material misstatement, whether due to f aud 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 separate 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 separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedmes selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the bank's preparation and fair presentation of the separate 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 bank'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 separate 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 separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of QNB Al Ahly Bank (S.A.E) as of December 31, 2020 and of its separate financial performance and its separate 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 separate :financial statements.

Report on Legal and Other Regulatory Requirements

According to the information and explanations given to us during the financial year ended December 31, 2020 no contravention of the Central Bank and Banking Sector Law No. 194 of 2020, Taking into consideration the grace period to comply with provisions of the law.

The bank maintains proper books of accounts, which include all that is required by law and the statues of the bank, the separate financial statements are in agreement thereto.

The financial information included in the Board of Directors' report which is prepared according to Law No. 159 of 1981 and its Executive Regulations and their amendments, is in agreement with the books of the bank insofar as such information is recorded therein.

Auditors

Aziz Maher Aziz Barsoum
FRA No.(228)
KPMG Hazem Hassan

Mohanad T. Khaled
Fellow of ACCA
Fellow of ESAA
Fellow of ETS
R.A.A. 22444
FRA No. 375
BDO Khaled & Co.

Cairo, 12 January 2021

QNB ALAHLI S.A.E
Separate Statement of Financial Position
As at 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2020	December 31, 2019
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	17,166,854,367	12,012,821,372
Due from banks	(17)	5,223,798,459	6,639,128,536
Treasury bills	(18)	41,990,573,212	46,181,998,997
Loans and credit facilities to customers	(19)	164,962,066,483	154,784,013,373
Financial derivatives	(20)	106,092,208	83,458,859
Financial Investments:			
Fair value through other comprehensive income	(21)	2,474,382,352	2,463,888,129
Amortized cost	(21)	46,068,820,147	39,973,893,488
Fair value through profit or loss	(21)	71,688,942	61,678,473
Investments in subsidiaries and associates	(22)	542,109,089	542,109,089
Intangible assets	(23)	188,123,187	202,344,647
Other assets	(24)	4,117,223,362	3,462,925,342
Deferred tax assets	(31)	43,274,395	54,901,205
Property and equipment	(25)	2,520,938,962	2,457,800,483
Total assets		**285,475,945,165**	**268,920,961,993**
Liabilities and equity:			
Liabilities:			
Due to banks	(26)	4,138,835,958	16,030,665,382
Customer deposits	(27)	233,892,109,030	209,065,365,497
Financial derivatives	(20)	54,698,875	44,711,902
Other loans	(28)	3,251,740,567	4,574,732,377
Other liabilities	(29)	3,297,177,299	2,789,354,332
Other provisions	(30)	586,820,076	717,548,592
Current income tax payable		1,288,010,783	1,038,088,421
Defined benefits obligation	(32)	513,228,220	482,288,384
Total liabilities		**247,022,620,808**	**234,742,754,887**
Equity:			
Issued and paid-up capital	(33)	10,774,114,830	9,794,649,850
Reserves	(34)	17,614,978,484	15,629,509,254
Profit for the year and retained earnings	(34)	10,064,231,043	8,754,048,002
Total equity		**38,453,324,357**	**34,178,207,106**
Total liabilities and equity		**285,475,945,165**	**268,920,961,993**

Mohamed Osman El-Dib
Chairman and Managing Director

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.
(Auditor's report attached).

QNB ALAHLI S.A.E
Separate Income Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2020 To December 31, 2020	From January 01, 2019 To December 31, 2019
Interest on loans and similar income	(6)	30,466,796,512	32,130,794,899
Cost of deposits and similar expense	(6)	(16,113,253,167)	(18,562,824,914)
Net interest income		**14,353,543,345**	**13,567,969,985**
Fee and commission income	(7)	2,337,288,072	2,504,801,366
Fee and commission expense	(7)	(489,650,227)	(501,919,591)
Net interest, fee and commission income		**16,201,181,190**	**15,570,851,760**
Dividend income	(8)	35,584,250	149,707,215
Net trading income	(9)	98,761,017	109,613,390
Gain on financial investments	(21)	6,483,172	6,631,154
Impairment credit losses	(12)	(2,104,233,392)	(688,994,875)
Administrative expenses	(10)	(3,618,588,799)	(3,416,271,433)
Other operating revenues (expenses)	(11)	(215,992,811)	(558,813,932)
Profit before income tax		**10,403,194,627**	**11,172,723,279**
Income tax expense	(13)	(3,004,683,987)	(2,851,192,481)
Net profit for the year		7,398,510,640	8,321,530,798
Earnings per share	(14)	3.08	3.47

Mohamed Osman El-Dib
Chairman and Managing Director

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Separate Statement of Comprehensive Income
As at 31 December 2020
(All amounts are shown in Egyptian Pounds)

	From January 01, 2020 To December 31, 2020	From January 01, 2019 To December 31, 2019
Net profit for the year	7,398,510,640	8,321,530,798
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	(208,254,732)	(29,707,972)
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	43,859,644	7,415,771
Amount transferred to retained earning, net of tax	-	(9,368,086)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	57,751,351	54,165,205
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	(12,994,054)	(12,187,171)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	29,548	(29,494)
Total other comprehensive income items for the year net of tax	**(119,608,243)**	**10,288,253**
Total comprehensive income for the year, net of tax	**7,278,902,397**	**8,331,819,051**

QNB ALAHLI S.A.E
Separate Statement of Changes in Equity
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Issued and Paid Up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Fair Value Reserve
December 31, 2019						
Balance at 1 January 2019	9,794,649,850	1,287,748,276	8,531,087,699	147,044,179	12,054,965	(679,178,263)
Transfer to general risk reserve	-	-	-	(152,225,804)	-	-
Impact of adopting IFRS 9	-	-	-	18,038,291	-	1,193,305,099
Restated balance at 1 January 2019	**9,794,649,850**	**1,287,748,276**	**8,531,087,699**	**12,856,666**	**12,054,965**	**514,126,836**
Transfer to reserves and retained earnings	-	345,553,468	4,886,735,548	-	6,434,554	-
Dividend distributions for year 2018	-	-	-	-	-	-
Net Change in Other Comprehensive Income	-	-	-	-	-	19,656,339
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	-	-	-	(9,368,086)
Net profit for the year	-	-	-	-	-	-
Transfer from general banking risk reserve	-	-	-	-	-	-
Balance at 31 December 2019	**9,794,649,850**	**1,633,301,744**	**13,417,823,247**	**12,856,666**	**18,489,519**	**524,415,089**
December 31, 2020						
Balance at 1 January 2020	9,794,649,850	1,633,301,744	13,417,823,247	12,856,666	18,489,519	524,415,089
Transfer to reserves and retained earnings	-	415,932,039	2,665,720,403	-	2,890,011	-
Dividend distributions for year 2019	-	-	-	-	-	-
Transfer from general reserve to capital increase	979,464,980	-	(979,464,980)	-	-	-
Net change in other comprehensive income	-	-	-	-	-	(119,608,243)
Net profit for the year	-	-	-	-	-	-
Balance at 31 December 2020	**10,774,114,830**	**2,049,233,783**	**15,104,078,670**	**12,856,666**	**21,379,530**	**404,806,846**

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Separate Statement of Changes in Equity
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

General Banking Risk Reserve	IFRS 9 Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Year	Total
2,781,992	1,282,925,633	-	401,350,937	6,917,503,916	27,697,969,184
-	(1,282,925,633)	1,435,151,437	-	-	-
-	-	(1,413,697,514)	26,377,283	-	(175,976,841)
2,781,992	**-**	**21,453,923**	**427,728,220**	**6,917,503,916**	**27,521,992,343**
-	-	-	(6,192,028)	(5,232,531,542)	-
-	-	-	-	(1,684,972,374)	(1,684,972,374)
-	-	-	-	-	19,656,339
-	-	-	9,368,086	-	-
-	-	-	-	8,321,530,798	8,321,530,798
(1,612,926)	-	-	1,612,926	-	-
1,169,066	**-**	**21,453,923**	**432,517,204**	**8,321,530,798**	**34,178,207,106**
1,169,066	-	21,453,923	432,517,204	8,321,530,798	34,178,207,106
-	-	-	2,233,203,199	(5,317,745,652)	-
-	-	-	-	(3,003,785,146)	(3,003,785,146)
-	-	-	-	-	-
-	-	-	-	-	(119,608,243)
-	-	-	-	7,398,510,640	7,398,510,640
1,169,066	**-**	**21,453,923**	**2,665,720,403**	**7,398,510,640**	**38,453,324,357**

QNB ALAHLI S.A.E
Separate Statement of Cash Flow
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2020	December 31, 2019
Cash flows from operating activities			
Profit before tax		10,403,194,627	11,172,723,279
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	331,969,579	287,647,893
Impairment credit losses	(12)	2,104,233,392	688,994,875
Loans written off during the year		(284,114,917)	(233,452,342)
Recovery from loans previously written off		18,569,861	25,455,529
Net formed / (reversed) other provisions		(127,565,295)	(77,765,608)
Utilized provisions other than loans provision		(2,477,510)	(9,327,850)
Translation differences of other provisions in foreign currencies		(685,711)	(6,533,904)
Translation differences resulting from monetary foreign currency investments		45,587,902	290,744,041
Amortization of premium / discount for bonds		(61,463,650)	(71,644,830)
(Gain) on sale of Property and Equipment		(7,767,605)	(2,890,011)
Dividend income	(8)	(35,584,250)	(149,707,215)
Gain on financial investments	(21)	(6,483,172)	(6,631,154)
Operating profits before changes in assets and liabilities resulting from operating activities		**12,377,413,251**	**11,907,612,703**
Net decrease / increase in assets and liabilities			
Due from banks		(5,162,602,627)	(1,222,941,758)
Treasury bills		3,570,437,326	1,209,675,192
Loans and credit facilities to customers		(12,022,688,650)	(18,234,810,164)
Financial derivatives		(12,646,376)	(35,615,581)
Financial investement recognized at fair value through profit or loss		(10,010,469)	(16,294,730)
Other assets		(654,051,759)	(414,267,972)
Due to banks		(11,891,829,424)	3,322,886,112
Customer deposits		24,826,743,533	1,715,420,402
Other liabilities		507,822,967	271,569,329
Defined benefits obligation		30,939,836	44,466,899
Income tax paid		(2,712,269,225)	(2,432,246,552)
Net cash flows resulting from / used in operating activities (1)		**8,847,258,383**	**(3,884,546,120)**
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(381,165,148)	(549,959,590)
Proceeds from sale of Property and Equipment		8,046,155	3,241,503
Proceeds from financial investments other than held for trading investments		6,931,884,188	4,512,851,605
Acquisition of financial investments other than held for trading investments		(13,154,736,875)	(6,997,299,939)
Acquisition of Investments in subsidiaries		-	(250,000,000)
Dividends received		35,584,250	49,724,215
Net cash flows used in investing activities (2)		**(6,560,387,430)**	**(3,231,442,206)**
Cash flows from financing activities			
Other loans		(1,322,991,810)	1,988,325,965
Dividends paid		(3,003,785,146)	(1,684,972,374)
Net cash flows used in financing activities (3)		**(4,326,776,956)**	**303,353,591**
Net decrease in cash and cash equivalents during the year (1+2+3)		**(2,039,906,003)**	**(6,812,634,735)**
Cash and cash equivalents at the beginning of the year		11,224,767,492	18,037,402,227
Cash and cash equivalents at the end of the year	**(35)**	**9,184,861,489**	**11,224,767,492**
Cash and cash equivalents at end of the year are represented in :			
Cash and due from Central Bank of Egypt		17,166,854,367	12,012,821,372
Due from banks	(16)	5,234,406,137	6,648,253,897
Treasury bills	(17)	42,008,511,859	46,196,437,796
Balances with Central Bank of Egypt (mandatory reserve)		(13,325,733,984)	(8,056,431,357)
Balances Due from banks with maturities more than 3 months		-	(106,700,000)
Treasury bills with maturity more than 3 months		(41,899,176,890)	(45,469,614,216)
Cash and cash equivalents at end of the year		**9,184,861,489**	**11,224,767,492**

The accompanying notes from (1) to (39) are an integral part of these Separate Financial Statements.

QNB ALAHLI S.A.E
Statement of profit Distribution proposal
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	December 31, 2020	December 31, 2019
Net year's profits (from income statements)	7,398,510,640	8,321,530,798
Deduct/Add		
Profits of sale fixed assets transferred to capital reserve	(7,767,605)	(2,890,011)
Change in General Banking Risk Reserve	-	1,612,926
Item transferred to retrained earrings	-	9,368,086
Distributable year›s net profits	7,390,743,035	8,329,621,799
Add		
Beginning balance of retained earnings	2,665,720,403	421,536,192
Total	**10,056,463,438**	**8,751,157,991**
To be distributed as follows		
Statutory reserve	369,537,152	415,932,039
General reserve	4,428,972,276	2,665,720,403
Shareholders› Dividends	-	2,154,822,966
Employees› profit share	739,074,304	832,962,180
Remuneration for board members	16,000,000	16,000,000
*Banking System Support and Development Fund	73,907,430	-
Retained earnings carried forward	4,428,972,276	2,665,720,403
Total	**10,056,463,438**	**8,751,157,991**

According to Article 178 of the Central Bank and Banking System's Law No. 194 for year 2020, to deduct an amount not exceeding %1 of the distributable year's net profits for the benefit of the Support and Development the Banking System Fund.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

1. Background:
QNB ALAHLI «S.A.E» («The Bank») was incorporated as an investment and commercial bank on April 13, 1978, in accordance with the provisions of the Investment Law no 43 of 1974 and its executive regulations and the amendments thereon. The Bank provides all banking services related to its activity, through its Head Office located in 5 Champlion Street - Downtown - Cairo and its 231 branches served by 6,550 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).
These Financial statements were approved by the Board of Directors on January 12, 2021.

2. Summary of significant accounting policies:-

2.1 Basis of preparation of the separate financial statements

These separate financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.
The separate and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the year ended on December 31, 2020 to get complete information on the Bank's financial position, income statements, cash flows and change in shareholders equity.

2.2 Accounting for Investments in subsidiaries and associates
Investments in subsidiaries and associates are presented in the attached separate financial statements using the cost method which represents the bank's direct share ownership and not according to the business results and the net assets of the investees. And the consolidated financial statements provide a wider understanding for the consolidated financial position, business results and the consolidated cash flows for the bank and its subsidiaries (The Group), including the bank's share in the net assets of its associate companies.

2.2.1 Investments in subsidiaries
Subsidiaries are entities (including Special Purposes Entities / SPEs) which the bank exercises direct or indirect control over its financial and operating policies in order to get benefits from its activities and usually have an ownership share of more than half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in assessing whether the bank has the control over its investees.

2.2.2 Investments in associates
Associates are entities over which the bank exercises significant influence directly or indirectly, but without exercising control or joint control, where the bank holds 20% to 50% of voting rights in the associate.
The purchase method is used to account for the bank's purchases of subsidiaries and associates when they are initially recognized; the acquisition date is the date on which the acquirer obtains control or significant influence of acquiree "subsidiary or associate". According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.

In business combination achieved in stages, and business combination achieved through more than one transaction, is then dealing with every transaction of such transactions that separately on the basis of the acquisition consideration and fair value information at the date of each transition until the date where the control is achieved.

The investments in subsidiaries and associates are subsequently accounted for using the cost method on the separate financial statements. According to the cost method; investments are recognized at acquisition cost less any impairment losses in value, if any. Dividends are recognized as revenue in the separate income statement when they are declared and the bank's right to collect them has been established.

2.3 Segment reporting
An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

The Bank is divided into two main business lines, which are corporate banking and retail banking. In addition, a corporate center acts as a central funding department for the bank's core businesses. The dealing room, proprietary activity and other non-core businesses are reported under the corporate banking business line.

For the purpose of preparation of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the branches. Given that the bank does not have any entity abroad, and unless otherwise stated in a specific disclosure, all equity and debt instruments of the bank issued by foreign institutions and credit facilities granted to foreign counterparties are reported based on the location of the domestic branch where such assets are recorded.

2.4 Foreign currency translation
2.4.1 Functional and presentation currency
The separate financial statements of the bank are presented in the Egyptian pound which is the bank's functional and presentation currency.

2.4.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pounds. Transactions in foreign currencies during the period are translated into the Egyptian pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at end of reporting period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held for trading assets and liabilities;
- Other operating revenues (expenses) from the remaining assets and liabilities;
- Investments in equity instrument recognized at fair value through other comprehensive income in equity.

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as FVTOCI assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement in “Interest on loans and similar income” whereas differences resulting from changes in foreign exchange rates are recognized and reported in “Other operating revenues (expenses)”. The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the “Fair value reserve” in Other Comprehensive Income.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as FVTOCI are recognized directly in equity in the “Fair value revaluation reserve” in Other comprehensive income.

2.5 Financial assets

Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification depends on the buisness model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

2.5.2.1 Financial assets classified as amortized cost

The financial asset is retained in the business model of financial assets held to collect contractual cash flow. The objective from this business model is to collect contractual cash flow which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument;
- Lowest sales in terms of rotation and value;
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

2.5.2.2 Financial assets classified as fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales. Held to collect contractual cash flows and sales are integrated to achieve the objective of the model. Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

2.5.2.3 Financial assets classified as fair value through profit or loss

The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale.

The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. Collecting contractual cash flows is an incidental event for the objective of the model.

- The characteristics of the business model are as follows:
- Structuring a set of activities designed to extract specific outputs;
- Represents a complete framework for a specific activity (inputs - activities - outputs);
- One business model can include sub-business models.

2.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it intends to settle these amounts on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Financial derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives if they meet the definition of a financial instruments, and when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement “Net trading income” ;unless the bank chooses to designate the hybrid contract as a whole as at fair value through profit or loss.

The timing of recognition in profit or loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The parent bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge);
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.7.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized immediately in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in profit or loss. Additionally, interest differential on interest rate swaps is recognized in profit or loss as part of "Net interest income" line item in the income statement. Any ineffectiveness is recognized in profit or loss in "Net trading income".

When the hedging instrument no longer qualifies for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date to maturity of the asset using the effective interest method. Adjustment to the carrying amount of a hedged equity instrument that has been deferred in equity remains in equity until the asset is derecognized.

2.7.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge is recognized in equity while changes in fair value relating to the ineffective portion is recognized immediately in the income statement in "Net trading income".

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in "Net trading income".

When a hedging item expires, or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and are only recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur, any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to profit or loss.

2.7.3 Derivatives that do not qualify for hedge accounting

Where a derivative instrument does not qualify for hedge accounting, changes in fair value of that derivative and related interest are recognized immediately in the income statement in "Net trading income" line item. However, gains or losses arising from changes in fair value of derivatives that are managed in conjunction with financial assets or financial liabilities, designated upon initial recognition at fair value through profit or loss, are included in "Net income from financial instruments designated upon initial recognition as at fair value through profit or loss".

2.8 Interest income and expense

Interest income and expense on all interest-bearing financial instruments are recognized in "Interest income" and "Interest expense" line items in the income statement using the effective interest rate method.

The effective interest rate is a method of calculating the amortized cost of a debt instrument whether a financial asset or a financial liability and of allocating its interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial debt instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating the effective interest rate, the bank estimates the future cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt.

Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off-balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1- For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.

2- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments and provided these installments continue to be paid for at least one year.

If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in the profit or loss except when the total balance of loan, prior to that date, is paid in full.

2.9 Fees and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as 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 off balance sheet. These are recognized as revenue - on a cash basis - only when interest income on those loans is recognized in profit or loss, at which time, fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Loan syndication fees received by the bank are recognized as revenue when the syndication has been completed, only if the bank arranges the loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants).

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the period in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long periods are usually recognized as revenue on a straight-line basis over the period in which these services are rendered.

2.10 Dividends income

Dividend income on investments in equity instruments and similar assets is recognized in the income statement when the bank's right to receive payment is established.

2.11 Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos)

Financial instruments sold under repurchase agreements are not derecognized from the statement of financial position and cash receipts are shown in liability side in the statement of financial position.

2.12 Impairment of financial assets

The Bank reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

– Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.

– Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.

– Stage 3 :Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

– Credit losses and impairment losses on the value of financial instruments are measured as follows:

› The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

› If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.

› If there are indicators of impairment of the financial instrument, it is transferred to the third stage.

› The financial assets created or acquired by the Bank and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

2.12.2.1 Significant increase in credit risk

The Bank considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

2.12.2.2 Quantitative factors

When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

2.12.3 Qualitative Factors

Retail loans,micro and small businesses

If the borrower encounters one or more of the following events:

› The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.

› Extension of the deadline for repayment at the borrower's request.

› Frequent Past dues over the previous 12 months.

› Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and Medium businesses

If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

› A significant increase in the rate of return on the financial asset as a result of increased credit risk.

› Significant negative changes in the activity and physical or economic conditions in which the borrower operates.

› Scheduling request as a result of difficulties facing the borrower.

› Significant negative changes in actual or expected operating results or cash flows.

› Future economic changes affecting the borrower's future cash flows.

› Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.

› Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

Nonpayments

The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days. Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application (Year 2019).

Transfer between the Three stages:

Transfer from second stage to first stage:

The financial asset shall not be transferred 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.

(All amounts are shown in Egyptian Pounds)

Transfer from third stage to second stage:
The financial asset shall not be transferred from 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.

2.13 Intangible assets
2.13.1 Goodwill
Goodwill, arising from the acquisition or legal merger of subsidiaries, represents the difference between the cost of the combination and the acquiree interest in the fair value of the identifiable assets, liabilities and qualifying contingent liabilities of the acquire at the acquisition date. Goodwill is annually tested for impairment and is written-down to profit or loss at an annual amortization of 20% or impairment loss whichever is higher.

2.13.2 Software (computer programs)
Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the group and when it is probable that they will generate future economic benefits within more than one year that exceed its cost. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.

Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification.

Cost of computer software recognized as an asset shall be amortized over the year of expected benefits from three to five years except for the core IT system which is amortized over ten years.

2.14 Property and Equipment
The Group's property and equipment include lands and buildings of the bank which basically comprise the head office premises and branch buildings. All property and equipment are carried at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the construction or acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

The Bank considers the residual value of its property and equipment as insignificant and immaterial in relation to the depreciable amount; therefore, the depreciable amount of the bank's property and equipment is determined without any deduction for residual values. Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Buildings		50 years
Fixtures	Decoration & installations	10 years
	Lifts	15 years
	Electricity & Air conditioning	10 years
	Generators	30 years
	Telephone network & CCTV	10 years
	Firefighting system & Plumbing system	10 years
	Other installations	10 years
Leasehold improvements		The shortest of 10 years or contract period

Depreciation periods for property and equipment, other than buildings, depend on their useful lives which are usually estimated as specified below:

Furniture	10 years
Armored vaults	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The bank reviews the carrying amounts of its depreciable property and equipment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains or losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in the profit or loss in other operating income (expenses) in the income statement.

2.15 Impairment of non-financial assets
Non-financial assets that do not have definite useful lives, except for goodwill, are not amortized. These are annually tested for impairment. Depreciable property and equipment are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset, the bank estimates the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

At the end of each year, the bank reviews non-financial assets for which an impairment loss is recognized to assess whether or not all or part of such impairment losses should be reversed through profit or loss.

2.16 Leasing

All lease contracts to which the bank is a party are treated as operating or finance leases as follows:.

2.16.1 As a lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

2.16.2 As a lessor

Assets leased out under operating lease contracts are reported as part of the property and equipment in the statement of financial position and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term.

2.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances due within three months from date of placement or acquisition. They include cash and balances placed with the Central Bank of Egypt (other than those required under the mandatory reserve), current accounts with Banks and treasury bills, certificates of deposits and other governmental notes.

2.18 Other provisions

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the date of Separate financial statements are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the reporting date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the date of Separate financial statements, provisions are calculated based on undiscounted expected cash outflows unless the time value of money is material, in which case provisions are measured at present value.

When a provision is wholly or partially no longer required, it is reversed through the profit or loss under “Other Operating Income (expenses)” line item.

2.19 Financial guarantees

A financial guarantee contract is a contract issued by the bank as security for loans or overdrafts due from its clients to other entities that requires the bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are generally issued by the bank to beneficiary banks, corporations and other entities on behalf of the bank’s clients.

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee.

After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

(I) The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized as income in profit or loss using the straight-line method over the term of the guarantee; and

(II) The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the reporting date.

Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment.

Any increase in the obligations resulting from the financial guarantee, shall be recognized within other operating income (expenses) in the income statement.

2.20 Employee benefits

Post-employment benefits (defined benefit plans) and defined contribution plans:

The Bank is liable for all obligations arising from its plans for employee benefits which comply, in all material respects, with the principles set out below. Starting 1 January 2009, the bank has fully complied with the policy referred to below, and recognized any adjustments, resulting from the first full implementation of amendments to the CBE rules, directly on retained earnings.

The Bank provides several post-employment benefits to its employees, such as the medical care scheme which qualifies as a defined-benefit plan. A defined benefit plan commits the bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bears the medium- or long-term risk.

The Bank recognizes the defined benefit obligation as a liability in the statement of financial position under “obligations for post-retirement schemes” to cover the total value of such obligations. This is assessed regularly by independent actuary using the projected unit credit method. This valuation technique incorporates assumptions about demographics variables, staff turnover, salary growth rate and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the defined benefit obligation. Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts as of the end of the previous financial period:

- 10% of the present value of the defined benefit obligation (before deducting plan assets); and
- 10% of the fair value of the plan assets.

Actuarial gains and losses that exceed the 10 percent criteria above are amortized to profit or loss over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits have already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. Annual cost of employee benefits plans is reported as part of general and administrative expenses (employee costs).

Defined contribution plans are pension schemes whereby the bank pays defined contributions to an independent entity. The Bank shall not be under legal or constructive obligation to pay more contributions if this entity doesn’t maintain adequate assets to pay-off the employees’ benefits in return for their service in the current and previous periods.

According to the defined contribution plans, the bank pays contributions to private sector pension scheme under mandatory or voluntary contractual arrangement. The Bank shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

2.21 Income taxes

Income tax expense on the years’s profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Bank’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in addition to income tax differences related to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the separate financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

2.22 Borrowings

Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in profit or loss using the effective interest rate method.

2.23 Capital

2.23.1 Capital issuance cost

Issued and paid up-capital (i.e. Bank›s own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect business combination, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

2.23.2 Dividends

Dividends on equity instruments issued by the bank are recognized when the general assembly of the bank's shareholders approves them. Dividends include the employees' profit share and the board of directors' remuneration as prescribed by the bank›s articles of incorporation and the corporate law.

2.24 Fiduciary activities

The Bank carries out fiduciary activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are not recognized in the bank's separate financial statements, as they are not assets or income of the bank.

2.25 Comparative figures

Comparative figures are reclassified, where necessary, to conform to changes in the current period's financial statements presentation.

3. Management of financial risks

The Bank as a result of conducting its activities is exposed to various financial risks. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks altogether, the bank aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

For example, the bank has laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up–to–date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to–date applications.

Risks are managed in accordance with pre-approved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy

The Bank operates in business lines, which generate a range of risks whose frequency, severity and volatility can be of different and significant magnitudes. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competencies, as well as the implementation of a high-performance and efficient risk management structure are therefore critical undertakings for bank.

Thus, the primary objectives of the bank's risk management framework are:

- To contribute to the development of the Bank in various business lines to reach an ideal level of general risk.
- To guarantee the bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.

In defining the bank's overall risk appetite, the bank management takes various considerations and variables into account, including:

- The relative balance between risk and reward of the bank's various activities.
- Earnings sensitivity to business, credit and economic cycles.
- The aim of achieving a well-balanced portfolio of earnings streams.

Risk management governance and risk principles

Bank's risk management governance is based on:

- Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams.
- A tight framework of internal procedures and guidelines;
- Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.

Within the board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories
The following are part of the risks associated with Bank's Banking activities:

a- Credit risk:
(Including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments.

Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability.

b- Market risk:
Represents risk of loss resulting from changes in market prices and interest rates.

c- Operational risk:
(Including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.

d- Structural interest and exchange rate risk:
Represents risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from changes in interest or exchange rates. Structural interest and exchange rate risk arises from banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

e- Liquidity risk:

Represents the risk that bank might not be able to meet its obligations as they become due.

The Bank dedicates significant resources to constantly adapting its risk management to its activities and ensures that its risk management framework operates in full compliance with the following fundamental principles of:

- Full independence of risk assessment departments from the operating divisions; and
- Consistent approach to risk assessment and monitoring applied throughout the bank.

The Risk Division is independent from the bank's operating entities and reports directly to general management. Its role is to contribute to the development and profitability of the bank by ensuring that the risk management framework in place is both robust and effective. It employs various teams specializing in the operational management of credit and market risk.

More specifically, the Risk Division:
Defines and approves the methods used to analyze, assess, approve and monitor credit risks, country risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management;

Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers; Identifying a frame for all Bank's operational risks.

The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the bank's long term financing, management of capital requirements and equity structure.

The Internal Legal Counsel deals with compliance and legal risks.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.).

On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policy making and planning. All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.

Operational risks, permanent control and audit (periodic) control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis. Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS
The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in bank's assets as well as off balance sheet financial instruments, such as letters of credit and letters of guarantee.

(A/1) Credit risk management: organization and structure
Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the bank's primary source of risk – is vital to preserving bank financial strength and profitability. As a result, the bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

Within the Risk Division, persons are responsible for:

- Setting credit limits by customer, customer group or transaction type;
- Approving credit score or internal customer rating criteria;
- Monitoring and surveillance of large exposures and various credit portfolios; and
- Reviewing specific and general provisioning policies.

In addition, comprehensive portfolio analysis is performed in order to provide guidance to the General Management on the bank's overall credit risk exposure as well as reporting to Risk Committee.

The Risk Division also helps define criteria for measuring risk and defining appropriate provisioning practices.

Risk approval
Embedded in bank's credit policy is the concept that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment, while bearing in mind the bank's risk strategy and risk appetite.

The risk approval process is based on four core principles:

- All transactions involving replacement risk must be pre-authorized, replacement risk is bearing a loss when a bank is forced to replace a contract in case of breaching the original party's contract (debtor risk, non-settlement or non-delivery risk and issuer risk).
- Staff assessing credit risk is fully independent from the decision-making process.
- Subject to relevant credit delegations, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization requests relating to a specific client or client group, to ensure a consistent approach to risk management.
- All credit decisions systematically include internal obligor risk ratings, as proposed by business lines and vetted by the Risk Division and approved by concerned Credit Committee.

Risk management and audit
Changes in the quality of outstanding commitments are reviewed on a periodic basis and at least once a quarter, as part of the "sensitive names" and provisioning procedures. This review is based on analyses performed by the business divisions and the risk function. Furthermore, the Internal Audit also carries out file reviews or risk audits in the bank's branch groups and reports its findings to the General Management.

Replacement risk
Replacement risk provides the measurement of the replacement cost of a transaction in the event of default by the original counterparty and the necessity to close the ensuing position with counterparty; hence, the replacement cost is the result of the market price between the date on which the original transaction is entered into and the default date. Transactions giving rise to replacement risk include interest rate swaps and forward FX deals.

Replacement risk management
The Bank places great emphasis on carefully monitoring its replacement risk exposure in order to minimize its losses in case of default of its counterparties and counterparty limits are, therefore, assigned to all trading counterparties, irrespective of their status (bank, other financial institution, corporate and public institutions).

(A/2) Risk measurement and internal ratings

Bank rating system is based on three key pillars:

- The internal ratings models used to measure and quantify counterparty risk.
- A set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.).
- Reliance on human judgment to improve modeling results to include elements outside the scope of rating model.

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.

Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models and their capacity to predict default cases.

The calculations used to measure and monitor replacement risk include:

- Current Average Risk (CAR) is a calculation of the Average risk of all the future scenarios, excluding the negative scenarios, i.e., when the replacement makes a gain.
- Credit value at risk (VAR) is a calculation of the largest loss that would be incurred in 99% of cases.

Following are some risk mitigations methods:
Collaterals
The Bank designs several policies and controls for credit risk mitigation such as collaterals for funds provided. The Bank lays down guidelines for specific categories of the accepted collaterals.

The main types of collaterals for Loans and credit facilities to customers are:

- Real estate mortgage;
- Pledge on business assets like machinery and merchandise;
- Pledge in financial instruments like debt instruments and equity.

The long term financing and lending for companies are often collaterized while credit facilities for persons are not collaterized. The Bank attempts to mitigate the credit risk through additional collaterals from the concerned parties immediately on arising of impairment indicators for any of the loans or facilities.

Collaterals taken to secure assets other than Loans and credit facilities are identified according to the nature of the instrument.

Debit instruments and treasury bills are often not collaterized.

Derivatives
The Bank exercise prudential strict control procedures on net open positions of derivatives. i.e. the difference between sale and purchase agreements at the level of value and duration. The amount exposed to credit risk at any time is determined at fair value of the instrument that may achieve benefit to the bank. i.e. any assets with high positive fair value which represents insignificant part of contractual imputed value used to reflect the volume of existing instruments. This credit risk is managed as part of overall lending limit granted to the customer together with the potential risk as a result of market changes.

The Bank doesn't obtain collaterals for credit risk related to such instruments except for the amounts requested by the bank as marginal deposits from other parties.

(All amounts are shown in Egyptian Pounds)

(A/3) Provisioning policy (Measurement of expected credit losses)
The Group's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:

The un-impaired financial asset is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the second stage and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the third stage. The Group relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

The following table illustrates the proportional distribution of loans and credit facilities reported in the financial position for each of the four internal ratings of the Bank and their relevant impairment losses:

	December 31, 2020		December 31, 2019	
	Loans and credit facilities	**Allowance for impairment loss**	**Loans and credit facilities**	**Allowance for impairment loss**
Good debts	87.68%	14.11%	90.46%	15.81%
Normal watch-list	6.68%	15.76%	5.31%	11.62%
Special watch-list	2.91%	27.53%	1.73%	25.91%
Non performing loans	2.73%	42.60%	2.50%	46.66%
	100%	**100%**	**100%**	**100%**

(A/4) General Model for Measurements of Banking Risks:
In addition to the four categories of the bank's internal credit ratings indicated above, management classifies Loans and credit facilities based on more detailed sub-groups in accordance with the CBE requirements.

Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Group calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the expected credit loss, that excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution; note (37) shows the movement (if any) on the general banking risk reserve during the financial year.

Below is a statement of credit rating for corporations as per the Bank's internal ratings compared with those of CBE's; it also includes the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	**Description**	**Required Provision According to % ORR**	**Internal Rating**	**Internal Description**
1	Low risk	0%	1	Good debts
2	Moderate risks	1%	1	Good debts
3	Satisfactory risks	1%	1	Good debts
4	Appropriate risks	2%	1	Good debts
5	Acceptable risks	2%	1	Good debts
6	Marginally acceptable risks	3%	2	Normal watch-list
7	Watch-list	5%	3	Special watch-list
8	Substandard debts	20%	4	Non-performing loans
9	Doubtful debts	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

(A/5) Maximum limit for credit risk before collaterals

Financial position items exposed to credit risks	December 31, 2020	December 31, 2019
Treasury bills	41,990,573,212	46,181,998,997
Loans and credit facilities to customers		
Retail loans		
Overdrafts	3,444,193,377	3,433,826,947
Credit cards	1,056,199,108	975,503,290
Personal loans	25,174,858,319	19,979,405,278
Real estate loans	2,114,526,363	1,743,041,205
Corporate loans		
Overdrafts	65,738,632,301	64,762,938,685
Direct loans	45,557,308,735	41,248,664,431
Syndicated Loans and facilities	19,064,953,752	19,111,959,605
Other loans	2,908,740,897	3,666,135,060
Segregated interest , unearned discount & deferred income	(97,346,369)	(137,461,128)
Financial derivatives	106,092,208	83,458,859
Financial investments		
Debt instrument	47,923,406,672	41,609,730,965
Other Financial assets	2,889,443,277	2,545,652,465
Total	**257,871,581,852**	**245,204,854,659**

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

		December 31, 2020		
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	845,339,886	117,484,768	-	**962,824,654**
Normal watch-list	3,737,172,764	534,408,719	-	**4,271,581,483**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	4,582,512,650	**651,893,487**	**-**	**5,234,406,137**
Allowance for impairment losses	(10,607,678)	-	-	**(10,607,678)**
Carrying amount	**4,571,904,972**	**651,893,487**	**-**	**5,223,798,459**

		December 31, 2019		
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	978,370,746	146,348,168	-	**1,124,718,914**
Normal watch-list	5,078,070,791	445,464,192	-	**5,523,534,983**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	6,056,441,537	**591,812,360**	**-**	**6,648,253,897**
Allowance for impairment losses	(9,125,361)	-	-	**(9,125,361)**
Carrying amount	**6,047,316,176**	**591,812,360**	**-**	**6,639,128,536**

(All amounts are shown in Egyptian Pounds)

Treasury bills	December 31, 2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	42,008,511,859	-	-	**42,008,511,859**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	42,008,511,859	**-**	**-**	**42,008,511,859**
Allowance for impairment losses	(17,938,647)	-	-	**(17,938,647)**
Carrying amount	**41,990,573,212**	**-**	**-**	**41,990,573,212**

Treasury bills	December 31, 2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	46,196,437,796	-	-	**46,196,437,796**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	46,196,437,796	**-**	**-**	**46,196,437,796**
Allowance for impairment losses	(14,438,799)	-	-	**(14,438,799)**
Carrying amount	**46,181,998,997**	**-**	**-**	**46,181,998,997**

Retail loans	December 31, 2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	29,940,799,324	-	-	**29,940,799,324**
Normal watch-list	1,722,005,621	-	-	**1,722,005,621**
Special watch-list	-	385,422,772	-	**385,422,772**
Non performing loan	-	-	406,037,696	**406,037,696**
	31,662,804,945	**385,422,772**	**406,037,696**	**32,454,265,413**
Allowance for impairment losses	(232,464,951)	(100,481,753)	(331,541,542)	**(664,488,246)**
Carrying amount	**31,430,339,994**	**284,941,019**	**74,496,154**	**31,789,777,167**

Retail loans	December 31, 2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	24,484,169,185	-	-	**24,484,169,185**
Normal watch-list	1,385,271,936	-	-	**1,385,271,936**
Special watch-list	-	310,867,666	-	**310,867,666**
Non performing loan	-	-	383,915,910	**383,915,910**
	25,869,441,121	**310,867,666**	**383,915,910**	**26,564,224,697**
Allowance for impairment losses	(146,580,951)	(14,987,231)	(270,879,795)	**(432,447,977)**
Carrying amount	**25,722,860,170**	**295,880,435**	**113,036,115**	**26,131,776,720**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	121,475,991,399	1,241,689,552	-	**122,717,680,951**
Normal watch-list	2,687,586,297	7,227,603,103	-	**9,915,189,400**
Special watch-list	-	4,686,416,139	-	**4,686,416,139**
Non performing loan	-	-	4,354,568,361	**4,354,568,361**
	124,163,577,696	**13,155,708,794**	**4,354,568,361**	**141,673,854,851**
Allowance for impairment losses	(1,326,847,640)	(3,545,247,660)	(3,532,123,866)	**(8,404,219,166)**
Carrying amount	**122,836,730,056**	**9,610,461,134**	**822,444,495**	**133,269,635,685**

	December 31, 20129			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	121,125,081,837	1,070,390,607	-	**122,195,472,444**
Normal watch-list	2,396,744,678	4,822,760,827	-	**7,219,505,505**
Special watch-list	-	2,497,533,088	-	**2,497,533,088**
Non performing loan	-	-	3,669,238,188	**3,669,238,188**
	123,521,826,515	**8,390,684,522**	**3,669,238,188**	**135,581,749,225**
Allowance for impairment losses	(1,184,670,265)	(2,507,154,392)	(3,100,226,787)	**(6,792,051,444)**
Carrying amount	**122,337,156,250**	**5,883,530,130**	**569,011,401**	**128,789,697,781**

	December 31, 2020			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	1,454,586,525	-	-	**1,454,586,525**
Normal watch-list	-	400,000,000	-	**400,000,000**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	1,454,586,525	400,000,000	-	**1,854,586,525**
Allowance for impairment losses	(116,187)	-	-	(116,187)
Carrying amount - fair value	**1,454,586,525**	**400,000,000**	**-**	**1,854,586,525**

	December 31, 2019			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	1,635,837,477	-	-	**1,635,837,477**
Normal watch-list	-	-	-	**-**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	1,635,837,477	**-**	**-**	**1,635,837,477**
Allowance for impairment losses	(86,639)	-	-	**(86,639)**
Carrying amount - fair value	**1,635,837,477**	**-**	**-**	**1,635,837,477**

(All amounts are shown in Egyptian Pounds)

December 31, 2020

Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	46,071,608,107	-	-	**46,071,608,107**
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	46,071,608,107	-	-	**46,071,608,107**
Allowance for impairment losses	(2,787,960)	-	-	**(2,787,960)**
Carrying amount	**46,068,820,147**	-	-	**46,068,820,147**

December 31, 2019

Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	39,987,394,104	-	-	**39,987,394,104**
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	39,987,394,104	-	-	**39,987,394,104**
Allowance for impairment losses	(13,500,616)	-	-	**(13,500,616)**
Carrying amount	**39,973,893,488**	-	-	**39,973,893,488**

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

December 31, 2020

Due from banks	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2020	**9,125,361**	-	-	**9,125,361**
New financial assets purchased or issued	10,607,678	-	-	**10,607,678**
Financial assets have been matured or derecognised	(9,125,361)	-	-	**(9,125,361)**
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Balance at the end of the year	**10,607,678**	-	-	**10,607,678**

(All amounts are shown in Egyptian Pounds)

Due from banks	December 31, 2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2019	**19,083,244**	**-**	**-**	**19,083,244**
New financial assets purchased or issued	9,125,361	-	-	**9,125,361**
Financial assets have been matured or derecognised	(19,083,244)	-	-	**(19,083,244)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**9,125,361**	**-**	**-**	**9,125,361**

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

Treasury bills	December 31, 2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2020	14,438,799	-	-	**14,438,799**
New financial assets purchased or issued	17,938,647	-	-	**17,938,647**
Financial assets have been matured or derecognised	(14,438,799)	-	-	**(14,438,799)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**17,938,647**	**-**	**-**	**17,938,647**

(All amounts are shown in Egyptian Pounds)

	December 31, 2019			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	30,548,616	-	-	**30,548,616**
New financial assets purchased or issued	14,438,799	-	-	**14,438,799**
Financial assets have been matured or derecognised	(30,548,616)	-	-	**(30,548,616)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**14,438,799**	**-**	**-**	**14,438,799**

	December 31, 2020			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	**146,580,951**	**14,987,231**	**270,879,795**	**432,447,977**
Net impairment loss recognized during the year	85,884,000	76,079,777	71,123,633	**233,087,410**
Loans written-off during the year	-	-	(10,457,191)	**(10,457,191)**
Collections of loans previously written-off	-	9,414,745	-	9,414,745
Foreign exchange translation differences	-	-	(4,695)	**(4,695)**
Balance at the end of the year	**232,464,951**	**100,481,753**	**331,541,542**	**664,488,246**

	December 31, 2019			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	**52,573,588**	**2,303,028**	**426,697,861**	**481,574,477**
Net impairment loss recognized during the year	94,007,363	5,288,334	10,256,089	**109,551,786**
Loans written-off during the year	-	-	(166,045,747)	**(166,045,747)**
Collections of loans previously written-off	-	7,395,869	-	7,395,869
Foreign exchange translation differences	-	-	(28,408)	**(28,408)**
Balance at the end of the year	**146,580,951**	**14,987,231**	**270,879,795**	**432,447,977**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	**1,184,670,265**	**2,507,154,392**	**3,100,226,787**	**6,792,051,444**
New financial assets purchased or issued	433,972,978	1,365,852,789	-	**1,799,825,767**
Financial assets have been matured or derecognised	(244,065,477)	(1,098,012,888)	(153,369,947)	**(1,495,448,312)**
Transfer to stage 1	1,645,389	(1,645,389)	-	**-**
Transfer to stage 2	(867,216,184)	867,216,184	-	**-**
Transfer to stage 3	(108,964,469)	(174,273,545)	283,238,014	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	926,805,138	78,244,368	567,666,225	**1,572,715,731**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(66,421)	(273,591,305)	**(273,657,726)**
Collections of loans previously written-off	-	9,155,116	-	9,155,116
Foreign exchange translation differences	-	(8,376,946)	7,954,092	**(422,854)**
Balance at the end of the year	**1,326,847,640**	**3,545,247,660**	**3,532,123,866**	**8,404,219,166**

	December 31, 2019			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	**1,294,842,414**	**2,562,255,289**	**2,531,716,332**	**6,388,814,035**
New financial assets purchased or issued	154,201,368	1,007,169,569	-	**1,161,370,937**
Financial assets have been matured or derecognised	(323,698,647)	(1,168,030,814)	-	**(1,491,729,461)**
Transfer to stage 1	1,085,880	(1,085,880)	-	**-**
Transfer to stage 2	(34,339,561)	34,339,561	-	**-**
Transfer to stage 3	(1,103,912)	(83,368,566)	84,472,478	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	93,682,723	187,463,359	645,139,836	**926,285,918**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	(67,406,595)	**(67,406,595)**
Collections of loans previously written-off	-	18,059,660	-	18,059,660
Foreign exchange translation differences	-	(49,647,786)	(93,695,264)	**(143,343,050)**
Balance at the end of the year	**1,184,670,265**	**2,507,154,392**	**3,100,226,787**	**6,792,051,444**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	**86,639**	**-**	**-**	**86,639**
New financial assets purchased or issued	-	-	-	**-**
Financial assets have been matured or derecognised	(2,667)	-	-	**(2,667)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	32,215	-	-	**32,215**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**116,187**	**-**	**-**	**116,187**

	December 31, 2019			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	**116,133**	**-**	**-**	**116,133**
New financial assets purchased or issued	5,913	-	-	**5,913**
Financial assets have been matured or derecognised	(9,421)	-	-	**(9,421)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(25,986)	-	-	**(25,986)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**86,639**	**-**	**-**	**86,639**

(All amounts are shown in Egyptian Pounds)

Debt instruments at amortized cost	December 31, 2020 Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2020	13,500,616			13,500,616
New financial assets purchased or issued	-	-	-	-
Financial assets have been matured or derecognised	-	-	-	-
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-			-
Transfer to stage 3	-			-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(10,712,656)			(10,712,656)
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Balance at the end of the year	2,787,960	-	-	2,787,960

Debt instruments at amortized cost	December 31, 2019 Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2019	4,619,649			4,619,649
New financial assets purchased or issued	13,500,616	-	-	13,500,616
Financial assets have been matured or derecognised	(4,619,649)	-	-	(4,619,649)
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-			-
Transfer to stage 3	-			-
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-			-
Changes on model assumptions and methodology	-	-	-	-
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	-
Balance at the end of the year	13,500,616	-	-	13,500,616

(All amounts are shown in Egyptian Pounds)

Off balance sheet items exposed to credit risks	December 31, 2020	December 31, 2019
Financial guarantees	317,500	**357,500**
L/Cs	2,225,958,932	**3,679,975,387**
Accepted papers	1,797,703,754	**3,300,687,075**
L/Gs	40,570,756,871	**42,590,274,614**
Other contingent liabilities	19,632,824	**367,558,187**
Total	**44,614,369,881**	**49,938,852,763**

Commitments for credit facilities have a carrying amount of 32,855,532,909 at the end of current reporting year against EGP 35,961,879,563 in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of December 2020 and December, 2019 without taking into consideration collaterals held by the bank, if any. For financial position items, amounts stated depend on the net carrying amount shown in the financial position.

The preceding table related to financial position items exposed to credit risks shows that 64% of the maximum limit exposed to credit risk at the end of current reporting year is attributable to loans and credit facilities to customers against 63% at the end of the prior year, investments in debt instruments constitute 19% against 17% at the end of the prior year and treasury bills constitute 16% against 19% at the end of the prior year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments based on the following facts:

94% of the loans and credit facilities portfolio at the end of the current reporting year comprises loans and credit facilities classified at the top 2 categories of the internal rating against 96% at the end of the prior year.

96% of the loan and credit facilities portfolio at the end of the current reporting year does not have arrears or indicators of impairment against 96% at the end of the prior year.

“Loans and credit facilities that are individually assessed for impairment (Stage 3) at the end of the current reporting year have a carrying amount of EGP 4,760,606,057 . Impairment on these loans and credit facilities represents 81% of their carrying amount. Loans and credit facilities, that are individually assessed for impairment at the end of the prior year had a carrying amount of EGP 4,053,154,098 and their impairment represents 83% of such carrying amount.”

“The Bank applied more prudential selection process on granting loans and credit facilities during the current reporting year ended December 31, 2020.”

98% of investments in debt instruments and treasury bills at the end of the current reporting year comprise local sovereign debt instruments against 98% at the end of the prior year.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

(A/6) Loans and credit facilities
Balances of loans and credit facilities in terms of credit risk rating are analyzed below:

	December 31, 2020		December 31, 2019	
	Loans and credit facilities to customers	Loans and credit facilities to banks	Loans and credit facilities to customers	Loans and credit facilities to banks
Neither have arrears nor impaired	167,127,005,315	-	155,690,924,639	-
Have arrears but not impaired	2,240,508,892	-	2,401,895,185	-
Impaired	4,760,606,057	-	4,053,154,098	-
Total	**174,128,120,264**	**-**	**162,145,973,922**	**-**
Less: Allowance for impairment losses	(9,068,707,412)	-	(7,224,499,421)	-
Less: Segregated interest	(330,085)	-	(5,850,387)	-
Less: Unearned discount & deferred income	(97,016,284)	-	(131,610,741)	-
Net	**164,962,066,483**	**-**	**154,784,013,373**	**-**

Total credit allowance for loans and credit facilities at the end of the current reporting year amounted to EGP 9,068,707,412 (EGP 7,224,499,421 at the end of the prior year) of which EGP 3,863,665,408 represent impairment in stage three (EGP 3,371,106,582 at the end of the prior year) and EGP 5,205,042,004 represent impairment for stage one and stage two in the credit portfolio (EGP 3,853,392,839 at the end of the prior year).

Note (20-A) includes additional information on the allowance for impairment losses for Loans and credit facilities to customers during the current reporting year.

During the current accounting year, the loans and credit facilities portfolio increase by 7% due to the increase on lending activity.

Loans and credit facilities which do not have arrears and are not subject to impairment
The credit quality of Loans and credit facilities that not subject to impairment is assessed by reference to the bank's internal rating.

Loans and credit facilities to customers

December 31, 2020

Retail

Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,446,431,018	902,049,238	23,635,785,228	1,956,533,840	**29,940,799,324**
Normal watch-list	42,845	-	-	-	**42,845**
Special watch-list	164,133	-	-	-	**164,133**
Total	**3,446,637,996**	**902,049,238**	**23,635,785,228**	**1,956,533,840**	**29,941,006,302**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	62,258,563,406	39,015,148,618	18,420,181,364	2,930,064,781	**122,623,958,169**
Normal watch-list	3,674,727,366	5,538,043,512	694,867,162	-	**9,907,638,040**
Special watch-list	1,331,847,052	2,748,760,845	573,794,907	-	**4,654,402,804**
Total	**67,265,137,824**	**47,301,952,975**	**19,688,843,433**	**2,930,064,781**	**137,185,999,013**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

December 31, 2019

Retail

Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,450,187,264	846,011,295	18,597,924,787	1,590,045,837	**24,484,169,183**
Normal watch-list	388,176	-	-	-	**388,176**
Special watch-list	123,322	-	-	-	**123,322**
Total	**3,450,698,762**	**846,011,295**	**18,597,924,787**	1,590,045,837	**24,484,680,681**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	62,745,050,872	36,918,222,424	18,732,595,710	3,652,854,319	**122,048,723,325**
Normal watch-list	3,093,093,351	3,666,076,797	408,316,057	36,895,450	**7,204,381,655**
Special watch-list	166,366,570	1,786,772,408	-	-	**1,953,138,978**
Total	**66,004,510,793**	**42,371,071,629**	**19,140,911,767**	**3,689,749,769**	**131,206,243,958**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which have arrears but are not subject to impairment

These are loans and credit facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and credit facilities to customers which have arrears but are not subject to impairment are analyzed below.

December 31, 2020

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	123,084,194	1,354,893,464	134,231,339	**1,612,208,997**
More than 30 – 60 days	-	28,602,521	218,452,027	29,919,116	**276,973,664**
More than 60 – 90 days	-	21,227,865	172,338,722	24,472,168	**218,038,755**
Total	**-**	**172,914,580**	**1,745,684,213**	**188,622,623**	**2,107,221,416**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	95,587,735	-	-	**95,587,735**
More than 30 – 60 days	-	24,742,361	-	-	**24,742,361**
More than 60 – 90 days	-	12,957,380	-	-	**12,957,380**
Total	**-**	**133,287,476**	**-**	**-**	**133,287,476**

December 31, 2019

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	94,226,249	1,158,825,914	131,831,597	**1,384,883,760**
More than 30 – 60 days	-	25,373,887	154,895,434	14,578,370	**194,847,691**
More than 60 – 90 days	-	8,945,942	96,720,986	10,229,727	**115,896,655**
Total	**-**	**128,546,078**	**1,410,442,334**	**156,639,694**	**1,695,628,106**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	121,337,753	-	-	**121,337,753**
More than 30 – 60 days	-	39,038,295	-	-	**39,038,295**
More than 60 – 90 days	-	7,922,114	-	-	**7,922,114**
More than 90 days	-	-	537,968,917	**-**	**537,968,917**
Total	**-**	**168,298,162**	**537,968,917**	**-**	**706,267,079**

Past due loans and credit facilities are those amounts, or any part thereof, which have fallen due but for which no payment has been received in accordance with the contractual terms. These include arrears for periods more than one day.

Amounts shown in the note represent the whole balance of the loan or facility and not only the past due amounts. These do not include the remaining loans and credit facilities of the same customer so long default has not fully or partially occurred on those loans.

On initial recognition of Loans and credit facilities, the fair value of collaterals, if any, is assessed based on valuation methods used for similar assets but are not recognized in the financial statements since these do not represent assets of the bank at that date. In subsequent periods, the fair value is updated to reflect the market price or prices for similar assets.

(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which are individually impaired
Loans and credit facilities to customers
At the end of the current reporting year the carrying amount of loans and credit facilities, that are assessed to be individually impaired (Stage 3) excluding any cash flows expected to arise from the associated guarantees, amounted to EGP 4,760,606,057 against EGP 4,053,154,098 at the end of the prior year.

The following table provides a breakdown of the balance of such loans and credit facilities which are individually impaired including the fair value of the collaterals shall prevail when calculating the provisions.

December 31, 2020

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	52,499,267	40,819,367	297,870,882	14,848,179	**406,037,695**
Fair value of collaterals	-	6,686,662	46,503,363	960,226	**54,150,251**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	569,445,574	3,784,612,953	509,835	-	**4,354,568,362**
Fair value of collaterals	-	-	-	-	**-**

December 31, 2019

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	49,384,349	20,037,400	291,449,626	23,044,535	**383,915,910**
Fair value of collaterals	-	6,985,795	86,093,496	9,801,766	**102,881,057**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	378,456,031	3,290,262,295	519,862	-	**3,669,238,188**
Fair value of collaterals	-	-	-	-	**-**

Restructured loans and facilities:
The Bank applies different types of restructuring policies to its loans and credit facilities, which include extending payment terms, executing forced management programmes and applying prepayment and extension provisions to the loan. The applied restructuring policies depend on factors or criteria that indicate, in management judgment that the counterparty's continuous payment of the loan is unlikely to occur in the absence of such restructuring policies that are subject to ongoing review. Within the bank renegotiated outstanding loans relate to long-term loans made to any type of clientele (retail and corporate loans clients).

Total renegotiated loans amounted to EGP 1,821,876,913 at the end of the current reporting year against EGP 735,628,769 at the end of the prior year. These balances do not include any amounts whose commercial terms were renegotiated to preserve the quality of the bank's relationship with its clients, including those terms pertaining to loans interest rates and/or loans repayment periods .

The Bank practice calls for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the bank remains uncertain of their ability to meet their future commitments in accordance with the definition of default under Basel II.

Loans and credit facilities to customers

Corporate loans	December 31, 2020	December 31, 2019
Overdrafts	53,456,549	14,813,140
Direct loans	1,768,420,364	720,815,629
Total	**1,821,876,913**	**735,628,769**

(A/7) Debt instruments, treasury bills, and other governmental notes
The following table shows a breakdown of debt instruments, treasury bills, and other governmental notes (excluding allowances for impairment) per last rating for Standard and Poor's and its equivalent:

	Rating	December 31, 2020	December 31, 2019
Egyptian Treasury Bills	B	42,008,511,859	46,196,437,796
Fair value through other comprehensive income			
Other debt instruments	unrated	400,000,000	-
US Treasury Bonds	AA+	1,454,586,525	1,635,837,477
Amortized cost			
Egyptian Treasury Bonds	B	46,071,608,107	39,987,394,104
Total		**89,934,706,491**	**87,819,669,377**

(All amounts are shown in Egyptian Pounds)

(A/8) Acquisition of collaterals

During the prior reporting year, the Bank acquire foreclosed asset as acquisition of guarantees as following:

Nature of the asset	Book Value
Building	7,300,000

Assets acquired were classified under other Assets in the financial position. Such Assets shall be sold, if practical.

(A/9) Concentration of risks of financial assets exposed to credit risks (Geographical segments)

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets including loans and credit facilities is segmented into the geographical regions of the bank's clients except for investments in foreign treasury bonds which are reported in the "other countries" category.

	Arab Republic of Egypt						
	Great Cairo	Alex	Delta	Red Sea & Upper Egypt	Total	"Other countries"	Total
Treasury bills	42,008,511,859	-	-	-	**42,008,511,859**	-	**42,008,511,859**
Loans and credit facilities to customers							
Retail loans							
Overdrafts	2,201,833,700	1,091,106,998	117,694,319	88,502,246	**3,499,137,263**	-	**3,499,137,263**
Credit cards	826,528,798	133,062,623	107,531,069	48,660,695	**1,115,783,185**	-	**1,115,783,185**
Personal loans	17,951,708,102	2,756,975,372	3,869,898,789	1,100,758,060	**25,679,340,323**	-	**25,679,340,323**
Real estate loans	1,653,518,330	127,272,939	168,896,048	210,317,325	**2,160,004,642**	-	**2,160,004,642**
Corporate loans							
Overdrafts	50,701,122,132	8,724,308,102	5,406,874,039	3,002,279,125	**67,834,583,398**	-	**67,834,583,398**
Direct loans	34,326,114,434	7,261,140,807	7,372,766,761	2,259,831,402	**51,219,853,404**	-	**51,219,853,404**
Syndicated loans and facilities	17,619,667,308	302,420,783	1,589,181,289	178,083,888	**19,689,353,268**	-	**19,689,353,268**
Other loans	2,924,756,971	5,307,810	-	-	**2,930,064,781**	-	**2,930,064,781**
Financial derivatives	-	-	-	-	**-**	106,092,208	**106,092,208**
Financial investments							
Debt instruments	46,471,608,107	-	-	-	**46,471,608,107**	1,454,586,525	**47,926,194,632**
Other financial assets	2,688,499,049	81,202,523	73,726,567	23,180,482	**2,866,608,621**	26,737,080	**2,893,345,701**
Total at the end of the current year	**219,373,868,790**	**20,482,797,957**	**18,706,568,881**	**6,911,613,223**	**265,474,848,851**	**1,587,415,813**	**267,062,264,664**
Total at the end of the comparative year	**210,043,137,861**	**18,218,219,447**	**16,676,697,552**	**5,914,408,466**	**250,852,463,326**	**1,746,439,982**	**252,598,903,308**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

(Business segments)
The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets is segmented into business sectors in which the bank's clients operate.

	Agricultural entities	Industrial entities	"Trading entities"	"Service entities"	"Governmental sector"	Foreign Governments	"Other activities"	Individuals	Total
Treasury bills	-	-	-	-	42,008,511,859	-	-	-	**42,008,511,859**
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	3,499,137,263	**3,499,137,263**
Credit cards	-	-	-	-	-	-	-	1,115,783,185	**1,115,783,185**
Personal loans	-	-	-	-	-	-	-	25,679,340,323	**25,679,340,323**
Real estate loans	-	-	-	-	-	-	-	2,160,004,642	**2,160,004,642**
Corporate loans									
Overdrafts	964,424,958	29,472,924,980	12,720,062,710	24,677,170,750	-	-	-	-	**67,834,583,398**
Direct loans	909,348,790	29,978,328,282	8,552,073,526	11,780,102,806	-	-	-	-	**51,219,853,404**
Syndicated loans and facilities	38,435,752	17,489,624,053	318,039,212	1,843,254,251	-	-	-	-	**19,689,353,268**
Other loans	-	1,961,118,251	13,804,883	220,617,853	-	-	**734,523,794**	-	**2,930,064,781**
Financial derivatives	-	-	-	-	-	-	**106,092,208**	-	**106,092,208**
Financial investments									
Debt instruments	-	-	-	400,000,000	46,071,608,107	1,454,586,525	-	-	**47,926,194,632**
Other financial assets	7,140,100	294,616,335	80,668,245	163,713,842	2,203,146,078	22,878,403	-	121,182,698	**2,893,345,701**
Total at the end of current year	**1,919,349,600**	**79,196,611,901**	**21,684,648,576**	**39,084,859,502**	**90,283,266,044**	**1,477,464,928**	**840,616,002**	**32,575,448,111**	**267,062,264,664**
Total at the end of the comparative year	**1,934,419,135**	**74,628,013,567**	**20,240,013,070**	**37,725,820,901**	**87,947,993,288**	**1,661,609,086**	**1,771,011,814**	**26,690,022,447**	**252,598,903,308**

(All amounts are shown in Egyptian Pounds)

(B) Market Risk
Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some banking book portfolios valued using the mark-to-market approach. The bank's policy on market risk transactions is "Prudent" in that:

- Products subject to "market risk" which are offered by the Bank to its customers are restricted to cash and simple financial derivatives such as interest rate swaps and foreign exchange swap and forward contracts.
- The only trading activity conducted by the Bank is over-night foreign exchange position, within a prudent limit that cannot be exceeded.
- Open positions must be centrally managed and matched.

The front-office managers assume primary responsibility in terms of risk exposure; however, management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:

- Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the bank's market activities and comparison of said exposure and risks with the pre-set limits.
- Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including those made on a gross or nominal basis.
- Management of the approval process for limits.
- Reviewing new products or services from market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.

At the proposal of this MRC and Head of Risk Division, the board sets the levels of authorized risk by type of market activity and makes the main decisions concerning bank's market risk management.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits
As a part of managing market risk, the Bank has several hedging strategies and enters into interest rate swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. The Bank uses a lot of methods to control market risk such as stress testing "ST".

Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The Bank sets set a maximum limit of expected losses of 10% from authorized limit according to internal bank rules.

(B/2) Stress test for foreign exchange risk
The following table provides FX position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Short/Long FX positions	FX short positions	FX long positions	Expected loss at 10%
USD	89,304,301	-	89,304,301	8,930,430
EUR	6,196,551	-	6,196,551	619,655
GBP	364,317	-	364,317	36,432
JPY	21,567	-	21,567	2,157
CHF	51,348	-	51,348	5,135
DKK	79,427	-	79,427	7,943
NOK	(1,100)	(1,100)	-	(110)
SEK	32,897	-	32,897	3,290
CAD	73,534	-	73,534	7,353
AUD	9,033	-	9,033	903
AED	(225,789)	(225,789)	-	(22,579)
BHD	11,171	-	11,171	1,117
KWD	112,129	-	112,129	11,213
OMR	57,357	-	57,357	5,736
QAR	144,194	-	144,194	14,419
SAR	(103,490)	(103,490)	-	(10,349)
CNY	16,818	-	16,818	1,682
EGP	(96,144,265)	(96,144,265)	-	-
Maximum expected loss at December 31, 2020				**9,614,427**
Maximum expected loss at December 31, 2019				**11,417,312**

(B/3) Foreign exchange rate volatility risk (concentration of FX risk on financial instruments)
The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised. The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting year. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	Euro	GBP	Other currencies	Total
Financial assets						
Cash and due from banks & Central Bank of Egypt	16,462,452,981	5,421,246,426	252,966,614	110,610,795	143,376,010	**22,390,652,826**
Treasury bills	37,552,131,231	4,438,441,981	-	-	-	**41,990,573,212**
Loans and credit facilities to customers	134,967,783,584	26,866,116,252	3,089,402,790	38,710,288	53,569	**164,962,066,483**
Financial derivatives	-	106,092,208	-	-	-	**106,092,208**
Financial investments	46,107,658,745	2,505,994,124	1,238,572	-	-	**48,614,891,441**
Other financial assets	2,847,506,523	38,497,114	3,272,224	5,972	161,444	**2,889,443,277**
Total financial assets	**237,937,533,064**	**39,376,388,105**	**3,346,880,200**	**149,327,055**	**143,591,023**	**280,953,719,447**
Financial liabilities						
Due to banks	3,967,354,400	125,348,501	17,971,278	27,175,694	986,085	**4,138,835,958**
Customer deposits	196,955,202,316	31,853,466,530	4,476,939,941	444,694,688	161,805,555	**233,892,109,030**
Financial derivatives	54,698,875	-	-	-	-	**54,698,875**
Other loans	146,887,957	2,963,337,128	141,515,482	-	-	**3,251,740,567**
Other financial liabilities	972,517,846	67,961,953	1,752,090	182,723	674	1,042,415,286
Total financial liabilities	**202,096,661,394**	**35,010,114,112**	**4,638,178,791**	**472,053,105**	**162,792,314**	**242,379,799,716**
Net financial position	**35,840,871,670**	**4,366,273,993**	**(1,291,298,591)**	**(322,726,050)**	**(19,201,291)**	**38,573,919,731**
At the end of the comparative year						
Total financial assets	**217,391,435,902**	**43,746,535,833**	**3,142,852,430**	**330,975,755**	**134,733,772**	**264,746,533,692**
Total financial liabilities	**186,455,480,909**	**38,936,562,128**	**4,673,521,800**	**468,995,962**	**148,826,176**	**230,683,386,975**
Net financial position	**30,935,954,993**	**4,809,973,705**	**(1,530,669,370)**	**(138,020,207)**	**(14,092,404)**	**34,063,146,717**

(B/4) Structural Interest Rate Risk
Structural interest rate risk is linked to commercial activities and corporate center transactions. Structural interest rate risk arises from residual gaps (surplus or deficit) of the bank's fixed-rate positions. The general principle is to reduce structural interest rate risk to the maximum extent.

Whenever possible, commercial operations are hedged against interest rate, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).

Consequently, structural interest rate risk only results from the residual positions remaining after hedging. The absence of interest rate derivative market in Egyptian Pound makes it difficult to hedge positions in this currency.

Organization of the management of Structural Interest Rate risks
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the Bank's finance department.

Risk assessment, limits and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room through the financial market. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Decide on the limits for the sensitivity.
- Review, validate and approve any assumptions used for the identification and measurements of the respective risks.
- Review interest rate Gap and sensitivity position reported through ALMU.
- Assess, amend and approve recommendations for bringing the Gap (if any) within the previously approved limits.

Assets & Liabilities Management Unit (ALMU) duties
- Document and maintain the respective risks management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Provide recommendations for bringing the gaps within limits.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

(All amounts are shown in Egyptian Pounds)

Dealing Room duties

- Provide frequent updates on markets movements.
- Execute and Report progress of ALCO approved recommendations.
- Co-ordinate with ALMU on the spontaneous hedging of special transactions according to ALCO approved policy and recommendations.

Bank's Objective of Interest Rate Risk Management

The Bank's aim is to reduce exposure to structural interest rate risk as much as possible.

Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO. Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

Measurement and monitoring of structural interest rate risks

In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps.

On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. equity).

Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency. The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.

The following table summarizes the extent to which the bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

At the end of the current year	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Interest free	Total
Financial assets							
Cash and due from Central Bank of Egypt (CBE)	-	-	-	-	-	17,166,854,367	**17,166,854,367**
Due from banks	1,036,406,195	3,687,793,025	-	-	-	499,599,239	**5,223,798,459**
Treasury bills	4,136,216,652	11,421,700,805	26,432,655,755	-	-	-	**41,990,573,212**
Loans and credit facilities to customers	127,828,918,646	5,705,623,612	8,935,712,650	18,225,758,027	4,266,053,548	-	**164,962,066,483**
Financial derivatives	-	-	-	-	-	106,092,208	**106,092,208**
Financial investments							
Fair value through other comprehensive income	400,000,004	306,394,937	-	197,169,426	951,022,158	619,795,827	2,474,382,352
Amortized cost	11,718,808	2,645,120,273	4,657,129,983	32,134,551,261	6,620,299,822	-	**46,068,820,147**
Fair value through profit or loss	-	-	-	-	-	71,688,942	**71,688,942**
Other financial assets	-	-	-	-	-	2,889,443,277	**2,889,443,277**
Total financial assets	**133,413,260,305**	**23,766,632,652**	**40,025,498,388**	**50,557,478,714**	**11,837,375,528**	**21,353,473,860**	**280,953,719,447**
IRS (notional amount)	**1,699,066,809**	**322,508,049**	**322,508,049**	**2,204,460,506**	**-**	**-**	**4,548,543,413**
Financial liabilities							
Due to banks	3,898,193,466	-	-	-	-	240,642,492	**4,138,835,958**
Customer deposits	99,017,523,477	29,764,629,022	29,174,970,507	40,525,020,676	59,332,025	35,350,633,323	**233,892,109,030**
Financial derivatives	-	-	-	-	-	54,698,875	**54,698,875**
Other loans	3,105,652,611	18,488,889	31,462,766	96,136,301	-	-	**3,251,740,567**
Other financial liabilities	-	-	-	-	-	1,042,415,286	**1,042,415,286**
Total financial liabilities	**106,021,369,554**	**29,783,117,911**	**29,206,433,273**	**40,621,156,977**	**59,332,025**	**36,688,389,976**	**242,379,799,716**
IRS (notional amount)	**4,548,543,413**	**-**	**-**	**-**	**-**	**-**	**4,548,543,413**
Re-pricing gap	**24,542,414,147**	**(5,693,977,210)**	**11,141,573,164**	**12,140,782,243**	**11,778,043,503**	**(15,334,916,116)**	**38,573,919,731**
At the end of the comparative year							
Total financial assets	**126,231,728,228**	**19,456,903,658**	**49,655,162,000**	**39,997,593,000**	**13,296,434,000**	**16,108,712,806**	**264,746,533,692**
IRS (notional amount)	**-**	**208,538,688**	**208,540,000**	**4,637,999,000**	**-**	**-**	**5,055,077,688**
Total financial liabilities	**124,539,855,216**	**25,707,981,000**	**19,841,623,000**	**28,197,859,000**	**155,518,000**	**32,240,550,759**	**230,683,386,975**
IRS (notional amount)	**5,055,077,688**	**-**	**-**	**-**	**-**	**-**	**5,055,077,688**
Re-pricing gap	**(3,363,204,676)**	**(6,042,538,654)**	**30,022,079,000**	**16,437,733,000**	**13,140,916,000**	**(16,131,837,953)**	**34,063,146,717**

(C) Liquidity Risk
Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

The Bank manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the bank's Finance Department.

Risk assessment and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
- Review the structured liquidity Gap reported by ALMU.
- Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

Assets & Liabilities Management Unit (ALMU) duties
- Document and maintain the respective risks' management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.
- Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.
- Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties
- Is responsible for managing short term liquidity.
- Provide frequent updates on markets' status and alerting signals of liquidity stretches.
- Execute and Report progress of ALCO approved recommendations.
- Communicate their funding needs to ALMU for the construction of the liquidity gap.

Bank's Objective of Liquidity Risk Management
The Bank's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.

To this end, the main principles of the bank's liquidity management are as follows:

- Management of the short-term liquidity in accordance with The regulatory framework.
- Diversification of funding sources.
- Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural liquidity risks
The Bank's liquidity management framework comprises the following processes:

- Regular assessment of the bank structural liquidity profile and its development over time;
- Monitoring of the diversification of funding sources.
- Assessment of the bank's funding needs on the basis of the budget forecasts in order to plan appropriate funding solutions.

Liquidity gaps are constructed by listing the respective on and off-balance sheet-items according to the currency of denomination and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models of historic client behavior patterns (e.g. savings accounts) as well as conventional assumptions relating to certain balance sheet items (e.g. equity).

Liquidity risk
Liquidity risk represents difficulty encountering the bank in meeting its financial commitments upon maturity and refurbishing amounts withdrawn. This may results in failure in fulfilling obligations related to depositors and meeting lending commitments.

(All amounts are shown in Egyptian Pounds)

	December 31, 2020					
Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	4,153,277,342	-	-	-	-	**4,153,277,342**
Customer deposits	123,534,969,312	31,152,351,636	42,762,652,843	50,381,453,725	75,459,881	**247,906,887,397**
Other loans	296,863,460	26,745,321	355,362,612	2,664,617,406	-	**3,343,588,799**
Total financial liabilities	**127,985,110,114**	**31,179,096,957**	**43,118,015,455**	**53,046,071,131**	**75,459,881**	**255,403,753,538**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

	December 31, 2019					
Contractual maturities	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Financial liabilities						
Due to banks	16,050,840,383	-	-	-	-	**16,050,840,383**
Customer deposits	121,228,681,498	25,210,980,000	25,089,002,000	48,806,977,000	174,957,000	**220,510,597,498**
Other loans	672,599,676	580,953,797	1,726,768,157	1,660,718,770	15,000,156	**4,656,040,556**
Total financial liabilities	**137,952,121,557**	**25,791,933,797**	**26,815,770,157**	**50,467,695,770**	**189,957,156**	**241,217,478,437**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

Assets available to meet all liabilities and cover loan commitments include cash, balances with Central Banks, due from banks, treasury bills, other governmental notes and Loans and credit facilities to banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

(All amounts are shown in Egyptian Pounds)

Cash flow derivatives

Derivatives settled on a gross-basis

The Bank is a party to derivative contracts that are settled on a gross-basis, in particular foreign exchange derivatives. The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining periods of contractual maturities at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

December 31, 2020

Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	1,793,319,151	385,649,070	1,080,225,845	-	-	**3,259,194,066**
Cash inflows	1,787,213,672	375,195,229	1,002,865,756	-	-	**3,165,274,657**

December 31, 2019

Maturities for statement of financial position items	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Total
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	1,473,159,499	649,907,775	1,057,615,772	-	-	**3,180,683,046**
Cash inflows	1,472,146,050	640,968,390	969,969,010	-	-	**3,083,083,450**

Cash flow for Off-balance sheet items

December 31, 2020

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	317,500	-	-	**317,500**
Operating lease commitments	127,355,381	393,504,249	100,460,794	**621,320,424**
Capital commitments resulting from acquisition of property and equipment	997,688,233	-	-	**997,688,233**
Total	**1,125,361,114**	**393,504,249**	**100,460,794**	**1,619,326,157**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	29,820,313,141	3,030,870,953	4,348,815	**32,855,532,909**

December 31, 2019

Maturities for off-balance sheet items	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Financial guarantees	357,500	-	-	357,500
Operating lease commitments	95,093,222	275,023,904	66,162,524	**436,279,650**
Capital commitments resulting from acquisition of property and equipment	956,533,263	-	-	**956,533,263**
Total	**1,051,983,985**	**275,023,904**	**66,162,524**	**1,393,170,413**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	31,566,856,019	4,395,023,422	122	**35,961,879,563**

(All amounts are shown in Egyptian Pounds)

(D) Fair value of financial assets and liabilities and sources of fair value
(D/1) Financial instruments measured at fair value
Financial assets classified as trading financial assets at fair value with changes in fair value are measured in the statement of income under 'Net trading income'.

Debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in the other comprehensive income statement under "fair value reserve".

For investments in equity instruments, equity securities listed on the stock exchange are measured at fair value in accordance with quoted market prices on the date of the Separate financial statements.

For non-listed shares, except for strategic investments, they are evaluated in one of the accepted techniques: discounted cash flow method Multiples of value "and the inclusion of the valuation differences in other comprehensive income within the" fair value reserve "; for strategic investments, the nominal cost or value is the fair value of those investments.

The table below shows the financial assets and liabilities at fair value in the Separate financial statements within the fair value hierarchy, based on the levels of inputs that are essential for measuring the fair value as a whole:

Level 1:
The first level inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access on the measurement date.

Level 2:
The inputs of the second level are all inputs other than quoted prices within the first level and these inputs are observable for the asset or liability, directly or indirectly.

Level 3:
The third level inputs are the unobservable inputs of the asset or liability.

	December 31, 2020			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury Bonds	1,454,586,525	-	-	**1,454,586,525**
Other debt instruments	-	400,000,000	-	**400,000,000**
Funds at fair value through other comprehensive income	41,970,650	-	-	**41,970,650**
Funds at fair value through profit or loss	71,688,942	-	-	**71,688,942**
Equity Instruments	83,418,622	-	494,406,555	**577,825,177**
Financial derivatives	-	106,092,208	-	**106,092,208**

	December 31, 2019			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury Bonds	1,635,837,477	-	-	**1,635,837,477**
Funds at fair value through other comprehensive income	41,521,680	-	-	**41,521,680**
Funds at fair value through profit or loss	61,678,473	-	-	**61,678,473**
Equity Instruments	97,190,572	-	689,338,400	**786,528,972**
Financial derivatives	-	83,458,859	-	**83,458,859**

(All amounts are shown in Egyptian Pounds)

(D/2) Financial instruments not measured at fair value

The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the statement of financial position at fair value:

	Carrying amount		Fair value	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Financial assets				
Due from banks	5,223,798,459	6,639,128,536	5,223,798,459	**6,639,128,536**
Loans and credit facilities to customers	164,962,066,483	154,784,013,373	165,136,737,660	**155,343,483,471**
Financial investments at amortized Cost				
Debt instruments	46,068,820,147	39,973,893,488	47,931,822,710	**42,246,131,801**
Financial liabilities:				
Due to banks	4,138,835,958	16,030,665,382	4,138,835,958	**16,030,665,382**
Customer deposits	233,892,109,030	209,065,365,497	230,952,933,996	**207,236,575,683**
Other loans	3,251,740,567	4,574,732,377	3,251,740,567	**4,574,732,377**

Due from Banks:

The carrying amount of variable interest rate of placements and deposits for one day represents reasonable estimate for its fair value. Fair value expected for due to banks with free interest rate is the current value. Fair value expected for deposits bearing fixed interest rate is the current value for those deposits as it is maturity is less than one year.

Loans and credit facilities to customers:

Loans and credit facilities are stated at the statement of financial position net of allowance for impairment losses.

Debt instruments at amortized cost:

The fair value of debt instruments is determined at the cost charged on the "Egyptian Treasury Bonds" according to Reuters announced at the end of the financial year.

Customer deposits and due to other banks:

The estimated fair value for deposits of indefinite maturity, including free-interest rate deposits, represents the amount paid on demand.

(E) Capital management:

For capital management purposes, the Bank's capital includes total equity as reported in the statement of financial position plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Compliance with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.
- Capital adequacy and uses are reviewed by the Bank's management in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE). Data is submitted and filed with the CBE on a quarterly basis. The CBE requires the bank to comply with the following;
- Maintaining EGP 500 million as a minimum requirement for the issued and paid-up capital. The Bank's paid-up capital amounted to EGP 10,774,114,830 at the end of the current year.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities. Minimum level of capital adequacy ratio reached 12.75% after adding capital conservation buffer and Domestic Systemically Important Banks during current year. The Bank's capital adequacy ratio reached 21.92% at the end of the current year (December 31, 2019: 18.91%) according to Basel II.

(All amounts are shown in Egyptian Pounds)

The numerator in the capital adequacy ratio according to Basel II comprise the following 2 tiers:

- Tier 1: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks and special reserves), less: any goodwill previously recognized and any carried forward losses,plus:the carrying amount of other comprehensve income.
- The interim net profit was incorporated in Tier 1 capital in accordance with the decision of Central Bank of Egypt Board of Directors held on 15 February 2017.

Tier 2: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity), in addition to 45% from increase in fair value above the carrying amount of investments in subsidiaries and associates and 45% from special reserve.

In calculating the numerator of the capital adequacy ratio, total value of Tier 2 should not exceed total value of Tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets are risk weighted at a range of 0 to 200%. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, which had been issued on December 24, 2012 and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019.

The tables below summarizes the compositions of Tier 1, Tier 2 and the capital adequacy ratio based on Basel II:

According to Basel II	**December 31, 2020**	**December 31, 2019 Restated****
Tier 1 capital		
Share capital	10,774,114,830	9,794,649,850
General reserve	15,104,078,670	16,083,543,650
Legal reserve	2,049,233,783	2,049,233,783
Other reserves	21,379,530	21,379,530
Retained earnings	3,238,881,600	3,238,981,600
Interim profit	7,301,759,859	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	404,690,659	524,328,450
Total deductions from capital invested	(596,771,221)	(642,605,412)
Total tier 1 capital	**38,318,821,633**	**31,090,965,374**
Tier 2 capital		
45% from special reserve	16,761,150	16,761,150
Impairment provision for loans, debt instruments and contingent liabilities in stage one*	1,506,781,410	1,596,969,858
Total tier 2 capital	**1,523,542,560**	**1,613,731,008**
Total capital	**39,842,364,193**	**32,704,696,382**
Risk weighted assets and contingent liabilities:		
Credit Risk	158,727,240,641	152,904,242,645
Market Risk	15,363,994	9,060,800
Operational Risk	22,983,763,606	20,037,457,036
Total risk weighted assets and contingent liabilities	**181,726,368,241**	**172,950,760,481**
Capital adequacy ratio for Tier 1	**21.09%**	**17.98%**
Capital adequacy ratio	**21.92%**	**18.91%**

* Provided it does not exceed 1.25% from total value of risk weighted assets and contingent liabilities.

** After 2019 profit distribution.

- Based on Separate financial statement after the disposal of insurance activity.

Leverage financial ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 on special supervisory instructions related to leverage ratio which maintaining a minimum level of leverage ratio of 3% to be reported in quarterly basis to be obligatory ratio started from year 2018.

This ratio will be included in Basel requirement Tier1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments.

Leverage financial ratio reflect relationship between Tier 1 for capital that is used in capital adequacy ratio (after exclusions) and other assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

(All amounts are shown in Egyptian Pounds)

Ratio Elements

I- The numerator elements

The numerator consists of Tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

II- The denominator elements

The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called "Bank exposures" which include total the following:

1- On balance sheet items after deducting some of Tier I Exclusions for capital base.

2- Derivatives contracts exposures.

3- Financing Financial papers operations exposures.

4- Off-balance sheet items (weighted by credit conversion factor).

The tables below summarizes the leverage financial ratio:	December 31, 2020	December 31, 2019 Restated*
Tier 1 capital after exclusions	**38,318,821,633**	31,090,965,374
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	287,795,705,007	271,343,121,990
Total exposures off-balance sheet	27,144,100,711	30,628,941,430
Total exposures on-balance sheet and off-balance sheet	**314,939,805,718**	**301,972,063,420**
Leverage financial ratio	**12.17%**	**10.30%**

* After 2019 profit distribution.

– Based on Separate financial statements after the disposal of insurance activity.

4- Significant accounting estimates and assumptions :

In the application of the bank's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

a. Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

b. Fair value of derivatives

Fair value of derivative financial instruments not quoted in an active market is determined using valuation techniques. When these techniques (such as the pricing models) are used to determine fair value, periodic tests and review are performed on them using competent independent personnel other than those responsible for the preparation of such techniques. All such models have been approved and tested prior to use to ensure that their results reflect reliable data and prices that can be compared to the market. These models use market observable data only to the extent it is practical to obtain such data, however, some areas such as credit risk related to the bank and counterparties, volatility and correlations requires management judgement. Changes in assumptions about these factors can affect the fair value of the financial instrument's disclosure.

c. Debt instrument at amortized cost:

Non-derivative financial assets with fixed or determinable payments and maturity dates are classified as debt instruments at amortized cost "within the business model of financial assets held to collect contractual cash flows".

If classification of investments as amortized cost – other than stakes required to be retained by the Group in accordance with the provisions of the law – were suspended by the bank, the carrying amount of the outstanding amortized cost investements at the end of the current reporting year would have increased by EGP 1,860,214,603 to reach the fair value with a corresponding increase in the fair value through other comprehensive income.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

5- Segmentation analysis
(5/A) Segmental analysis by activity
Segment activity includes operational processes, assets used in offering banking services, management of surrounding risks and related yield. Such activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

Corporate: This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities.

Individuals: This includes current account activities, deposits, savings, credit cards, personal loans, and real estate loans.

Other businesses: They include other Banking activities such as fund management.

Inter-segment activities are affected within the bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as shown in the bank's balance sheet.

At the end of the current year Income and expenses according to segmental activities (December 31, 2020)	Corporate	Investments	Individual	Other businesses	Total
Net interest income	5,406,564,184	1,159,111,981	3,771,566,018	4,016,301,162	**14,353,543,345**
Net fee and commission income	1,367,255,995	3,822,763	539,707,443	(63,148,356)	**1,847,637,845**
Dividend income	-	35,584,250	-	-	**35,584,250**
Net trading income	373,198,905	-	25,707,996	(300,145,884)	**98,761,017**
Gain on financial investments	-	6,483,172	-	-	**6,483,172**
Impairment credit losses	(1,877,093,186)	7,183,260	(233,087,410)	(1,236,056)	**(2,104,233,392)**
Administrative expenses	(1,528,517,548)	(3,957,964)	(2,140,302,776)	54,189,489	**(3,618,588,799)**
Other operating revenues (expenses)	(52,995,482)	24,889,263	(207,680,166)	19,793,574	**(215,992,811)**
Profit before income tax	**3,688,412,868**	**1,233,116,725**	**1,755,911,105**	**3,725,753,929**	**10,403,194,627**
Income tax expense	(829,892,896)	(277,451,263)	(395,079,998)	(1,502,259,830)	**(3,004,683,987)**
Net profit for the current year	**2,858,519,972**	**955,665,462**	**1,360,831,107**	**2,223,494,099**	**7,398,510,640**

Assets and liabilities according to segmental activities (December 31, 2020)	Corporate	Investments	Individual	Other businesses	Total
Segment activity assets	133,173,954,528	91,147,573,742	31,788,111,955	18,655,624,651	**274,765,264,876**
Unclassified assets	-	-	-	-	**10,710,680,289**
Total assets	133,173,954,528	91,147,573,742	31,788,111,955	18,655,624,651	**285,475,945,165**
Segment activity liabilities	**123,064,361,062**	**-**	**110,874,549,149**	**7,398,474,219**	**241,337,384,430**
Unclassified liabilities	-	-	-	-	**5,685,236,378**
Total liabilities	**123,064,361,062**	**-**	**110,874,549,149**	**7,398,474,219**	**247,022,620,808**

At the end of comparative year Income and expenses according to segmental activities (December 31, 2019)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,989,633,789	861,115,590	3,644,514,448	3,072,706,158	**13,567,969,985**
Net fee and commission income	1,311,493,567	8,273,246	627,674,351	55,440,611	**2,002,881,775**
Dividend income	-	149,707,215	-	-	**149,707,215**
Net trading income	292,490,845	-	24,639,937	(207,517,392)	**109,613,390**
Gain on financial investments	-	6,631,154	-	-	**6,631,154**
Impairment credit losses	(595,927,394)	7,258,344	(109,551,786)	9,225,961	**(688,994,875)**
Administrative expenses	(1,409,427,101)	(3,225,291)	(2,069,482,588)	65,863,547	**(3,416,271,433)**
Other operating revenues (expenses)	(116,495,031)	46,838,956	(188,049,821)	(301,108,036)	**(558,813,932)**
Profit before income tax	**5,471,768,675**	**1,076,599,214**	**1,929,744,541**	**2,694,610,849**	**11,172,723,279**
Income tax expense	(1,228,378,879)	(235,051,031)	(434,396,517)	(953,366,054)	**(2,851,192,481)**
Net profit for the comparative year	**4,243,389,796**	**841,548,183**	**1,495,348,024**	**1,741,244,795**	**8,321,530,798**

At the end of comparative year Assets and liabilities according to segmental activities (December 31, 2019)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	128,652,358,841	89,223,568,176	26,131,654,532	14,779,018,752	**258,786,600,301**
Unclassified assets	-	-	-	-	**10,134,361,692**
Total assets	**128,652,358,841**	**89,223,568,176**	**26,131,654,532**	**14,779,018,752**	**268,920,961,993**
Segment activity liabilities	105,239,218,805	-	103,868,062,330	20,608,194,023	**229,715,475,158**
Unclassified liabilities	-	-	-	-	**5,027,279,729**
Total liabilities	**105,239,218,805**	**-**	**103,868,062,330**	**20,608,194,023**	**234,742,754,887**

(All amounts are shown in Egyptian Pounds)

(5/B) Segmental analysis by geographic area
At the end of current year

Income and expenses according to geographical segments (December 31, 2020)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	6,435,053,680	1,117,858,190	932,652,562	415,998,503	5,451,980,410	**14,353,543,345**
Net fee and commission income	1,192,373,700	193,661,674	180,638,605	101,366,515	179,597,351	**1,847,637,845**
Dividend income	-	-	-	-	35,584,250	**35,584,250**
Net trading income	235,409,819	55,892,772	104,035,772	7,756,011	(304,333,357)	**98,761,017**
Gain on financial investments	-	-	-	-	6,483,172	**6,483,172**
Impairment credit losses	(1,394,582,967)	(250,414,721)	(331,259,876)	(133,923,032)	5,947,204	**(2,104,233,392)**
Administrative expenses	(2,550,927,601)	(469,642,950)	(434,424,464)	(214,031,923)	50,438,139	**(3,618,588,799)**
Other operating revenues (expenses)	(161,749,995)	(47,301,775)	(37,714,490)	(13,910,215)	44,683,664	**(215,992,811)**
Profit before income tax	**3,755,576,636**	**600,053,190**	**413,928,109**	**163,255,859**	**5,470,380,833**	**10,403,194,627**
Income tax expense	(845,004,743)	(135,011,968)	(93,133,825)	(36,732,568)	(1,894,800,883)	**(3,004,683,987)**
Net profit for the current year	**2,910,571,893**	**465,041,222**	**320,794,284**	**126,523,291**	**3,575,579,950**	**7,398,510,640**

Assets and liabilities according to geographical segments (December 31, 2020)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	124,378,323,216	19,760,250,380	17,759,147,218	6,628,293,258	116,718,533,511	**285,244,547,583**
Unclassified assets	-	-	-	-	-	**231,397,582**
Total assets	**124,378,323,216**	**19,760,250,380**	**17,759,147,218**	**6,628,293,258**	**116,718,533,511**	**285,475,945,165**
Liabilities of geographical segments	184,224,051,914	29,213,379,696	18,394,732,412	5,373,858,065	7,428,539,642	**244,634,561,729**
Unclassified liabilities	-	-	-	-	-	**2,388,059,079**
Total liabilities	**184,224,051,914**	**29,213,379,696**	**18,394,732,412**	**5,373,858,065**	**7,428,539,642**	**247,022,620,808**

At the end of comparative year Income and expenses according to geographical segments (December 31, 2019)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	6,871,954,600	1,133,429,744	977,656,850	447,593,973	4,137,334,818	**13,567,969,985**
Net fee and commission income	1,153,296,612	173,627,934	172,802,867	95,767,737	407,386,625	**2,002,881,775**
Dividend income	-	-	-	-	149,707,215	**149,707,215**
Net trading income	268,407,779	38,818,590	63,553,047	10,286,016	(271,452,042)	**109,613,390**
Gain on financial investments	-	-	-	-	6,631,154	**6,631,154**
Impairment credit losses	(337,064,889)	(232,062,411)	(124,742,991)	(11,628,585)	16,504,001	**(688,994,875)**
Administrative expenses	(2,402,501,055)	(433,769,798)	(429,548,965)	(205,816,693)	55,365,078	**(3,416,271,433)**
Other operating revenues (expenses)	(213,051,530)	(35,839,314)	(40,824,893)	(34,127,564)	(234,970,631)	**(558,813,932)**
Profit before income tax	**5,341,041,517**	**644,204,745**	**618,895,915**	**302,074,884**	**4,266,506,218**	**11,172,723,279**
Income tax expense	(1,202,044,610)	(145,069,165)	(139,349,578)	(67,977,368)	(1,296,751,760)	**(2,851,192,481)**
Net profit for the comparative year	**4,138,996,907**	**499,135,580**	**479,546,337**	**234,097,516**	**2,969,754,458**	**8,321,530,798**

At the end of comparative year Assets and liabilities according to geographical segments (December 31, 2019)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	118,931,879,965	17,702,947,372	16,056,976,028	5,763,277,378	110,208,635,398	**268,663,716,141**
Unclassified assets	-	-	-	-	-	**257,245,852**
Total assets	**118,931,879,965**	**17,702,947,372**	**16,056,976,028**	**5,763,277,378**	**110,208,635,398**	**268,920,961,993**
Liabilities of geographical segments	162,240,980,105	28,086,535,998	14,931,135,008	5,568,749,741	21,677,428,638	**232,504,829,490**
Unclassified liabilities	-	-	-	-	-	**2,237,925,397**
Total liabilities	**162,240,980,105**	**28,086,535,998**	**14,931,135,008**	**5,568,749,741**	**21,677,428,638**	**234,742,754,887**

Geographical segmental analysis is based on the locations of branches through which the bank provides its services.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

6 - Net interest income	**December 31, 2020**	**December 31, 2019**
Interest from loans and similar income:		
Loans and credit facilities:		
Customers	17,472,896,784	19,666,441,600
Total	**17,472,896,784**	**19,666,441,600**
Treasury bills and bonds	12,800,200,274	11,728,215,246
Deposits and current accounts	105,872,965	728,668,527
Net interest differential on hedging instruments (IRS contracts)	87,826,489	7,469,526
Total	**30,466,796,512**	**32,130,794,899**
Cost of deposits and similar expense :		
Deposits and current accounts:		
Banks	(669,827,351)	(365,100,542)
Customers	(15,115,975,749)	(18,059,231,348)
Total	**(15,785,803,100)**	**(18,424,331,890)**
Repo arrangements	(239,185,725)	(51,471,289)
Other loans	(88,264,342)	(87,021,735)
Total	**(16,113,253,167)**	**(18,562,824,914)**
Net	**14,353,543,345**	**13,567,969,985**

7 - Net fee and commission income:	**December 31, 2020**	**December 31, 2019**
Fee and commission income :		
Credit fees and commission	1,460,301,331	1,544,790,272
Custody fees	28,535,783	29,263,782
Investment commission	22,500,009	18,947,896
Other fees	825,950,949	911,799,416
Total	**2,337,288,072**	**2,504,801,366**
Fee and commission expense:		
Brokerage fees	(5,281,698)	(4,793,139)
Other fees	(484,368,529)	(497,126,452)
Total	**(489,650,227)**	**(501,919,591)**
Net	**1,847,637,845**	**2,002,881,775**

8 - Dividend income	**December 31, 2020**	**December 31, 2019**
Associates and subsidiaries	393,060	100,095,303
Equity instruments at fair value through other comprehensive income	35,191,190	49,611,912
Total	**35,584,250**	**149,707,215**

9 - Net trading income:	**December 31, 2020**	**December 31, 2019**
Forex operations:		
Foreign exchange trading gains (loss)	114,581,674	152,527,583
Changes in fair value of currency forward contracts	(7,559,832)	(31,573,995)
Changes in fair value of currency swap contracts	(2,427,141)	(12,473,238)
Changes in fair value IRS contracts	(5,833,684)	1,133,040
Total	**98,761,017**	**109,613,390**

10 - Administrative expenses	**December 31, 2020**	**December 31, 2019**
Staff cost:		
Salaries and wages	1,545,444,849	1,439,001,901
Social insurance	77,759,299	103,402,629
Pension cost:		
Defined contribution scheme	89,695,376	87,676,033
Other retirement benefits (Defined benefit scheme)	64,340,167	66,879,618
	1,777,239,691	**1,696,960,181**
Depreciation and amortization	331,969,579	287,647,893
Other administrative expenses	1,509,379,529	1,431,663,359
Total	**3,618,588,799**	**3,416,271,433**

(All amounts are shown in Egyptian Pounds)

11 - Other operating revenues (expenses)	December 31, 2020	December 31, 2019
Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at fair value through profit or loss at initial recognition	(63,257,967)	(382,098,408)
Gain on sale of property and equipment	7,767,605	2,890,011
Software cost	(182,053,571)	(158,613,330)
Operating lease rental expense	(127,824,094)	(118,264,235)
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	-	736,748
Other provisions (net of reversed amounts)	127,565,295	77,765,608
Other income (expense)	21,809,921	18,769,674
Total	**(215,992,811)**	**(558,813,932)**

12 - Impairment credit losses	December 31, 2020	December 31, 2019
Loans and credit facilities to customers	(2,110,180,596)	(705,479,180)
Due from banks	(1,482,317)	9,957,883
Treasury bills	(3,499,848)	16,109,817
Debt instruments at fair value through other comprehensive income	(29,548)	29,494
Debt instruments at amortized cost	10,712,656	(8,880,967)
Other assets	246,261	(731,922)
Total	**(2,104,233,392)**	**(688,994,875)**

13 - Income tax expense	December 31, 2020	December 31, 2019
Current tax	(2,962,191,587)	(2,840,585,870)
Deferred tax	(42,492,400)	(10,606,611)
Total	**(3,004,683,987)**	**(2,851,192,481)**

Additional data on deferred tax is disclosed in note 31. Income tax expense is different from the tax that would have arisen had the statutory tax rate been applied on pre-tax accounting profit as shown below:

Profit before tax	10,403,194,627	11,172,723,279
Income tax calculated at 22.5 % tax rate	2,340,718,791	2,513,862,738
Tax impact for:		
Non-taxable income	(48,287,748)	(12,583,799)
Non-deductible expenses for tax purposes	650,050,225	328,961,068
Recognize of deferred tax assets	(11,290,352)	(23,267,132)
Prior-years' tax settlements	(45,937,464)	-
Provision and segregated interest	73,422,345	23,671,182
Tax deductible (10% on dividend income)	3,515,790	9,941,813
Effective income tax expense	**2,962,191,587**	**2,840,585,870**

(All amounts are shown in Egyptian Pounds)

Tax Position

A) QNB ALAHLI Position:

A-1) Corporate Tax

- The Bank's accounts were tax-inspected and settled with respect to tax since the beginning of activity till the end of December 31, 2010.
- Years 2011 and 2012 transferred to tax dispute resolution committee.
- Years 2013 till 2018 have been inspected, and the due tax was paid.
- Year 2019 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-2) Salaries Taxes

- The Bank's books have been inspected, and the due tax was paid until year 2016.
- The Company has received deemed tax claim from inception for year 2017, The company objected the deemed tax at the due date and awaiting to appeal committee.
- Year 2018 under inspection from the tax authority.
- Year 2019 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-3) Stamp duties

- The Bank's books have been inspected, for all branches until July 31, 2006 and all tax was paid.
- Period from July 01 ,2006 till December 31, 2018 have been inspected, and the due tax was paid.
- Year 2019 the Bank submitted its tax return in the due date and books have not been inspected yet.

(B) EX-MIBank Position:

B-1) Corporate Tax

- The Bank's accounts were tax- inspected, and settled since the beginning of activity till November 30, 2006.

B-2) Salaries Taxes

- The Bank's books have been inspected, and the due tax was paid till November 30, 2006.

B-3) Stamp duties

- The Bank's books have been inspected for all branches until July 31, 2006 and all due tax was paid.
  Period from August 01, 2006 till November 30, 2006 have been inspected, and the due tax was paid.

14- Earnings Per Share	**December 31, 2020**	**December 31, 2019**
Net Profit for the year	7,398,510,640	8,321,530,798
Remuneration for the Board Members (from the year's net profit)*	(16,000,000)	(16,000,000)
Staff profit share (from the year's net profit)*	**(739,074,304)**	**(832,962,180)**
Profit available to shareholders	6,643,436,336	7,472,568,618
Weighted average number of the shares outstanding during the year	2,154,822,966	2,154,822,966
Earning Per Share	**3.08**	**3.47**

*Based on Profits distribution proposal. The actual amounts will be subject to the ordinary AGM approval.

(All amounts are shown in Egyptian Pounds)

15 - Classification and measurement of financial assets and financial liabilities

The following table shows the gross financial assets and financial liabilities (excluding allowances for impairment) according to the business model classification:

December 31, 2020	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	17,166,854,367	-	-	-	**17,166,854,367**
Due from banks	5,234,406,137	-	-	-	**5,234,406,137**
Treasury bills	42,008,511,859	-	-	-	**42,008,511,859**
Loans and credit facilities to customers	174,128,120,264	-	-	-	**174,128,120,264**
Financial derivatives	-	-	-	106,092,208	**106,092,208**
Fair value through other comprehensive income	-	1,854,586,525	619,795,827	-	**2,474,382,352**
Amortized cost	46,071,608,107	-	-	-	**46,071,608,107**
Fair value through profit or loss	-	-	-	71,688,942	**71,688,942**
Other financial assets	2,893,345,701	-	-	-	**2,893,345,701**
Total financial assets	**287,502,846,435**	**1,854,586,525**	**619,795,827**	**177,781,150**	**290,155,009,937**
Due to banks	4,138,835,958	-	-	-	**4,138,835,958**
Customer deposits	233,892,109,030	-	-	-	**233,892,109,030**
Financial derivatives	-	-	-	54,698,875	**54,698,875**
Other loans	3,251,740,567	-	-	-	**3,251,740,567**
Other financial liabilities	1,042,415,286	-	-	-	**1,042,415,286**
Total financial liabilities	**242,325,100,841**	**-**	**-**	**54,698,875**	**242,379,799,716**

December 31, 2019	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	12,012,821,372	-	-	-	**12,012,821,372**
Due from banks	6,648,253,897	-	-	-	**6,648,253,897**
Treasury bills	46,196,437,796	-	-	-	**46,196,437,796**
Loans and credit facilities to customers	162,145,973,922	-	-	-	**162,145,973,922**
Financial derivatives	-	-	-	83,458,859	**83,458,859**
Fair value through other comprehensive income	-	1,635,837,477	828,050,652	-	**2,463,888,129**
Amortized cost	39,987,394,104	-	-	-	**39,987,394,104**
Fair value through profit or loss	-	-	-	61,678,473	**61,678,473**
Other financial assets	2,549,801,150	-	-	-	**2,549,801,150**
Total financial assets	**269,540,682,241**	**1,635,837,477**	**828,050,652**	**145,137,332**	**272,149,707,702**
Due to banks	16,030,665,382	-	-	-	**16,030,665,382**
Customer deposits	209,065,365,497	-	-	-	**209,065,365,497**
Financial derivatives	-	-	-	44,711,902	**44,711,902**
Other loans	4,574,732,377	-	-	-	**4,574,732,377**
Other financial liabilities	967,911,817	-	-	-	**967,911,817**
Total financial liabilities	**230,638,675,073**	**-**	**-**	**44,711,902**	**230,683,386,975**

(All amounts are shown in Egyptian Pounds)

16 - Cash and due from Central Bank of Egypt (CBE)	December 31, 2020	December 31, 2019
Cash	3,841,120,383	3,956,390,015
Balances with CBE (mandatory reserve)	13,325,733,984	8,056,431,357
Total	**17,166,854,367**	**12,012,821,372**
Interest free balances	17,166,854,367	12,012,821,372
Total	**17,166,854,367**	**12,012,821,372**

17 - Due from Banks	December 31, 2020	December 31, 2019
Current accounts	649,883,412	706,011,352
Deposits	4,584,522,725	5,942,242,545
	5,234,406,137	**6,648,253,897**
Less : Allowance for impairment losses	(10,607,678)	(9,125,361)
Total	**5,223,798,459**	**6,639,128,536**
Balances at CBE other than those under the mandatory reserve	3,737,172,763	5,078,070,791
Local banks	534,408,719	445,464,192
Foreign Banks	962,824,655	1,124,718,914
Less : Allowance for impairment losses	(10,607,678)	(9,125,361)
Total	**5,223,798,459**	**6,639,128,536**
Interest free balances	499,599,239	577,050,985
Balances at floating interest rates	150,284,173	235,660,367
Balances at fixed interest rates	4,584,522,725	5,835,542,545
Less : Allowance for impairment losses	(10,607,678)	(9,125,361)
Total	5,223,798,459	6,639,128,536
Current balances	**5,223,798,459**	**6,639,128,536**
Total	**5,223,798,459**	**6,639,128,536**

18 - Treasury bills	December 31, 2020	December 31, 2019
91 days maturity	110,025,000	749,050,000
182 days maturity	5,006,875,000	5,040,225,000
More than 182 days maturity	38,924,546,770	43,346,678,100
Less : Unearned interest	(2,032,934,911)	(2,939,515,304)
	42,008,511,859	**46,196,437,796**
Less : Allowance for impairment losses	(17,938,647)	(14,438,799)
Total	**41,990,573,212**	**46,181,998,997**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

19 - Loans and credit facilities to customers	December 31, 2020			December 31, 2019		
	Total	Allowance for impairment losses	Net	Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	3,499,137,263	(54,943,886)	3,444,193,377	3,500,083,111	(66,256,164)	**3,433,826,947**
Credit cards	1,115,783,185	(59,584,077)	1,056,199,108	994,594,773	(19,091,483)	**975,503,290**
Personal loans	25,679,340,323	(504,482,004)	25,174,858,319	20,299,816,747	(320,411,469)	**19,979,405,278**
Real estate loans	2,160,004,642	(45,478,279)	2,114,526,363	1,769,730,066	(26,688,861)	**1,743,041,205**
Total (1)	**32,454,265,413**	**(664,488,246)**	**31,789,777,167**	**26,564,224,697**	**(432,447,977)**	**26,131,776,720**
Corporate including small loans for businesses						
Overdrafts	67,834,583,398	(2,095,951,097)	65,738,632,301	66,382,966,824	(1,620,028,139)	**64,762,938,685**
Direct loans	51,219,853,404	(5,662,544,669)	45,557,308,735	45,829,632,086	(4,580,967,655)	**41,248,664,431**
Syndicated loans and facilities	19,689,353,268	(624,399,516)	19,064,953,752	19,679,400,546	(567,440,941)	**19,111,959,605**
Other loans	2,930,064,781	(21,323,884)	2,908,740,897	3,689,749,769	(23,614,709)	**3,666,135,060**
Total (2)	**141,673,854,851**	**(8,404,219,166)**	**133,269,635,685**	**135,581,749,225**	**(6,792,051,444)**	**128,789,697,781**
Total loans and credit facilities to customers (1+2)	**174,128,120,264**	**(9,068,707,412)**	**165,059,412,852**	**162,145,973,922**	**(7,224,499,421)**	**154,921,474,501**
Less: Segregated interest			(330,085)			**(5,850,387)**
Less: Unearned discount and deferred income			(97,016,284)			**(131,610,741)**
Net Loans and credit facilities to customers distributed as follows:			**164,962,066,483**			**154,784,013,373**
Current balances			116,421,913,243			**110,591,928,373**
Non-current balances			48,540,153,240			**44,192,085,000**
Net Loans and credit facilities to customers			**164,962,066,483**			**154,784,013,373**

(All amounts are shown in Egyptian Pounds)

19-A - Allowance for impairment losses

December 31, 2020

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	66,256,164	19,091,483	320,411,469	26,688,861	**432,447,977**
Net impairment loss recognized during the year	(11,312,278)	40,492,594	185,117,676	18,789,418	**233,087,410**
Loans written-off during the year	**-**	**-**	**(10,457,191)**	**-**	**(10,457,191)**
Collection of loans previously written-off	-	-	9,414,745	-	**9,414,745**
Foreign exchange translation differences	-	-	(4,695)	-	**(4,695)**
Balance at end of the year	**54,943,886**	**59,584,077**	**504,482,004**	**45,478,279**	**664,488,246**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	1,620,028,139	4,580,967,655	567,440,941	23,614,709	**6,792,051,444**
Net impairment loss recognized during the year	476,023,816	1,346,364,823	56,993,902	(2,289,355)	**1,877,093,186**
Loans written-off during the year	**-**	**(273,657,726)**	**-**	**-**	**(273,657,726)**
Collection of loans previously written-off	-	9,155,116	-	-	**9,155,116**
Foreign exchange translation differences	(100,858)	(285,199)	(35,327)	(1,470)	**(422,854)**
Balance at end of the year	**2,095,951,097**	**5,662,544,669**	**624,399,516**	**21,323,884**	**8,404,219,166**
Total					**9,068,707,412**

December 31, 2019

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	57,314,838	10,097,735	**269,917,078**	**14,098,495**	**351,428,146**
Impact of adopting IFRS 9	30,720,193	3,513,548	**91,105,836**	**4,806,754**	**130,146,331**
Restated Balance at 1 January 2019	**88,035,031**	**13,611,283**	**361,022,914**	**18,905,249**	**481,574,477**
Net impairment loss recognized during the year	41,572,014	16,258,539	**40,782,604**	**10,938,629**	**109,551,786**
Loans written-off during the year	(63,350,881)	(10,778,339)	**(88,761,510)**	**(3,155,017)**	**(166,045,747)**
Collection of loans previously written-off	**-**	**-**	**7,395,869**	**-**	**7,395,869**
Foreign exchange translation differences	**-**	**-**	**(28,408)**	**-**	**(28,408)**
Balance at end of the year	**66,256,164**	**19,091,483**	**320,411,469**	**26,688,861**	**432,447,977**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	1,311,185,436	**3,124,058,279**	**817,752,554**	**63,292,909**	**5,316,289,178**
Impact of adopting IFRS 9	602,021,049	**470,503,808**	**-**	**-**	**1,072,524,857**
Restated Balance at 1 January 2019	**1,913,206,485**	**3,594,562,087**	**817,752,554**	**63,292,909**	**6,388,814,035**
Net impairment loss recognized during the year	(257,824,867)	**1,119,986,454**	**(228,262,559)**	**(37,971,634)**	**595,927,394**
Loans written-off during the year	-	**(67,406,595)**	**-**	**-**	**(67,406,595)**
Collection of loans previously written-off	**-**	**18,059,660**	**-**	**-**	**18,059,660**
Foreign exchange translation differences	**(35,353,479)**	**(84,233,951)**	**(22,049,054)**	**(1,706,566)**	**(143,343,050)**
Balance at end of the year	**1,620,028,139**	**4,580,967,655**	**567,440,941**	**23,614,709**	**6,792,051,444**
Total					**7,224,499,421**

(All amounts are shown in Egyptian Pounds)

20- Financial derivatives	December 31, 2020		
	Notional amount	Assets	Liabilities
(A) Held for trading	**1,929,860,563**		
- Forward foreign exchange contracts	1,329,333,503	-	**55,211,024**
- Swap foreign exchange contracts	3,259,194,066	-	(512,149)
Total		**-**	**54,698,875**
(B) Fair value hedge			
Interest rate swap contracts	4,548,543,413	106,092,208	**-**
Total	**4,548,543,413**	**106,092,208**	**-**
Total	**7,807,737,479**	**106,092,208**	**54,698,875**

	December 31, 2019		
	Notional amount	Assets	Liabilities
(A) Held for trading			
- Forward foreign exchange contracts	2,055,051,633	-	**47,651,192**
- Swap foreign exchange contracts	1,125,631,413	-	(2,939,290)
Total	**3,180,683,046**	**-**	**44,711,902**
(B) Fair value hedge			
- Interest rate swap contracts	5,055,077,688	83,458,859	**-**
Total	**5,055,077,688**	**83,458,859**	**-**
Total	**8,235,760,734**	**83,458,859**	**44,711,902**

Forward exchange contracts represent commitments to purchase local and foreign currencies including the unexecuted part of regular-way transactions. Interest rate swap contracts represent commitments to swap fixed interest rate with variable interest rate where the physical exchange of funds is not required except in foreign exchange swaps. The Bank's credit risk represents the cost of potential replacement of the swaps in case other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and percentage of contracted amounts. To control the outstanding credit risk, the Bank assesses counterparties to the contract in the same manner used in lending activities.

Fair value hedge
The Bank uses interest rate swap contracts to mitigate part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies to the extent caused by declining market interest rates.

Net fair value of hedging instruments (Interest rate swap) asset amounted to EGP 106,092,208 as of December 31, 2020 (EGP 83,458,859 in the prior year). Gain resulting from hedging instruments amounted to EGP22,633,349 (Gain of EGP 79,662,814 in the prior year) and Loss arose from the hedged items reached EGP 28,467,034 (Loss of EGP 78,529,774 in the prior year).

(All amounts are shown in Egyptian Pounds)

21- Financial investments

Fair value through other comprehensive income (FVTOCI)	December 31, 2020	December 31, 2019
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	400,000,000	-
Listed instruments in foreign stock exchange market	1,454,586,525	1,635,837,477
Total debt instruments measured at fair value through other comprehensive income	**1,854,586,525**	**1,635,837,477**
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	83,418,622	97,190,572
Unlisted instruments in stock exchange market	494,406,555	689,338,400
Total equity instruments measured at fair value through other comprehensive income	**577,825,177**	**786,528,972**
(C) Money market funds and balanced funds:		
Unlisted instruments in stock exchange market	41,970,650	41,521,680
Total financial investments measured at fair value through other comprehensive income (1)	**2,474,382,352**	**2,463,888,129**
Amortized cost		
(A) Debt instruments:		
Listed instruments in stock exchange market	45,312,836,951	39,242,973,551
Unlisted instruments in stock exchange market	758,771,156	744,420,553
Less : Allowance for impairment losses	(2,787,960)	(13,500,616)
Total Debt instruments measured at amortized cost (2)	**46,068,820,147**	**39,973,893,488**
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
*Unlisted instruments in stock exchange market	71,688,942	61,678,473
Total equity instruments measured at fair value through profit or loss (3)	**71,688,942**	**61,678,473**
(Total Financial investments (1+2+3	**48,614,891,441**	**42,499,460,090**
Current balances	8,020,364,005	6,903,439,965
Non-current balances	40,594,527,436	35,596,020,125
Total financial investment	**48,614,891,441**	**42,499,460,090**
Fixed interest debt instruments	47,523,406,672	41,609,730,965
Variable interest debt instruments	400,000,000	-
Total debt instruments	**47,923,406,672**	**41,609,730,965**

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

The following table analyzes the movements on financial investments during the year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the current year	**2,463,888,129**	**39,973,893,488**
Additions	400,000,000	12,754,736,875
Amortization of premium / discount	(31,034,062)	92,497,712
Disposals (sale/redemption)	(176,874,016)	(6,748,527,000)
Translation differences resulting from monetary foreign currency denominated assets	(31,094,318)	(14,493,584)
Changes in fair value reserve	(150,503,381)	-
Change in Allowance for impairment during the year	-	10,712,656
Balance at the end of the current year	**2,474,382,352**	**46,068,820,147**

The following table analyzes the movements on financial investments during the comparative year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the comparative year	**2,269,997,110**	**36,553,382,720**
Impact of adopting IFRS 9	625,889,241	705,575,652
Additions	102,866,971	6,894,432,968
Amortization of premium / discount	(40,834,978)	112,479,808
Disposals (sale/redemption)	(301,385,348)	(4,192,747,250)
Translation differences resulting from monetary foreign currency denominated assets	(205,014,247)	(85,729,794)
Changes in fair value reserve	24,457,233	-
Re-classification financial investements	(12,087,853)	-
Less : Expected credit loss (ECL)	-	(13,500,616)
Balance at the end of the comparative year	**2,463,888,129**	**39,973,893,488**

Gain on financial investments	**December 31, 2020**	**December 31, 2019**
Gain on financial investments at fair value through profit or loss	6,483,172	6,631,154
Total	**6,483,172**	**6,631,154**

* The Bank's equity instruments classified in the fair value through other comprehensive income category represent Bank subscribed stake at 5% from the total certificates' number of its QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund) upon its initial offering, in addition to the Bank subscribed stake at 20% from the total certificates' number of its QNB ALAHLI Second Fund with yearly / cumulative return (Tawazon Balanced Fund), in addition to the 20% from the total certificates' number of its QNB ALAHLI Third Fund with yearly / cumulative return (Tadawol Equity Fund) upon its initial offering. All stakes required to be retained by the Bank until maturity of the funds in accordance with the provisions of the law, had a nominal value of EGP 5 million each.

(All amounts are shown in Egyptian Pounds)

22 - Investments in subsidiaries and associates

The following table summarizes the Bank's holdings in its subsidiaries and associates:

December 31, 2020	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	The Bank's stake
QNB ALAHLI leasing company (Subsidiary)	Egypt	2,972,382,081	2,603,765,805	440,332,446	108,384,000	144,915,453	**99.98%**
QNBALAHLI Life Insurance company (Subsidiary)	Egypt	4,197,013,178	3,449,138,159	230,400,070	189,787,571	69,179,676	**99.98%**
QNB ALAHLI Asset Management Egypt (Subsidiary)	Egypt	13,505,909	439,813	1,775,125	1,169,344	1,176,710	**97.48%**
QNB ALAHLI Factoring Company (Subsidiary)	Egypt	993,506,636	664,670,357	125,050,366	2,265,386	324,990,000	**99.997%**
Senouhi Company for Construction Materials (Associate)	Egypt	15,463,865	4,322,738	23,415,050	(949,347)	1,847,250	**23.09%**
Total		**8,191,871,669**	**6,722,336,872**	**820,973,057**	**300,656,954**	**542,109,089**	

December 31, 2019	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	The Bank's stake
QNB ALAHLI leasing company (Subsidiary)	Egypt	3,499,721,558	2,998,989,886	462,291,479	96,531,810	144,915,453	**99.98%**
QNBALAHLI Life Insurance company (Subsidiary)	Egypt	3,465,874,153	2,887,561,475	202,496,131	170,011,264	69,179,676	**99.98%**
QNB ALAHLI Asset Management Egypt (Subsidiary)	Egypt	12,540,559	643,807	2,018,951	1,110,605	1,176,710	**97.48%**
QNB ALAHLI Factoring Company (Subsidiary)	Egypt	1,250,064,566	676,683,260	255,400,833	32,774,137	324,990,000	**99.997%**
Senouhi Company for Construction Materials (Associate)	Egypt	15,704,819	3,539,329	28,320,529	891,433	1,847,250	**23.09%**
Total		**8,243,905,655**	**6,567,417,757**	**950,527,923**	**301,319,249**	**542,109,089**	

23 - Intangible assets	**December 31, 2020**	**December 31, 2019**
Software		
Net book value at the beginning of the year	202,344,647	162,034,757
Additions	53,415,565	100,163,588
Amortization	(67,637,025)	(59,853,698)
Net book value at the end of the year	**188,123,187**	**202,344,647**

24 - Other assets	**December 31, 2020**	**December 31, 2019**
Accrued revenues	2,893,345,701	2,549,801,150
Pre-paid expenses	106,310,600	118,129,026
Advance payments for acquisition of property and equipment	709,180,654	547,060,134
Foreclosed assets reverted to the bank in settlement of debts	11,469,072	13,469,072
Deposits held with others and custody	18,682,494	13,398,304
Advance payments to tax authority	12,573,164	11,921,576
Others	369,564,101	213,294,765
	4,121,125,786	**3,467,074,027**
Less : Expected credit loss (ECL)	(3,902,424)	(4,148,685)
Total	**4,117,223,362**	**3,462,925,342**

(All amounts are shown in Egyptian Pounds)

25 - Property and Equipment	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
January 1, 2019					
Cost	2,454,728,191	194,528,402	785,334,203	252,656,002	3,687,246,798
Accumulated depreciation	(645,841,143)	(121,044,668)	(559,721,282)	(124,489,537)	(1,451,096,630)
Net book value	**1,808,887,048**	**73,483,734**	**225,612,921**	**128,166,465**	**2,236,150,168**
December 31, 2019					
Net book value at the beginning of the year	1,808,887,048	73,483,734	225,612,921	128,166,465	2,236,150,168
Additions	154,652,391	61,871,240	208,711,270	24,561,101	449,796,002
Disposals from property and equipment	(856,362)	(139,751)	(18,532,571)	(1,613,603)	(21,142,287)
Disposals from accumulated depreciation	517,386	139,751	18,520,055	1,613,603	20,790,795
Depreciation for the year	(103,250,716)	(12,133,665)	(92,381,412)	(20,028,402)	(227,794,195)
Net book value	**1,859,949,747**	**123,221,309**	**341,930,263**	**132,699,164**	**2,457,800,483**
January 1, 2020					
Cost	2,608,524,220	256,259,891	975,512,902	275,603,500	4,115,900,513
Accumulated depreciation	(748,574,473)	(133,038,582)	(633,582,639)	(142,904,336)	(1,658,100,030)
Net book value	**1,859,949,747**	**123,221,309**	**341,930,263**	**132,699,164**	**2,457,800,483**
December 31, 2020					
Net book value at the beginning of the year	1,859,949,747	123,221,309	341,930,263	132,699,164	2,457,800,483
Additions	121,875,572	48,704,386	136,622,271	20,547,354	327,749,583
Disposals from property and equipment	(1)	-	(59,620)	(5,857,795)	(5,917,416)
Disposals from accumulated depreciation	1	-	18,670	5,620,195	5,638,866
Depreciation for the year	(108,813,211)	(17,359,972)	(115,857,112)	(22,302,259)	(264,332,554)
Net book value	**1,873,012,108**	**154,565,723**	**362,654,472**	**130,706,659**	**2,520,938,962**
Balances at December 31, 2020					
Cost	2,730,399,791	304,964,277	1,112,075,553	290,293,059	4,437,732,680
Accumulated depreciation	(857,387,683)	(150,398,554)	(749,421,081)	(159,586,400)	(1,916,793,718)
Net book value	**1,873,012,108**	**154,565,723**	**362,654,472**	**130,706,659**	**2,520,938,962**

(All amounts are shown in Egyptian Pounds)

26 - Due to banks	December 31, 2020	December 31, 2019
Current accounts	273,078,309	886,972,602
Deposits	2,317,092,762	13,499,913,543
Repos transactions	1,548,664,887	1,643,779,237
Total	**4,138,835,958**	**16,030,665,382**
Central banks	1,548,664,887	1,643,779,237
Local banks	300,012,410	13,652,248,182
Foreign banks	2,290,158,661	734,637,963
Total	**4,138,835,958**	**16,030,665,382**
Non-interest bearing balances	240,642,492	770,156,843
Variable interest rate balances	32,435,817	116,815,759
Fixed interest rate balances	3,865,757,649	15,143,692,780
Total	**4,138,835,958**	**16,030,665,382**
Current balances	4,138,835,958	16,030,665,382
Total	**4,138,835,958**	**16,030,665,382**

27 - Customer deposits	December 31, 2020	December 31, 2019
Demand deposits	51,542,070,580	47,873,048,816
Time deposits and call accounts	90,108,436,654	79,710,679,594
Term saving certificates	59,469,456,107	48,669,174,000
Saving deposits	25,588,901,501	25,615,535,989
Other deposits*	7,183,244,188	7,196,927,098
Total	**233,892,109,030**	**209,065,365,497**
Corporate deposits	123,017,559,881	105,197,303,167
Retail deposits	110,874,549,149	103,868,062,330
Total	**233,892,109,030**	**209,065,365,497**
Non-interest bearing balances	35,350,633,323	30,457,770,197
Variable interest rate balances	62,980,131,001	69,071,820,825
Fixed interest rate balances	135,561,344,706	109,535,774,475
Total	**233,892,109,030**	**209,065,365,497**
Current balances	189,559,288,122	164,765,714,497
Non-current balances	44,332,820,908	44,299,651,000
Total	**233,892,109,030**	**209,065,365,497**

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 354,045,866 as of December 31, 2020 (December 31, 2019 EGP 256,308,432). The fair value of these deposits approximates its carrying amount.

28 - Other loans	December 31, 2020	December 31, 2019
National Bank of Egypt (Epap & Eco)	910,904	2,063,889
Commercial International Bank	33,905,556	110,911,111
European Investment Bank	156,602,702	159,283,761
European Bank for Reconstruction and Development	2,947,872,338	4,184,973,616
The Micro, Small and Medium Enterprises Development Agency	112,449,067	117,500,000
Total	3,251,740,567	4,574,732,377
Current balances	631,889,538	2,931,099,377
Non-current balances	2,619,851,029	1,643,633,000
Total	**3,251,740,567**	**4,574,732,377**

(All amounts are shown in Egyptian Pounds)

29 - Other liabilities	December 31, 2020	December 31, 2019
Accrued interest	1,042,415,286	967,911,817
Unearned revenues	80,482,374	106,639,318
Accrued expenses	788,666,107	693,327,109
Sundry credit balances	1,385,613,532	1,021,476,088
Total	**3,297,177,299**	**2,789,354,332**

30 - Other provisions

December 31, 2020						
Description	**Balance at the beginning of the year**	**Formed during the year**	**Released during the year**	**Foreign currencies translation differences + (-)**	**Used during the year**	**Balance at the end of the year**
Provision for tax claims	193,870,823	-	(154,990,000)	-	-	38,880,823
Provision for legal claims	18,138,389	1,754,145	-	(62,950)	(2,460,388)	17,369,196
Provision for contingent liabilities	472,545,494	26,087,839	-	(18,577)	-	498,614,756
Provision for fidelity	32,262,862	-	(417,279)	(604,184)	-	31,241,399
Provision for operational risk	731,024	-	-	-	(17,122)	713,902
Total	**717,548,592**	**27,841,984**	**(155,407,279)**	**(685,711)**	**(2,477,510)**	**586,820,076**

December 31, 2019							
Description	**Balance at the beginning of the year**	**Impact of adopting IFRS 9**	**Formed during the year**	**Released during the year**	**Foreign currencies translation differences + (-)**	**Used during the year**	**Balance at the end of the year**
Provision for tax claims	318,134,789	-	-	(120,700,000)	-	(3,563,966)	193,870,823
Provision for legal claims	12,596,462	-	11,464,339	-	(158,528)	(5,763,884)	18,138,389
Provision for contingent liabilities	290,796,573	153,241,923	31,226,616	-	(2,719,618)	-	472,545,494
Provision for fidelity	35,918,620	-	-	-	(3,655,758)	-	32,262,862
Provision for operational risk	487,587	-	243,437	-	-	-	731,024
Total	**657,934,031**	**153,241,923**	**42,934,392**	**(120,700,000)**	**(6,533,904)**	**(9,327,850)**	**717,548,592**

(All amounts are shown in Egyptian Pounds)

31 - Deferred income tax

Deferred tax has been calculated on all temporary tax differences using the balance sheet method and using the expected tax rate on a time that the Bank will recognize a benefit from assets / incurred liabilities at a tax rate of 22.5% for the current financial year. The Bank does not offset deferred tax assets and deferred tax liabilities unless the bank has a legally enforceable right to set off current tax assets against current tax liabilities; and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities

Below are the balances and movements of deferred tax assets and liabilities:

	Deferred tax assets		Deferred tax liabilities	
Tax impact on temporary differences arising from:	**December 31, 2020**	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Property and equipment	-	-	(102,769,160)	(91,513,775)
Provisions (other than the provision for loan impairment)	231,923,862	253,735,551	-	-
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(99,636,192)	**(130,501,782)**
Others	13,755,885	23,181,211	-	-
Deferred tax assets (liabilities)	**245,679,747**	**276,916,762**	**(202,405,352)**	**(222,015,557)**
Net balance of DTA (DTL)	**43,274,395**	**54,901,205**		

Movement of deferred tax assets and liabilities:	Deferred tax assets		Deferred tax liabilities	
	December 31, 2020	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Beginning balance	276,916,762	234,025,024	(222,015,557)	(72,605,222)
Impact of adopting IFRS 9	-	41,728,828	-	(135,589,181)
DT recognized / utilized during the year	(31,237,015)	1,162,910	19,610,205	(13,821,154)
Closing balance	**245,679,747**	**276,916,762**	**(202,405,352)**	**(222,015,557)**

Balances of deferred tax assets (liabilities) recognized directly in equity	**December 31, 2020**	**December 31, 2019**
Differences in fair value of financial investments at fair value through other comprehensive income	(99,636,192)	(130,501,782)
Effect of changes in accounting policies	-	41,728,828

32 - Defined benefits obligation	December 31, 2020	December 31, 2019
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	513,228,220	482,288,384
Amounts recognized in the income statement:		
Post-retirement medical benefits	64,340,167	66,879,618
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	365,975,012	414,628,886
Unrecognized actuarial gain	147,253,208	67,659,498
	513,228,220	**482,288,384**
Liability movements during the year are represented as follows:		
Balance at the beginning of the financial year	482,288,384	437,821,485
Current service cost	11,498,593	10,874,025
Interest cost	55,233,903	58,712,541
Actuarial losses / gain	(2,392,329)	(2,706,948)
Benefits paid	(33,400,331)	(22,412,719)
	513,228,220	**482,288,384**
Amounts recognized in the income statement are shown below:		
Current service cost	11,498,593	10,874,025
Interest cost	55,233,903	58,712,541
Actuarial losses / gain recognized during the year	(2,392,329)	(2,706,948)
	64,340,167	**66,879,618**

The main actuarial assumptions used by the Bank are outlined below:	December 31, 2020	December 31, 2019
Discount rate (two plans):		
A- QNB ALAHLI current employees plan	14.50%	14.00%
B-Ex-MIBank retirees plan	14.50%	14.00%
QNB ALAHLI -long term increase in the cost of medical care (on top of inflation)	8.00%	10.27%
Ex-MIBank - long term increase in the cost of medical care (on top of inflation)	8.00%	10.27%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost	DBO
Post-retirement medical benefits	7.88%	7.37%

33 - Issued and paid-up capital

(A) Authorized Capital

- The authorized capital amounts to EGP 15 billion.

(B) Issued and Paid up Capital

- The issued and paid up capital amounted to EGP 8,904,227,140 on December 31, 2017 representing 890,422,714 shares with a nominal value of EGP 10 each, of which 765,099,714 shares were paid in Egyptian pound and 125,323,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.
- The Extraordinary General Assembly held on February 15, 2018 decided to increase the capital from EGP 8,904,227,140 to EGP 9,794,649,850 ,an increase of EGP 890,422,710 by transferring from the general reserve.
- The issued and paid up capital amounted to EGP 9,794,649,850 on December 31, 2018 representing 979,464,985 shares with a nominal value of EGP 10 each, of which 854,141,985 shares were paid in Egyptian pound and 125,323,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.
- The Extraordinary General Assembly held on February 28, 2019 decided to increase the capital from EGP 9,794,649,850 to EGP 10,774,114,830,an increase of EGP 979,464,980 by transferring from the general reserve. The official bodies has been approved this increase during the second quarter of Year 2020.
- The Extraordinary General Assembly held on February 28, 2019 decided to split the face value of each share of the Bank's capital from EGP 10 to be EGP 5. The issued and paid up capital amounted to EGP 10,774,114,830 on December 31, 2020 representing 2,154,822,966 shares with a nominal value of EGP 5 each.

(All amounts are shown in Egyptian Pounds)

34 - Reserves and retained earnings

(1) Reserves	December 31, 2020	December 31, 2019
General reserve (a)	15,104,078,670	13,417,823,247
General banking risk reserve (b)	1,169,066	1,169,066
Legal reserve (c)	2,049,233,783	1,633,301,744
Fair value reserve (d)	404,806,846	524,415,089
Special reserve (e)	12,856,666	12,856,666
Capital reserve	21,379,530	18,489,519
General risk reserve*	21,453,923	21,453,923
Total reserves at the end of the year	**17,614,978,484**	**15,629,509,254**

* In piror year accordance with the instructions of the Central Bank of Egypt to apply IFRS 9 as of January 1, 2019, the special reserve - credit and general bank risk reserve - credit and IFRS 9 credit risk are consolidated in one reserve under the name of general risk reserve. The difference between the provisions required under IFRS 9 and the provisions required in accordance with previous instructions will be deducted from the general risk reserve .

Reserve movements are as follows:

(a) General reserve	December 31, 2020	December 31, 2019
Balance at the beginning of the financial year	13,417,823,247	8,531,087,699
Transferred from retained earnings	2,665,720,403	4,886,735,548
Transferred to capital increase	(979,464,980)	-
Balance at the end of the year	**15,104,078,670**	**13,417,823,247**
(b) General banking risk reserve		
Balance at the beginning of the year	1,169,066	2,781,992
Transferred to retained earnings	-	(1,612,926)
Balance at the end of the year	**1,169,066**	**1,169,066**

In accordance with the instructions of the Central Bank of Egypt, the general banking risk reserve is supported annually by 10% of the value of the assets owned by the Bank in return for debt if these assets are not disposed of within the period specified in the law.

	December 31, 2020	December 31, 2019
(c) Legal Reserve		
Balance at the beginning of the year	1,633,301,744	1,287,748,276
Transferred from the net profit of the prior year	415,932,039	345,553,468
Balance at the end of the year	**2,049,233,783**	**1,633,301,744**

According to the provisions of local laws, 5% of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 100% of the bank's capital.

(d) Fair Value Reserve	December 31, 2020	December 31, 2019
Balance at the beginning of the year	524,415,089	(679,178,263)
Impact of adopting IFRS 9	-	1,328,894,280
Deferred tax recognized as of a result of adopting IFRS 9	-	(135,589,181)
Net change in fair value (Note 21)	(150,503,381)	24,457,233
Impairment losses on debt instruments at fair value through other comprehensive income	29,548	(29,494)
Transferred to retained earnings	-	(12,087,853)
Deferred tax recognized during the year (Note 31)	30,865,590	(2,051,633)
Balance at the end of the year	**404,806,846**	**524,415,089**

(e) Special Reserve
The application of the CBE new basis rules of preparation and presentation of financial statements as well as the modified principles of recognition and measurement requires to restate the comparative figures of the first financial year that have been impacted by this change, including comparative figures in the balance sheet and the income statements for the previous year as the impact of adjustment is positive, such impact was carried directly to retained earnings then transferred to the special reserve in equity and shall not be used except by approval from CBE. The following is a breakdown of the items that generated the special reserve amount:

	December 31, 2020	December 31, 2019
Amortized cost method using EIR for held to maturity investments	253,607	253,607
Amortized cost method using EIR for Available-for-sale investments	393,930	393,930
Deferred tax (Tax impact on adjustment)	(4,249,739)	(4,249,739)
Available-for-sale investments (Equity instruments)	16,458,868	16,458,868
Total	**12,856,666**	**12,856,666**

(All amounts are shown in Egyptian Pounds)

(2) Profit for the year and retained earnings	December 31, 2020	December 31, 2019
Movements on retained earnings:		
Balance at the beginning of the year	8,754,048,002	7,318,854,853
Impact of adopting IFRS 9	-	26,377,283
Net profit of the financial year	7,398,510,640	8,321,530,798
Previous year's profit distribution	(2,154,822,966)	(979,464,985)
Employees' profit share	(832,962,180)	(691,726,139)
Board of directors' remuneration	(16,000,000)	(13,781,250)
Transferred to capital reserve	(2,890,011)	(6,434,554)
Transferred to general reserve	(2,665,720,403)	(4,886,735,548)
Transferred to legal reserve	(415,932,039)	(345,553,468)
Transferred from fair value reserve, net of tax	-	9,368,086
Transferred from general banking risk reserve	-	1,612,926
Balance at the end of the year	**10,064,231,043**	**8,754,048,002**

35 - Cash and cash equivalents
For For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from placement or acquisition date.

	December 31, 2020	December 31, 2019
Cash and balances with central banks	3,841,120,383	3,956,390,015
Due from banks in less than 3 months	5,234,406,137	6,541,553,897
Treasury bills and other governmental notes (91 days)	109,334,969	726,823,580
Total	**9,184,861,489**	**11,224,767,492**

36 - Contingent liabilities and other commitments
(a) Legal claims (litigation)
Several Several lawsuits were brought against the Bank and are still outstanding as of December 31, 2020. No provision has been formed since it is not probable that the Bank will incur losses in regard of these lawsuits.

(b) Capital commitments:
The Bank is a party to contracts for capital commitments amounting to EGP 997,688,233 as of December 31, 2020 (EGP 956,533,263 on December 31, 2019). These represent commitments by the Bank for the purchases of buildings and equipment. Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

(c) Commitments for guarantees
The Bank's commitments for loans, guarantees and facilities are set out below:

	December 31, 2020	December 31, 2019
Financial guarantees	317,500	357,500
Accepted papers	1,797,703,754	3,300,687,075
L/Gs	40,570,756,871	42,590,274,614
Import L/Cs	1,999,824,168	3,474,261,881
Export L/Cs	226,134,764	205,713,506
Other contingent liabilities	19,632,824	367,558,187
Total	**44,614,369,881**	**49,938,852,763**

(d) Commitments for credit facilities	December 31, 2020	December 31, 2019
Commitments for credit facilities	32,855,532,909	35,961,879,563

(e) Commitments under operating lease contracts
Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	December 31, 2020	December 31, 2019
Not more than one year	127,355,381	95,093,222
More than one year and less than 5 years	393,504,249	275,023,904
More than 5 years	100,460,794	66,162,524
Total	**621,320,424**	**436,279,650**

(All amounts are shown in Egyptian Pounds)

37 - Related-party transactions

Qatar National Bank (Q.P.S.C.) is the ultimate parent and controlling party as at the end of the reporting year which owns 94.97% of the bank's ordinary shares whereas the remaining 5.03% are held by other shareholders.

A number of transactions have been conducted during the reporting year with related parties within the Bank's normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions with the parent company other than the payment of dividends on ordinary shares:

QNB Group	December 31, 2020	December 31, 2019
Due from banks	419,726	5,237,534
Due to banks	2,130,717,038	168,693,443
Export LC	2,513,234	6,483,525
LGs for banks	6,856,553,603	9,015,950,648
Foreign exchange derivative	1,329,333,503	989,007,803
Interest rate swap	4,548,543,413	5,055,077,688

A - Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Outstanding loans at the beginning of the financial year	111	111	2,502,746,385	2,198,875,475
Loans issued during the financial year	-	-	879,777,165	1,990,998,553
Loans repayment during the financial year	-	-	(807,355,669)	(1,687,127,643)
Loans outstanding at the end of the financial year	**111**	**111**	**2,575,167,881**	**2,502,746,385**
Interest income on loans	15	-	274,911,933	333,107,782

* No provisions have been recognized in respect of loan provided to related parties.

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
Loans and credit facilities to related parties can be analyzed below	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Overdrafts	111	111	-	32,043
Revolving term loan	-	-	2,575,167,878	2,454,448,264
Visa card	-	-	3	-
Equipment loans	-	-	-	48,266,078
Total	**111**	**111**	**2,575,167,881**	**2,502,746,385**

B - Deposits from related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Deposits outstanding at the beginning of the financial year	62,923,605	64,394,311	949,461,066	2,071,730,814
Deposits placed during the year	11,381,135	5,389,712	231,207,968	14,793,914
Deposits repaid during the year	(1,245,256)	(6,860,418)	(605,264,039)	(1,137,063,662)
Deposits outstanding at the end of the financial year	**73,059,484**	**62,923,605**	**575,404,995**	**949,461,066**
Interest expense on deposits	2,174,975	2,474,684	27,499,712	56,973,250

Deposits from related parties can be analyzed below	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Demand deposits	10,310,095	1,593,925	23,635,648	31,650,741
Saving accounts	91,110	91,994	-	-
Certificates of deposits	6,000,000	4,000,000	224,969,030	-
Time deposits	56,658,279	57,237,686	326,800,317	917,810,325
Total	**73,059,484**	**62,923,605**	**575,404,995**	**949,461,066**

(All amounts are shown in Egyptian Pounds)

C - Other transactions with related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Fee and commission income	566	14,036	11,588,424	8,474,427
Guarantees issued by the bank			42,352,262	1,195,753
The above guarantees comprise:	-	-		
LGs	-	-	22,932	31,802
LCs			42,329,330	1,163,951
Total			**42,352,262**	**1,195,753**

The pricing for related parties' transactions are the same for other parties.

In accordance with the instructions of the Central Bank of Egypt (CBE) rules in 23 August 2011. The monthly average of net salaries and benefits for top 20 employees with the largest salaries and benefits reached (EGP 8,650,786) during the current year.

38- Money Market and balanced Funds

A - QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund)

The Bank has set up an investment fund under the name of "THEMAR" with daily accumulated interest as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

THEMAR initial offering was for one million certificates at nominal value of EGP 100 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. EFG HERMES is managing this fund.

Total number of the outstanding certificates at December 31, 2020 reached 11,377,254 at a total value of EGP 4,593,896,243 The Bank currently holds 227,545 certificates worth of EGP 91,877,893 of which EGP 20,188,951 classified as fair value through other comprehensve income that represent 5% from the total number of certificates that were initially issued, whereas the remaining value of EGP 71,688,942 which represents 2% of the increase in fund's net asset value since initial subscription are classified as fair value through profit or loss.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 22,252,412 have been reported in the "fees and commission income" line item in the income statement.

B - QNB ALAHLI Second Fund with periodly / cumulative return (Tawazon Balanced Fund)

The Bank has set up an investment fund under the name of Tawazon Fund with periodic income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tawazon initial offering was for two hundred and fifty thousand certificates amounting to EGP 25 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. Beltone Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2020 reached 56,046 at a total value of EGP 11,868,183. The Bank currently holds 50,000 certificates worth of EGP 10,587,895 that are classified as fair value through other comprehensve income and represent 20% of the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 57,731 have been reported in the "fees and commission income" line item in the Separate income statement.

C - QNB ALAHLI Third Fund with periodly / cumulative return (Tadawol Equity Fund)

The Bank has set up an investment fund under the name of Tadawol Fund with periodic accumulated income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tadawol certificates were offered in a public offering amounting to EGP 25 million distributed over two hundred and fifty thousand certificates with a nominal value of EGP 100 each, subscriptions have only covered a number of one hundred and twenty five thousand certificates amounting to EGP 12.5 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by the bank at that time. HC Fund Manager Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2020 reached 76,895 at a total value of EGP 17,214,950 The Bank currently holds 50,000 certificates worth of EGP 11,193,804 that are classified as fair value through other comprehensve income and represent 40% from the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 189,866 have been reported in the "fees and commission income" line item in the income statement.

39- Important Events

1- The coronavirus ("COVID-19") pandemic is continuing across the various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. QNBAA 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, QNBAA 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.

Accordingly, QNBAA is continuing its internal protective action started in Q1 2020 by enhancing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the COVID-19 impact on the loan portfolio. Further precautionary actions might be taken progressively in the light of the pandemic is not over yet.

2- On September 15, 2020, the Central Bank of Egypt issued the Law No. 194 of 2020, which repealed Law No. 88 of 2003 of the "Central Bank, Banking Sector and Monetary System".

The law applies for the Central Bank of Egypt and the Egyptian banking system. The addressees are bound by the provisions of the law to adjust their positions in accordance with its provisions, within a period not exceeding one year from the date of its implementation, and the Board of Directors of the Central Bank may extend this period for a period or for other periods not exceeding two years, The Central Bank have to issues a regulations and decisions implementing which related to it's law.

Overview

Strategic Report

Operational Performance

Corporate Social Responsibility

Corporate Governance and Risk Management

Separate Financial Statements

Consolidated Financial Statements

Branches Network

Consolidated Financial Statements

AUDITORS' REPORT
To the shareholders of QNB ALAHLI Bank (S.A.E)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of QNB Al Ahli Bank (S.A.E.) and its subsidiaries (the group) which comprise the consolidated financial position as at December 31, 2020 and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Consolidated the Financial Statements

These consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these consolidated 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 the 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 consolidated 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 auditor's 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 assessment, the auditor considers internal control relevant to the bank'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 bank'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 the group as of December 31, 2020 and of its consolidated 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.

Auditors

Aziz Maher Aziz Barsoum
FRA No.(228)
KPMG Hazem Hassan

Mohanad T. Khaled
Fellow of ACCA
Fellow of ESAA
Fellow of ETS
R.A.A. 22444
FRA No. 375
BDO Khaled & Co.

Cairo, 12 January 2021

QNB ALAHLI S.A.E
Consolidated Statement of Financial Position
As at 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2020	December 31, 2019
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	17,166,858,582	12,012,836,152
Due from banks	(17)	7,068,235,715	8,464,251,159
Treasury bills	(18)	42,003,990,606	46,194,518,180
Trading investments	(19)	61,102,261	84,301,673
Loans and credit facilities to customers	(20)	163,635,801,748	153,527,192,019
Financial derivatives	(21)	106,092,208	83,458,859
Financial Investments:			
Fair value through other comprehensive income	(22)	2,474,382,352	2,463,888,129
Amortized cost	(22)	47,609,791,535	40,937,627,601
Fair value through profit or loss	(22)	71,759,603	61,694,866
Investments in associates	(23)	2,572,487	2,809,012
Intangible assets	(24)	195,249,569	209,802,791
Other assets	(25)	4,228,605,764	3,470,835,425
Deferred tax assets	(33)	115,151,685	128,766,307
Finance lease		2,828,561,308	2,858,836,906
Property and equipment	(26)	2,594,818,588	2,512,982,918
Total assets		**290,162,974,011**	**273,013,801,997**
Liabilities and equity:			
Liabilities:			
Due to banks	(27)	4,138,835,958	16,030,665,382
Customer deposits	(28)	233,321,758,983	208,126,587,681
Financial derivatives	(21)	55,504,635	45,851,553
Other loans	(29)	3,804,636,750	5,625,017,188
Other liabilities	(30)	3,502,117,507	2,968,092,020
Other provisions	(31)	599,639,123	743,849,118
Insurance policyholders' rights	(32)	3,247,335,626	2,589,480,929
Current income tax payable		1,343,178,136	1,098,931,902
Defined benefits obligation	(34)	513,228,220	482,288,384
Total liabilities		**250,526,234,938**	**237,710,764,157**
Equity:			
Issued and paid-up capital	(35)	10,774,114,830	9,794,649,850
Reserves	(36)	17,645,616,759	15,660,147,528
Profit for the year and retained earnings	(36)	11,216,966,389	9,848,191,979
Total equity attributable to equity holders of the bank		**39,636,697,978**	**35,302,989,357**
Non-controlling interests		41,095	48,483
Total equity		**39,636,739,073**	**35,303,037,840**
Total liabilities and equity		**290,162,974,011**	**273,013,801,997**

Mohamed Osman El-Dib
Chairman and Managing Director

The accompanying notes from (1) to (41) are an integral part of these Consolidated Financial Statements.
(Auditor's report attached).

QNB ALAHLI S.A.E
Consolidated Income Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2020 To December 31, 2020	From January 01, 2019 To December 31, 2019
Interest on loans and similar income	(6)	30,738,143,195	32,372,534,448
Cost of deposits and similar expense	(6)	(16,100,796,190)	(18,619,581,266)
Net interest income		**14,637,347,005**	**13,752,953,182**
Fee and commission income	(7)	2,292,274,875	2,473,723,530
Fee and commission expense	(7)	(489,681,576)	(501,949,911)
Net interest, fee and commission income		**16,439,940,304**	**15,724,726,801**
Dividend income	(8)	35,191,190	49,611,913
Net trading income	(9)	111,936,859	119,748,154
Gain on financial investments	(22)	6,487,229	6,652,342
Impairment credit losses	(12)	(2,136,900,764)	(697,159,681)
Administrative expenses	(10)	(3,707,305,018)	(3,505,731,222)
Other operating revenues (expenses)	(11)	(181,369,781)	(254,504,961)
Share of results of associates		156,535	375,949
Profit before income tax		**10,568,136,554**	**11,443,719,295**
Income tax expense	(13)	(3,076,626,112)	(2,921,623,568)
Net profit for the year		**7,491,510,442**	**8,522,095,727**
Attributable to:			
Equity holders of the Bank		7,491,517,830	8,522,091,359
Non-controlling interests		(7,388)	4,368
Net profit for the year		**7,491,510,442**	**8,522,095,727**
Earnings per share	(14)	3.08	3.47

Mohamed Osman El-Dib
Chairman and Managing Director

The accompanying notes from (1) to (41) are an integral part of these Consolidated Financial Statements.

QNB ALAHLI S.A.E
Consolidated Statement other comprehensive income
As at 31 December 2020
(All amounts are shown in Egyptian Pounds)

	From January 01, 2020 To December 31, 2020	From January 01, 2019 To December 31, 2019
Net profit for the year	7,491,510,442	8,522,095,727
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	(208,254,732)	(29,707,974)
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	43,859,645	7,415,771
Amount transferred to retained earning, net of tax	-	(9,368,086)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	57,751,351	54,165,205
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	(12,994,054)	(12,187,171)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	29,548	(29,494)
Total other comprehensive income items for the year net of tax	**(119,608,242)**	**10,288,251**
Total comprehensive income for the year, net of tax	**7,371,902,200**	**8,532,383,978**
Attributable to:		
Equity holders of the Bank	7,371,909,588	8,532,379,610
Non-controlling interests	(7,388)	4,368
Total comprehensive income for the year, net of tax	**7,371,902,200**	**8,532,383,978**

The accompanying notes from (1) to (41) are an integral part of these Consolidated Financial Statements

QNB ALAHLI S.A.E
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Issued and Paid Up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Reserve for Transactions Under Common Control	Fair Value Reserve
December 31, 2019							
Balance at 1 January 2019	9,794,649,850	1,287,748,276	8,531,087,699	173,681,968	12,054,965	4,000,483	(679,166,099)
Transfer to general risk reserve	-	-	-	(152,225,804)	-	-	-
Impact of adopting IFRS 9	-	-	-	18,038,291	-	-	1,193,292,938
Restated balance at 1 January 2019	9,794,649,850	1,287,748,276	8,531,087,699	39,494,455	12,054,965	4,000,483	514,126,839
Transfer to reserves and retained earnings	-	345,553,468	4,886,735,548	-	6,434,554	-	-
Dividend distributions	-	-	-	-	-	-	-
Net Change in Other Comprehensive Income	-	-	-	-	-	-	19,656,337
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	-	-	-	-	(9,368,086)
Net profit for the year	-	-	-	-	-	-	-
Transfer from general banking risk reserve	-	-	-	-	-	-	-
Balance at 31 December 2019	**9,794,649,850**	**1,633,301,744**	**13,417,823,247**	**39,494,455**	**18,489,519**	**4,000,483**	**524,415,090**
January 1, 2020	**9,794,649,850**	**1,633,301,744**	**13,417,823,247**	**39,494,455**	**18,489,519**	**4,000,483**	**524,415,090**
Transfer to reserves and retained earnings	-	415,932,039	2,665,720,403	-	2,890,011	-	-
Dividend distributions	-	-	-	-	-	-	-
Transfer from general reserve to capital increase	979,464,980	-	(979,464,980)	-	-	-	-
Net Change in Other Comprehensive Income	-	-	-	-	-	-	(119,608,242)
Net profit for the year	-	-	-	-	-	-	-
Balance at 31 December 2020	**10,774,114,830**	**2,049,233,783**	**15,104,078,670**	**39,494,455**	**21,379,530**	**4,000,483**	**404,806,848**

The accompanying notes from (1) to (41) are an integral part of these Consolidated Financial Statements.

QNB ALAHLI S.A.E
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

General Banking Risk Reserve	IFRS 9 Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Year	Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Total
2,781,992	1,282,925,633	-	1,043,126,551	7,200,541,436	28,653,432,754	44,115	28,653,476,869
-	(1,282,925,633)	1,435,151,437	-	-	-	-	-
-	-	(1,413,697,514)	26,389,444	-	(175,976,841)	-	(175,976,841)
2,781,992	-	21,453,923	1,069,515,995	7,200,541,436	28,477,455,913	44,115	28,477,500,028
-	-	-	245,603,614	(5,484,327,184)	-	-	-
-	-	-	-	(1,716,214,252)	(1,716,214,252)	-	(1,716,214,252)
-	-	-	-	-	19,656,337	-	19,656,337
-	-	-	9,368,086	-	-	-	-
-	-	-	-	8,522,091,359	8,522,091,359	4,368	8,522,095,727
(1,612,925)	-	-	1,612,925	-	-	-	-
1,169,067	**-**	**21,453,923**	**1,326,100,620**	**8,522,091,359**	**35,302,989,357**	**48,483**	**35,303,037,840**
1,169,067	**-**	**21,453,923**	**1,326,100,620**	**8,522,091,359**	**35,302,989,357**	**48,483**	**35,303,037,840**
-	-	-	2,399,347,939	(5,483,890,392)	-	-	-
-	-	-	-	(3,038,200,967)	(3,038,200,967)	-	(3,038,200,967)
-	-	-	-	-	-	-	-
-	-	-	-	-	(119,608,242)	-	(119,608,242)
-	-	-	-	7,491,517,830	7,491,517,830	(7,388)	7,491,510,442
1,169,067	**-**	**21,453,923**	**3,725,448,559**	**7,491,517,830**	**39,636,697,978**	**41,095**	**39,636,739,073**

QNB ALAHLI S.A.E
Consolidated Statement of Cash Flow
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2020	December 31, 2019
Cash flows from operating activities			
Profit before tax		10,568,136,554	11,443,719,295
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	335,245,619	289,911,992
Impairment credit losses	(12)	2,136,900,764	697,159,681
Loans written off during the year		(295,240,203)	(234,204,878)
Recovery from loans previously written off		18,569,861	25,455,529
Net formed / (reversed) other provisions		(133,599,966)	(77,414,349)
Utilized provisions other than loans provision		(9,844,986)	(11,253,410)
Translation differences of other provisions in foreign currencies		(765,043)	(6,569,817)
Translation differences resulting from monetary foreign currency investments		45,587,903	290,744,039
Amortization of premium / discount for bonds		(83,804,926)	(72,985,822)
Formed insurance policyholders' rights provisions during the year		657,854,697	528,488,434
(Gain) on sale of Property and Equipment		(8,164,022)	(2,895,344)
Dividend income	(8)	(35,191,190)	(49,611,913)
Share of results of associates applying the equity method		(156,535)	(375,949)
Gain on financial investments	(22)	(6,487,229)	(6,652,342)
Operating profits before changes in assets and liabilities resulting from operating activities		**13,189,041,298**	**12,813,515,146**
Net decrease / increase in assets and liabilities			
Due from banks		(5,243,272,627)	(2,016,461,758)
Treasury bills		3,569,539,115	1,208,164,955
Trading investments		23,199,412	(7,493,482)
Loans and credit facilities to customers		(11,974,787,356)	(17,269,696,020)
Financial derivatives		(12,980,267)	(35,056,931)
Financial investement recognized at fair value through profit or loss		(10,064,737)	(16,245,691)
Other assets		(757,524,077)	(426,711,386)
Due to banks		(11,891,829,424)	3,322,886,112
Customer deposits		25,195,171,302	2,841,067,898
Other liabilities		534,025,487	261,118,422
Defined benefits obligation		30,939,836	44,466,899
Net change Leased assets		30,275,598	(601,607,565)
Income tax paid		(2,787,899,665)	(2,523,866,221)
Net cash flows resulting from / used in operating activities (1)		**9,893,833,895**	**(2,405,919,622)**
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(402,859,180)	(613,205,094)
Proceeds from sale of Property and Equipment		8,495,135	3,253,503
Proceeds from financial investments other than held for trading investments		7,009,034,245	4,535,102,791
Acquisition of financial investments other than held for trading investments		(13,786,778,875)	(6,997,299,939)
Dividends received		35,191,189	49,611,913
Cash dividends received from investments in associates		393,061	112,303
Net cash flows used in investing activities (2)		**(7,136,524,425)**	**(3,022,424,523)**
Cash flows from financing activities			
Other loans		(1,820,380,438)	386,472,160
Dividends paid		(3,038,200,967)	(1,716,214,252)
Net cash flows used in financing activities (3)		**(4,858,581,405)**	**(1,329,742,092)**
Net decrease in cash and cash equivalents during the year (1+2+3)		**(2,101,271,935)**	**(6,758,086,237)**
Cash and cash equivalents at the beginning of the year		11,286,384,895	18,044,471,132
Cash and cash equivalents at the end of the year	**(37)**	**9,185,112,960**	**11,286,384,895**
Cash and cash equivalents at end of the year are represented in :			
Cash and due from Central Bank of Egypt	(16)	17,166,858,582	12,012,836,152
Due from banks	(17)	7,078,843,393	8,473,376,520
Treasury bills		42,021,929,253	46,208,956,979
Balances with Central Bank of Egypt (mandatory reserve)		(13,325,733,984)	(8,056,431,357)
Balances Due from banks with maturities more than 3 months		(1,844,190,000)	(1,870,220,000)
Treasury bills with maturity more than 3 months		(41,912,594,284)	(45,482,133,399)
Cash and cash equivalents at end of the year		**9,185,112,960**	**11,286,384,895**

The accompanying notes from (1) to (41) are an integral part of these Consolidated Financial Statements.

1. Background

QNB ALAHLI "S.A.E" ("The Bank") was incorporated as an investment and commercial bank on April 13, 1978, in accordance with the provisions of the Investment Law no 43 of 1974 and its executive regulations and the amendments thereon. The Bank provides all banking services related to its activity, through its Head Office located in 5 Champlion Street - Downtown - Cairo and its 231 branches served by 6,686 staff at the date of the financial statements. The Bank is listed on the Egyptian Stock Exchange (EGX).

These consolidated financial statements were approved by the Board of Directors on January 12, 2021.

2 Summary of significant accounting policies:

2.1 Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt (CBE) rules approved by its Board of Directors on December 16, 2008; and as per IFRS 9 "Financial Instruments" in accordance with the instructions of the Central Bank of Egypt (CBE) dated February 26, 2019.

These consolidated financial statements have been prepared in accordance with the applicable laws of Egypt.

2.2.1 Basis of Combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method unless the transaction does not constitute an acquisition in form or substance. Application of the purchase method involves the following steps:

- Identifying an acquirer;
- Measuring the cost of the business combination;
- And allocating, at the acquisition date, the cost of the combination to the assets acquired, liabilities and contingent liabilities assumed.

On acquisition date where control is obtained, the cost of the business combination is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer in exchange for control of the acquiree, in addition to any costs directly attributable to the business combination.

Thus, the acquirer recognizes the acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale, that are recognized and measured at the lower of their carrying amounts, or fair value less costs to sell.

Goodwill arising on acquisition date is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The non-controlling interest in an acquiree is initially measured at the non-controlling interest proportionate share in the fair value of the assets, liabilities and contingent liabilities recognized at acquisition date.

When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the acquirer includes the amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

A business combination agreement may allow for adjustments to the cost of the combination that are contingent on one or more future events. The acquirer usually estimates the amount of any such adjustment at the time of initially accounting for the combination, even though some uncertainty exists. If the future events do not occur or the estimate needs to be revised, the cost of the business combination is adjusted accordingly.

However, when a business combination agreement provides for such an adjustment, that adjustment is not included in the cost of the combination at the time of initially accounting for the combination if it either is not probable or cannot be measured reliably. If that adjustment subsequently becomes probable and can be measured reliably, the additional consideration shall be treated as an adjustment to the cost of the combination.

In case of a business combination - made through step acquisitions for a Group reorganization purposes - involving entities or businesses under common control in which all of the combining entities or businesses are ultimately controlled by the same party or parties, both before and after the business combination, the acquirer recognizes the identifiable assets, liabilities and contingent liabilities that meet the recognition criteria at their carrying amounts previously reported at the books of the Group with common control.

Any difference between the consideration paid or transferred and the carrying amounts of the acquiree's net assets and contingent liabilities is reflected within equity as a reserve for transactions under common control. This policy is also applied in case of the groups' full or partial acquisition of shares held by the non-controlling interests in a subsidiary or the partial disposition of the Group's interest in a subsidiary while retaining control over that subsidiary.

Therefore, no adjustments are made to reflect new fair value at the date of the combination; rather fair value for net assets, and contingent liabilities acquired in such cases shall be determined based on the fair value that was previously determined when control was initially obtained, as adjusted by any changes in equity components that have occurred during the period from the date when control was initially obtained up to the date when control has increased or decreased.

Since combinations of entities or businesses under common control are scoped out of the CBE basis of preparation and presentation of the banks financial statements, EAS (29) and IFRS (3) Business Combinations, management applied the requirements of EAS (5) and IAS (8), which allows it, in the absence of a specific Standard or Interpretation specifically addressing certain transaction, event or other circumstances, to set and develop an appropriate accounting policy that results in information that is more reliable and relevant to the economic decisions making needs of the financial statements users.

(All amounts are shown in Egyptian Pounds)

2.2.2 Transactions Eliminated on Consolidation
Intra-group balances, and income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2.2.3 Loss of Control
Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments, depending on the level of influence retained.

2.2.4 Basis of presentation of consolidation
The consolidated financial statements of the Group incorporate the financial statements of QNB ALAHLI (Parent) and entities controlled by the Bank (its Subsidiaries) at the end of each reporting date.

A Subsidiary is an entity (including Special Purpose Entities) that is controlled, directly or indirectly, by the bank (Parent). Control exists when the Bank has the power, to govern the financial and operating policies of an entity to obtain benefits from its activities. This is usually achieved when the bank owns, directly or indirectly, through subsidiaries, more than half of the voting power of an entity, the existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

The Group fully consolidates its subsidiaries from the effective date in which control is obtained and deconsolidates them when such control ceases to exist.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of a Group entity to bring its accounting policies into line with those used by other members of the Group.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and their share of changes in equity since the date of the combination. Losses applicable to owners of the non-controlling interests in excess of their interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that owners of the non-controlling interests have a binding obligation and are able to make an additional investment to cover the losses.

Since QNB ALAHLI incorporated QNB ALAHLI Factoring Company in which it owns 99.997% of its capital, increased its interest in QNB ALAHLI Leasing Company to 100%, and increased in QNB ALAHLI Life Insurance Company to 100% instead of 25%, and increased in QNB ALAHLI Asset Management Egypt Company to 100% instead of 4.875%,therefore, the full consolidation basis has been used for the preparation of the Group accompanying consolidated financial statements which comprise the financial statements of QNB ALAHLI (the parent) and its subsidiaries, QNB ALAHLI Factoring, QNB ALAHLI Leasing Company, QNB ALAHLI Life Insurance Company and QNB ALAHLI Asset Management Egypt Company from the date in which control over each subsidiary was obtained.

Non-controlling interest in these consolidated financial statements represents interests held by investors other than QNB ALAHLI in the subsidiaries. Information on subsidiaries is set out below.

Company name	Origin Country	Year of controlling (Acquisition or Incorporation)	Group Stake %
QNB ALAHLI Factoring Company	Egypt	2012	99.997
QNB ALAHLI Leasing Company	Egypt	2012	100
QNB ALAHLI Life Insurance Company	Egypt	2014	100
QNB ALAHLI Asset Management Egypt Company	Egypt	2014	100

2.2.5 Investments in associates

An associate is an entity over which the Group has significant influence that is not control or joint control. Significant influence exists where the bank holds voting rights of 20% to 50% in an entity.

Acquisitions of Associates are accounted for using the purchase method; goodwill arising on acquisition of an associate, if any, is not presented separately, but is rather included within the carrying amount of the investment. Investments in associates are accounted for subsequently in the consolidated financial statements using the equity method.

According to the equity method, an investment in an associate is initially recognized in the statement of financial position at cost and is subsequently adjusted to recognize the Group's share in profit or loss, and other changes in the net assets, of the associate.

2.3 Segment reporting

An operating segment is a group of assets and operations providing products or services whose risks and benefits are different from those associated with products or services provided by other operating segments. A geographical segment provides products or services within a specific economic environment characterized by risks and benefits different from those related to other geographical segments operating in a different economic environment.

The Bank is divided into two main business lines, which are corporate banking and retail banking. In addition, a corporate center acts as a central funding department for the bank's core businesses. The dealing room, proprietary activity and other non-core businesses are reported under the corporate banking business line.

For the purpose of preparation of segment reporting by geographical region, segment profit or loss and assets and liabilities are presented based on the location of the branches. Given that the bank does not have any entity abroad, and unless otherwise stated in a specific disclosure, all equity and debt instruments of the bank issued by foreign institutions and credit facilities granted to foreign counterparties are reported based on the location of the domestic branch where such assets are recorded.

2.4 Foreign currency translation

2.4.1 Functional and presentation currency

The consolidated financial statements of the Group are presented in the Egyptian Pound which is the Bank's functional and presentation currency.

2.4.2 Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian Pounds. Transactions in foreign currencies during the period are translated into the Egyptian Pounds using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at end of reporting period at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held for trading assets and liabilities;
- Other operating revenues (expenses) from the remaining assets and liabilities;
- Investments in equity instrument recognized at fair value through other comprehensive income in equity.

Changes in the fair value of investments in debt instruments; which represent monetary financial instruments, denominated in foreign currencies and classified as FVTOCI assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument. Differences resulting from changes in the amortized cost are recognized and reported in the income statement in "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the "Fair value revaluation reserve" in Other comprehensive income.

Valuation differences arising on the measurement of non-monetary items at fair value include gains or losses resulting from changes in foreign currency exchange rates used to translate those items. Total fair value changes arising on the measurement of equity instruments classified as at fair value through the profit or loss are recognized in the income statement, whereas total fair value changes arising on the measurement of equity instruments classified as FVTOCI are recognized directly in equity in the "Fair value reserve" in Other Comprehensive Income.

Leased assets denominated in foreign currency which the group leases to others are measured at historical cost and translated to Egyptian Pounds using the exchange rates prevailing at the dates of the initial recognition.

2.5 Financial assets

Financial assets are classified at amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL). The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

2.5.1 Financial assets classified as amortized cost

The financial asset is retained in the business model of financial assets held to collect contractual cash flow. The objective from this business model is to collect contractual cash flow which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- Significant deterioration for the issuer of financial instrument.
- Lowest sales in terms of rotation and value.
- A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

2.5.2 Financial assets classified as fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales. Held to collect contractual cash flows and sales are integrated to achieve the objective of the model. Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

2.5.3 Financial assets classified as fair value through profit or loss

The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale. The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. Collecting contractual cash flows is an incidental event for the objective of the model.

The characteristics of the business model are as follows:

- Structuring a set of activities designed to extract specific outputs.
- Represents a complete framework for a specific activity (inputs - activities - outputs).
- One business model can include sub-business models.

2.6 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the group has a legally enforceable right to offset the recognized amounts and it intends to settle these amounts on a net basis, or realize the asset and settle the liability simultaneously.

2.7 Financial derivatives and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. Fair values are determined based on quoted market prices in active markets, including recent market transactions, or valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are recognized as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives, such as the conversion option in a convertible bond, are treated as separate derivatives if they meet the definition of a financial derivative, and when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement "Net trading income" ;unless the group chooses to designate the hybrid contract as a whole as at fair value through profit or loss.

The timing of recognition in profit or loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The parent bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge);
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge).

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.7.1 Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized immediately in the profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in profit or loss. Additionally, interest differential on interest rate swaps is recognized in profit or loss as part of 'net interest income' line item in the income statement. Any ineffectiveness is recognized in profit or loss in "Net trading income".

When the hedging instrument no longer qualifies for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date to maturity of the asset using the effective interest method. Adjustment to the carrying amount of a hedged equity instrument that has been deferred in equity remains in equity until the asset is derecognized.

2.7.2 Cash flow hedge

The effective portion of changes in the fair value of derivatives designated and effective for cash flow hedge is recognized in equity while changes in fair value relating to the ineffective portion is recognized immediately in the income statement in "Net trading income".

Amounts accumulated in equity are transferred to income statement in the relevant periods when the hedged item affects the income statement. The effective portion of changes in fair value of interest rate swaps and options are reported in "Net trading income".

When a hedging item expires or is sold or if hedging instrument no longer qualifies for hedge accounting requirements, gains or losses that have been previously accumulated in equity remain in equity and are only recognized in profit or loss when the forecast transaction ultimately occurs. If the forecast transaction is no longer expected to occur any related cumulative gain or loss on the hedging instrument that has been recognized in equity shall be reclassified immediately to profit or loss.

2.7.3 Derivatives that do not qualify for hedge accounting

Where a derivative instrument does not qualify for hedge accounting, changes in fair value of that derivative and related interest are recognized immediately in the income statement in "Net trading income" line item. However, gains or losses arising from changes in fair value of derivatives that are managed in conjunction with financial assets or financial liabilities, designated upon initial recognition at fair value through profit or loss, are included in "net income from financial instruments designated upon initial recognition as at fair value through profit or loss".

2.8 Interest income and expense

Interest income and expense on all interest-bearing financial instruments are recognized in "Interest income" and "Interest expense" line items in the income statement using the effective interest rate method.

The effective interest rate is a method of calculating the amortized cost of a debt instrument whether a financial asset or a financial liability and of allocating its interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial debt instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating the effective interest rate, the Group estimates the future cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principal is in doubt.

Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1- For retail loans, personal loans, small and medium business loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.

2- For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments and provided these installments continue to be paid for at least one year.

If a loan continues to be performing thereafter, interest accrued on the principal then outstanding starts to be recognized as revenues. Interest that is marginalized prior to the date when the loan becomes performing is not recognized in the profit or loss except when the total balance of loan, prior to that date, is paid in full.

2.9 Fees and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as 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 off balance sheet. These are recognized as revenue - on a cash basis - only when interest income on those loans is recognized in profit or loss, at which time, fees and commissions that are an integral part of the effective interest rate of a financial asset are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees received by the bank to originate a loan are deferred if it is probable that the bank will enter into a specific lending arrangement and are regarded as a compensation for an ongoing involvement with the acquisition of the financial instrument and recognized as an adjustment to the effective interest rate. If the commitment expires without the bank making the loan, the fees are recognized as revenue on expiry.

Loan syndication fees received by the bank are recognized as revenue when the syndication has been completed, only if the bank arranges the loan and retains no part of the loan package for itself (or retains a part at the same effective interest rate for comparable risk as other participants).

Fees and commissions that are earned on negotiating or participating in the negotiation of a transaction in favor of another entity, such as arrangements for the allotment of shares or another financial instrument or acquisition or sale of an enterprise on behalf of a client, are recognized as revenue when the transaction has been completed. Administrative consultations and other service fees are usually recognized as revenue on a straight-line basis over the period in which the service is rendered. Fees from financial planning management and custodian services provided to clients over long periods are usually recognized as revenue on a straight-line basis over the period in which these services are rendered.

Leasing revenues

Revenues from lease contracts are recognized based on the interest rate implicit in each contract plus an amount equal to depreciation of the leased asset. Debit/credit differences between revenue recognized in profit or loss and rental value for each period are recorded in "leased assets – lease contracts settlement" account in the balance sheet whose balance is to be settled against the carrying amount of leased asset at the end of the contract period.

Insurance revenues

Premium income and Claim expense is recognized on accrual basis.

2.10 Dividends income
Dividend income on investments in equity instruments and similar assets, other than investments in subsidiaries and associates, is recognized in the income statement when the bank's right to receive payment is established.

2.11 Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos)
Financial instruments sold under repurchase agreements are not derecognized from the statement of financial position and cash receipts are shown in liability side in the statement of financial position.

2.12 Impairment of financial assets
The Group reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

- Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.
- Stage 3 :Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

Credit losses and impairment losses on the value of financial instruments are measured as follows:

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.
- If there are indicators of impairment of the financial instrument, it is transferred to the third stage.
- The financial assets created or acquired by the Group and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

2.12.1 Significant increase in credit risk
The Group considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

2.12.2 Quantitative Factors
When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

2.12.3 Qualitative Factors
Retail loans,micro and small businesses

If the borrower encounters one or more of the following events:

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and Medium businesses

If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

Nonpayments
The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days. Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application (Year 2019).

Transfer between the Three stages:
Transfer from second stage to first stage:
The financial asset shall not be transferred 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.

Transfer from third stage to second stage:
The financial asset shall not be transferred from 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.

(All amounts are shown in Egyptian Pounds)

2.13 Intangible assets

2.13.1 Goodwill

Goodwill, arising from the acquisition or legal merger of subsidiaries, represents the difference between the cost of the combination and the acquiree interest in the fair value of the identifiable assets, liabilities and qualifying contingent liabilities of the acquire at the acquisition date. Goodwill is annually tested for impairment and is written-down to profit or loss at an annual amortization of 20% or impairment loss whichever is higher.

2.13.2 Software (computer programs)

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the group and when it is probable that they will generate future economic benefits within more than one year that exceed its cost. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.

Upgrade costs are recognized and added to the original cost of the software when it is likely that such costs will increase the efficiency or enhance the performance of the computers software beyond its original specification.

Cost of computer software recognized as an asset shall be amortized over the year of expected benefits from three to five years except for the core IT system which is amortized over ten years.

2.14 Property and Equipment

The Group's property and equipment include lands and buildings of the bank which basically comprise the head office premises and branch buildings. All property and equipment are carried at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the construction or acquisition of the items. Subsequent costs are included in the assets carrying amount or recognized separately, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. Repairs and maintenance expenses are recognized in profit or loss within "other operating costs" line item during the financial period in which they are incurred.

The Group considers the residual value of its property and equipment as insignificant and immaterial in relation to the depreciable amount; therefore, the depreciable amount of the group's property and equipment is determined without any deduction for residual values. Depreciation is charged so as to write off the cost of assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Buildings		50 years
Fixtures	Decoration & installations	10 years
	Lifts	15 years
	Electricity & Air conditioning	10 years
	Generators	30 years
	Telephone network & CCTV	10 years
	Firefighting system & Plumbing system	10 years
	Other installations	10 years
Leasehold improvements		The shortest of 10 years or contract period

Depreciation years for property and equipment, other than buildings, depend on their useful lives which are usually estimated as specified below:

Furniture	10 years
Armored vaults	20-30 years
IT equipment	5 years
Electric appliances	5 years
Vehicles	5 years

The carrying amounts of its depreciable property and equipment are reviewed whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Where the carrying amount of an asset exceeds its recoverable amount, the carrying amount is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. Gains or losses on disposals are determined by comparing proceeds with relevant carrying amount. These are included in the profit or loss in other operating income (expenses) in the income statement.

(All amounts are shown in Egyptian Pounds)

2.15 Impairment of non-financial assets

Non-financial assets that do not have definite useful lives, except for goodwill are not amortized. These are annually tested for impairment. Depreciable property and equipment are tested for impairment whenever changes in circumstances or events indicate that the carrying amounts of those assets may not be recovered. Impairment loss is recognized and the carrying amount of an asset is reduced to the extent that such carrying amount exceeds the asset's recoverable amount.

The recoverable amount of an asset is the higher of the asset's net realizable value or value in use. For the purpose of estimating the impairment loss, where it is not possible to estimate the recoverable amount of an individual asset,The Group estimates the recoverable amount of the cash-generating unit to which the asset belongs is estimated.

At the end of each period, the group reviews non-financial assets for which an impairment loss is recognized to assess whether or not all or part of such impairment losses should be reversed through profit or loss.

2.16 Leasing

Lease contracts are accounted according to Law 95 of 1995 for financial lease. All other lease contracts are recognized as operating leases.

2.16.1 As a lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

2.16.2 As a lessor

Assets leased out under operating lease contracts are reported as part of the fixed assets in the statement of financial position and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term.

Assets leased out under finance lease contracts, are reported in the statement of financial position within fixed assets and are depreciated over the expected useful life of the assets using the same method followed in depreciating similar assets. Lease income is recognized using the rate of return implicit is each lease contract in addition to an amount equal to depreciation charge for the period. Differences between lease income recognized in the income statement and rental receivable from lease customers are accumulated and reported in the statement of financial position in a separate account until duration of the lease contract expires, at which time offset occurs between the account balance and net book value of leased assets.

Maintenance and insurance expenses shall be charged to the income statement when incurred to the extent that they are chargeable to the lessee. If substantive evidence indicates that the group could not be able to collect all balances due from finance lease debtors, these balance are reduced to their expected realizable value.

Assets leased under finance lease arrangements, rentals In arrear and the related impairment loss allowance has been presented in financial position under the finance lease item.

Depreciation is charged so as to write off the cost of leased assets, other than land which is not depreciated, over their estimated useful lives, using the straight-line method based on the following annual rates:

Computers	2-8 years
Equipment	4-10 years
Vehicles	4-5 years
Building	17-50 years

2.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances due within three months from date of placement or acquisition. They include cash and balances placed with the Central Bank of Egypt (other than those required under the mandatory reserve), current accounts with Banks and treasury bills, certificates of deposits and other governmental notes.

2.18 Other provisions

Provisions for obligations, other than those for credit risk or employee benefits, due within more than 12 months from the date of consolidated financial statements are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the reporting date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions.

For obligations due within less than twelve months from the date of consolidated financial statements, provisions are calculated based on undiscounted expected cash outflows unless the time value of money is material, in which case provisions are measured at present value.

When a provision is wholly or partially no longer required, it is reversed through the profit or loss under "Other Operating Income (expenses)" line item.

2.19 Insurance activity
2.19.1 Technical reserves
2.19.1.1 Mathematical reserve
The mathematical reserve is calculated by the actuarial expert according to the technical basis approved by the board of the Egyptian Financial Supervisory Authority (Formerly Egyptian Insurance Supervisory Authority), in addition to the portion of each certificate from the increase (decrease) in the capital value resulting from insurance premiums invested in investment portfolio for the account of policyholders.

2.19.1.2 Provision for outstanding claims
A provision for outstanding claims is established for life and personal accident insurance policies. Which were reported before the period-end but not settled at the balance sheet date.

2.19.2 Receivables arising from insurance contracts
Receivables arising from insurance contract either as installments under collection or current accounts of insured parties are carried at amortized cost which represent nominal balances, net of impairment loss.

2.19.3 Due from insurance and reinsurance companies
Insurance and reinsurance companies stated at amortized cost, which represent its book value, net of allowance for impairment loss.

2.20 Financial guarantees
A financial guarantee contract is a contract issued by the group as security for loans or overdrafts due from its clients to other entities that requires the group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. Financial guarantees are generally issued by the Bank to beneficiary banks, corporations and other entities on behalf of the bank's clients.

When a financial guarantee is recognized initially, it is measured at its fair value plus, transaction costs that is directly attributable to the issue of such financial guarantee.

After initial recognition, a financial guarantee contract issued by the bank is measured at the higher of:

(I) The amount initially recognized less, when appropriate, cumulative amortization of security fees recognized as income in profit or loss using the straight-line method over the term of the guarantee; and

(II) The best estimate for the payments required to settle any financial obligation resulting from the financial guarantee at the reporting date.

Such estimates are made based on experience in similar transactions and historical losses as supported by management judgment.

Any increase in the obligations resulting from the financial guarantee, is recognized within other operating income (expenses) in the income statement.

2.21 Employee benefits
2.21.1 Post-employment benefits (defined benefit plans) and defined contribution plans:
The Bank is liable for all obligations arising from its plans for employee benefits which comply, in all material respects, with the principles set out below. Starting 1 January 2009, the Bank has fully complied with the policy referred to below, and recognized any adjustments, resulting from the first full implementation of amendments to the CBE rules, directly on retained earnings.

The Bank provides several post-employment benefits to its employees, such as the medical care scheme which qualifies as a defined-benefit plan. A defined benefit plan commits the Bank, either formally or constructively, to pay a certain amount or level of future benefits and therefore bears the medium- or long-term risk.

The Bank recognizes the defined benefit obligation as a liability in the statement of financial position under "obligations for post-retirement schemes" to cover the total value of such obligations. This is assessed regularly by independent actuary using the projected unit credit method. This valuation technique incorporates assumptions about demographics variables, staff turnover, salary growth rate and discount and inflation rates.

When these plans are financed from external funds classified as plan assets, the fair value of these funds is subtracted from the defined benefit obligation. Differences arising from changes in the actuarial assumptions and estimates are recognized in the income statement as actuarial gains or losses to the extent of the higher of the following two amounts as of the end of the previous financial period:

- 10% of the present value of the defined benefit obligation (before deducting plan assets); and
- 10% of the fair value of the plan assets.

Actuarial gains and losses that exceed the 10 percent criteria above are amortized to profit or loss over the expected average remaining working lives of the participating employees.

Past service cost is recognized immediately to the extent that the benefits have already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested. Annual cost of employee benefits plans is reported as part of general and administrative expenses (employee costs).

Defined contribution plans are pension schemes whereby the group pays defined contributions to an independent entity. The group shall not be under legal or constructive obligation to pay more contributions if this entity doesn't maintain adequate assets to pay-off the employees' benefits in return for their service in the current and previous periods.

According to the defined contribution plans, contributions are paid to private sector pension scheme under mandatory or voluntary contractual arrangement. The group shall be under no additional obligation other than the contribution payments. Contributions to defined contribution retirement benefit plans are recognized as employee benefits cost when employees have rendered service entitling them to the contributions. Prepaid contributions shall be recognized as assets to the extent that these contribution payments will reduce future payments or result in cash refunds.

2.22 Income taxes
Income tax expense on the period's profit or loss represents the sum of the tax currently payable and deferred tax and is recognized in the income statement, except when they relate to items that are recognized directly in equity, in which case the tax is also recognized in equity.

The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period, in addition to income tax differences related to prior years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. However, when it is expected that the tax benefit will increase, the carrying amount of deferred tax assets shall increase to the extent of previous reduction.

2.23 Borrowings
Loans obtained by the bank are initially recognized at fair value net of transaction costs incurred in connection with obtaining the loan. Borrowings are subsequently measured at amortized cost, with the difference between net proceeds and the value to be paid over the borrowing period, recognized in the profit or loss using the effective interest rate method.

2.24 Capital
2.24.1 Capital issuance cost
Issued and paid up-capital (i.e. bank's own equity instruments) is initially measured at the cash proceeds received, less transaction costs directly attributable to the issuance of new shares, issuance of shares to effect business combination, or issue of share options. Transaction costs, net of tax benefits, are reported as a deduction from equity.

2.24.2 Dividends
Dividends on equity instruments issued by the group entities are recognized when the general assembly of the group's shareholders approves them. Dividends include the non-controlling interests' share in the subsidiaries' dividends, and employees' profit share and board of directors' remuneration as prescribed by the articles of incorporation of the bank and Group entities as well as the corporate law.

2.25 Fiduciary activities
The Bank carries out fiduciary activities that result in ownerships or management of assets on behalf of individuals, trusts, and retirement benefit plans and other institutions. These assets and income arising thereon are not recognized in the group's consolidated financial statements, as they are not assets or income of the Bank or the Group.

2.26 Comparative figures
Comparative figures are reclassified, where necessary, to conform to changes in the current period's financial statements presentation.

3. Management of financial risks
The Group is exposed to various financial risks, mainly as a result of activities conducted by the Bank and some subsidiaries. Since financial activities are based on the concept of accepting risks and analyzing and managing individual risks or group of risks altogether, the group aims at achieving a well-balanced risks and relevant rewards, as appropriate and to reduce the probable adverse effects on the group's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency risk, interest rate risk and other pricing risks.

For example, the Bank has laid down risk management policies to determine and analyze the risks, set limits to the risks and control them through reliable methods and up–to–date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to–date applications.

Risks are managed in accordance with pre-approved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the Bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

Risk management strategy
The bank operates in business lines, which generate a range of risks whose frequency, severity and volatility can be of different and significant magnitudes. A greater ability to calibrate its risk appetite and risk parameters, the development of risk management core competencies, as well as the implementation of a high-performance and efficient risk management structure are therefore critical undertakings for the bank.

Thus, the primary objectives of the bank's risk management framework are:

- To contribute to the development of the Bank in various business lines to reach an ideal level of general risk.
- To guarantee the Bank's sustainability as a going concern, through the implementation of a high-quality risk management infrastructure.

In defining the Bank's overall risk appetite, the bank management takes various considerations and variables into account, including:

- The relative balance between risk and reward of the bank's various activities.
- Earnings sensitivity to business, credit and economic cycles.
- The aim of achieving a well-balanced portfolio of earnings streams.

Risk management governance and risk principles
Bank's risk management governance is based on:

i) Strong managerial involvement, throughout the entire organization, starting from the Board of Directors down to operational field management teams;

ii) A tight framework of internal procedures and guidelines; and

iii) Continuous supervision by business lines and support functions as well as by an independent body to monitor risks and to enforce rules and procedures.

Within the Board, the Risk and Audit Committees are more specifically responsible for examining the consistency of the internal framework for monitoring risks and compliance.

Risk categories
The following are part of the risks associated with the bank's Banking activities:

a- Credit risk:
(Including country risk): represents risk of losses arising from the inability of the Bank's customers, sovereign issuers or other counterparties to meet their financial commitments.

Credit risk also includes the replacement risk linked to market transactions. In addition, credit risk may be further increased by a concentration risk, which arises either from large individual exposures or from groups of counterparties with a high default probability.

b- Market risk:
Represents risk of loss resulting from changes in market prices and interest rates.

c- Operational risk:
(Including legal, compliance, accounting, environmental, reputational risks, etc.): represents risk of loss or fraud or of producing inaccurate financial and accounting data due to inadequacies or failures in procedures and internal systems, human error or external events. Additionally, operational risks may also take the form of compliance risk, which is the risk of the bank incurring either legal, administrative or disciplinary sanctions or financial losses due to failure to comply with relevant rules and regulations.

d- Structural interest and exchange rate risk:
Represents risk of loss or of residual depreciation in the bank's balance sheet and off-balance sheet assets arising from changes in interest or exchange rates. Structural interest and exchange rate risk arises from banking commercial activities and on Corporate Center transactions (operations on equities, investments and bond issues).

e- Liquidity risk:
Represents the risk that the bank might not be able to meet its obligations as they become due.

The Bank dedicates significant resources to constantly adapting its risk management to its activities and ensures that its risk management framework operates in full compliance with the following fundamental principles of:

- Full independence of risk assessment departments from the operating divisions; and
- Consistent approach to risk assessment and monitoring applied throughout the Bank.

The Risk Division is independent from the bank's operating entities and reports directly to general management. Its role is to contribute to the development and profitability of the bank by ensuring that the risk management framework in place is both robust and effective. It employs various teams specializing in the operational management of credit and market risk.

More specifically, the Risk Division:
- Defines and approves the methods used to analyze, assess, approve and monitor credit risks, countries risks, market risks and operational risks; conducts a critical review of commercial strategies in high risk areas and continually seeks to improve such risk forecasting and management;
- Contributes to independent assessment by analyzing transactions implying a credit risk and by providing guidance on transactions proposed by sales managers.

Identifying a frame for all Banks' operational risks.

The Assets and Liabilities Unit under the Finance Division, for its part, is entrusted with assessing and managing other major types of risks, namely liquidity and structural risks (resulting from interest rate, exchange rate and liquidity) as well as the bank's long term financing, management of capital requirements and equity structure.

The Internal Legal Counsel deals with compliance and legal risks.

Responsibility for devising the relevant risk management structure and defining risk management operating principles lies mainly with both the Risk Division and, in particular fields, the assets and liabilities management under Finance Division.

The Bank's Risk Committee is in charge of reviewing all the bank's key risk management issues and meets at least on quarterly basis. Risk Committee's monthly meetings involve members of the Executive Committee, the heads of the business lines and the Risk Division managers and are used to review all the core strategic issues: risk-taking policies, assessment methods, material and human resources, analysis of credit portfolios and of the cost of risk, market and credit concentration limits (by product, country, sector, region, etc.)

On the other hand, the Assets and Liabilities management committee (ALCO) is competent for matters relating to funding and liquidity policymaking and planning.

All new products and activities or products under development must be submitted to the New Product Committee.

This New Product Committee aims at ensuring that, prior to the launch of a new activity or product, all associated risks are fully understood, measured, approved and subject to adequate procedures and controls, using the available information and processing systems.

Operational risks, permanent control and audit (periodic) control process are supervised by the Audit and Accounts Committee that meets on a quarterly basis.

Finally, the Bank's risk management principles, procedures and infrastructures and their implementation are monitored by the Internal Audit team and the External Auditors.

(A) CREDIT RISKS

The Bank is exposed to the credit risk which is the risk resulting from failure of the client to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risk for the bank, therefore requiring careful management. The credit risk manifests itself in the lending activities and debt instruments in bank's assets as well as off balance sheet financial instruments, such as letters of credit and letters of guarantee.

(A/1) Credit risk management: organization and structure

Maintaining comprehensive and efficient management and monitoring of credit risk – which constitutes the bank's primary source of risk – is vital to preserving bank financial strength and profitability. As a result, the bank implements a tight credit risk control framework, whose cornerstone is the Credit Risk Policy and Authorities defined jointly by the Risk Division and the Business Lines, and is subject to periodic review and approval by the Board of Directors.

Within the Risk Division, persons are responsible for:

- Setting credit limits by customer, customer group or transaction type;
- Approving credit score or internal customer rating criteria;
- Monitoring and surveillance of large exposures and various credit portfolios;
- Reviewing specific and general provisioning policies.

In addition, comprehensive portfolio analysis is performed in order to provide guidance to the General Management on the bank's overall credit risk exposure as well as reporting to Risk Committee.

The Risk Division also helps define criteria for measuring risk and defining appropriate provisioning practices.

Risk approval

Embedded in bank's credit policy is the concept that approval of any credit risk undertaking must be based on sound knowledge of the client and a thorough understanding of the client's business, the purpose, nature and structure of the transaction and the sources of repayment, while bearing in mind the bank's risk strategy and risk appetite.

The risk approval process is based on four core principles:

- All transactions involving replacement risk must be pre-authorized ,replacement risk is bearing a loss when a bank is forced to replace a contract in case of breaching the original party's contract (debtor risk, non-settlement or non-delivery risk and issuer risk).
- Staff assessing credit risk is fully independent from the decision-making process.
- Subject to relevant credit delegations, responsibility for analyzing and approving risk lies with the most appropriate business line or credit risk unit, which reviews all authorization requests relating to a specific client or client group, to ensure a consistent approach to risk management.
- All credit decisions systematically include internal obligor risk ratings, as proposed by business lines and vetted by the Risk Division and approved by concerned Credit Committee.

Risk management and audit

Changes in the quality of outstanding commitments are reviewed on a periodic basis and at least once a quarter, as part of the "sensitive names" and provisioning procedures. This review is based on analyses performed by the business divisions and the risk function. Furthermore, the Internal Audit also carries out file reviews or risk audits in the bank's branch groups and reports its findings to the General Management.

Replacement risk

Replacement risk provides the measurement of the replacement cost of a transaction in the event of default by the original counterparty and the necessity to close the ensuing position with counterparty; hence, the replacement cost is the result of the market price between the date on which the original transaction is entered into and the default date. Transactions giving rise to replacement risk include interest rate swaps and forward FX deals.

Replacement risk management

The Bank places great emphasis on carefully monitoring its replacement risk exposure in order to minimize its losses in case of default of its counterparties and counterparty limits are, therefore, assigned to all trading counterparties, irrespective of their status (bank, other financial institution, corporate and public institutions).

(A/2) Risk measurement and internal ratings
Bank rating system is based on three key pillars:

- The internal ratings models used to measure and quantify counterparty risk.
- A set of procedures defining guidelines for devising and using ratings (scope, frequency of rating revision, procedure for approving ratings, etc.)
- Reliance on human judgment to improve modeling results to include elements outside the scope of rating model.

Credit risk rating is supported by a set of procedures ensuring reliable, consistent and timely default and loss data detection.

Rating models are reviewed and developed when necessary. The Bank regularly evaluates performance of credit rating models and their capacity to predict default cases.

The calculations used to measure and monitor replacement risk include:

- Current Average Risk (CAR) is a calculation of the Average risk of all the future scenarios, excluding the negative scenarios, i.e., when the replacement makes a gain.
- Credit value at risk (VAR) is a calculation of the largest loss that would be incurred in 99% of cases.

Following are some risk mitigations methods:
Collaterals
The Bank designs several policies and controls for credit risk mitigation such as collaterals for funds provided. The bank lays down guidelines for specific categories of the accepted collaterals.

The main types of collaterals for Loans and credit facilities are:

- Real estate mortgage;
- Pledge on business assets like machinery and merchandise;
- Pledge in financial instruments like debt instruments and equity.

The long term financing and lending for companies are often collaterized while credit facilities for persons are not collaterized. The bank attempts to mitigate the credit risk through additional collaterals from the concerned parties immediately on arising of impairment indicators for any of the loans or facilities.

Collaterals taken to secure assets other than Loans and credit facilities are identified according to the nature of the instrument.

Debit instruments and treasury bills are often not collaterized.

Derivatives
The Bank exercise prudential strict control procedures on net open positions of derivatives. i.e. The difference between sale and purchase agreements at the level of value and duration. The amount exposed to credit risk at any time is determined at fair value of the instrument that may achieve benefit to the bank. i.e. any assets with high positive fair value which represents insignificant part of contractual imputed value used to reflect the volume of existing instruments. This credit risk is managed as part of overall lending limit granted to the customer together with the potential risk as a result of market changes.

The Bank doesn’t obtain collaterals for credit risk related to such instruments except for the amounts requested by the bank as marginal deposits from other parties.

(All amounts are shown in Egyptian Pounds)

(A/3) Provisioning policy (Measurement of expected credit losses)
The Group's policies require the identification of three stages of classifying financial assets measured at amortized cost, loan commitments and financial guarantees as well as debt instruments at fair value through other comprehensive income in accordance with changes in credit quality since initial recognition and thereafter measuring the impairment losses (expected credit losses) as follows:

The un-impaired financial asset is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.

In the case of a significant increase in credit risk since the initial recognition, the financial asset is transferred to the second stage and the financial asset is not considered at this stage (the expected credit loss over the life of the asset without impairment).

In case of indications of impairment of the financial asset, it is transferred to the third stage. The Group relies on the following indicators to determine whether there is objective evidence of impairment:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and financial or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

The following table illustrates the proportional distribution of loans and credit facilities reported in the financial position for each of the four internal ratings of the Bank and their relevant impairment losses:

	December 31, 2020		December 31, 2019	
	Loans and credit facilities	**Allowance for impairment loss**	**Loans and credit facilities**	**Allowance for impairment loss**
Good debts	87.20%	11.18%	90.12%	15.79%
Normal watch-list	6.78%	15.65%	5.35%	11.47%
Special watch-list	3.02%	27.47%	1.74%	25.58%
Non performing loans	3.00%	45.70%	2.79%	47.16%
	100%	**100%**	**100%**	**100%**

(A/4) General Model for Measurements of Banking Risks:

In addition to the four categories of the bank's internal credit ratings indicated above, management classifies Loans and credit facilities based on more detailed subgroups in accordance with the CBE requirements. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record.

The Group calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the allowance required for impairment losses as per CBE credit worthiness rules exceeds the provisions as required by the expected credit loss, that excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so that the reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution; note (37) shows the movement (if any) on the general banking risk reserve during the financial year.

Below is a statement of credit rating for corporations as per the Bank's internal ratings compared with those of CBE's; it also includes the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	**Description**	**Required Provision According to % ORR**	**Internal Rating**	**Internal Description**
1	Low risk	0%	1	Good debts
2	Moderate risks	1%	1	Good debts
3	Satisfactory risks	1%	1	Good debts
4	Appropriate risks	2%	1	Good debts
5	Acceptable risks	2%	1	Good debts
6	Marginally acceptable risks	3%	2	Normal watch-list
7	Watch-list	5%	3	Special watch-list
8	Substandard debts	20%	4	Non-performing loans
9	Doubtful debts	50%	4	Non-performing loans
10	Bad debts	100%	4	Non-performing loans

(All amounts are shown in Egyptian Pounds)

(A/5) Maximum limit for credit risk before collaterals

Financial position items exposed to credit risks	December 31, 2020	December 31, 2019
Treasury bills	42,003,990,606	46,194,518,180
Loans and credit facilities to customers		
Retail loans		
Overdrafts	3,444,193,377	3,433,826,947
Credit cards	1,056,199,108	975,503,290
Personal loans	25,174,858,319	19,979,405,278
Real estate loans	2,114,526,363	1,743,041,205
Corporate loans		
Overdrafts	63,420,178,536	62,308,459,497
Direct loans	45,557,308,731	41,200,398,353
Syndicated loans and facilities	19,064,953,752	19,111,959,605
Other loans	3,901,049,525	4,912,058,973
Segregated interest , unearned discount and deferred income	(97,465,963)	(137,461,129)
Financial derivatives	106,092,208	83,458,859
Financial investments		
Debt instrument	49,464,378,060	42,573,465,078
Other Financial assets	2,971,309,301	2,519,168,442
Total	**258,181,571,923**	**244,897,802,578**

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

	December 31, 2020			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	845,339,887	117,484,768	-	**962,824,655**
Normal watch-list	3,737,172,764	2,378,845,974	-	**6,116,018,738**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	4,582,512,651	**2,496,330,742**	**-**	**7,078,843,393**
Allowance for impairment losses	(10,607,678)	-	-	**(10,607,678)**
Carrying amount	**4,571,904,973**	**2,496,330,742**	**-**	**7,068,235,715**

	December 31, 2019			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	978,370,746	146,348,168	-	**1,124,718,914**
Normal watch-list	5,078,070,791	2,270,586,815	-	**7,348,657,606**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	6,056,441,537	**2,416,934,983**	**-**	**8,473,376,520**
Allowance for impairment losses	(9,125,361)	-	-	**(9,125,361)**
Carrying amount	**6,047,316,176**	**2,416,934,983**	**-**	**8,464,251,159**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	42,021,929,253	-	-	**42,021,929,253**
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	42,021,929,253	-	-	**42,021,929,253**
Allowance for impairment losses	(17,938,647)	-	-	**(17,938,647)**
Carrying amount	**42,003,990,606**	-	-	**42,003,990,606**

	December 31, 2019			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	46,208,956,979	-	-	**46,208,956,979**
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	46,208,956,979	-	-	**46,208,956,979**
Allowance for impairment losses	(14,438,799)	-	-	**(14,438,799)**
Carrying amount	**46,194,518,180**	-	-	**46,194,518,180**

	December 31, 2020			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	29,940,799,324	-	-	**29,940,799,324**
Normal watch-list	1,722,005,621	-	-	**1,722,005,621**
Special watch-list	-	385,422,772	-	**385,422,772**
Non performing loan	-	-	406,037,696	**406,037,696**
	31,662,804,945	**385,422,772**	**406,037,696**	**32,454,265,413**
Allowance for impairment losses	(232,464,951)	(100,481,753)	(331,541,542)	**(664,488,246)**
Carrying amount	**31,430,339,994**	**284,941,019**	**74,496,154**	**31,789,777,167**

	December 31, 2019			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	24,484,169,185	-	-	**24,484,169,185**
Normal watch-list	1,385,271,936	-	-	**1,385,271,936**
Special watch-list	-	310,867,666	-	**310,867,666**
Non performing loan	-	-	383,915,910	**383,915,910**
	25,869,441,121	**310,867,666**	**383,915,910**	**26,564,224,697**
Allowance for impairment losses	(146,580,951)	(14,987,231)	(270,879,795)	**(432,447,977)**
Carrying amount	**25,722,860,170**	**295,880,435**	**113,036,115**	**26,131,776,720**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	119,535,186,264	1,314,690,606	-	**120,849,876,870**
Normal watch-list	2,713,549,919	7,291,240,943	-	**10,004,790,862**
Special watch-list	-	4,829,009,806	-	**4,829,009,806**
Non performing loan	-	-	4,780,630,470	**4,780,630,470**
	122,248,736,183	**13,434,941,355**	**4,780,630,470**	**140,464,308,008**
Allowance for impairment losses	(1,076,434,961)	(3,578,274,450)	(3,866,108,053)	**(8,520,817,464)**
Carrying amount	**121,172,301,222**	**9,856,666,905**	**914,522,417**	**131,943,490,544**

	December 31, 2019			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	119,502,379,237	1,090,294,044	-	**120,592,673,281**
Normal watch-list	2,193,802,876	5,025,702,629	-	**7,219,505,505**
Special watch-list	-	2,497,533,088	-	**2,497,533,088**
Non performing loan	-	-	4,110,272,208	**4,110,272,208**
	121,696,182,113	**8,613,529,761**	**4,110,272,208**	**134,419,984,082**
Allowance for impairment losses	(1,195,552,396)	(2,510,683,999)	(3,180,871,259)	**(6,887,107,654)**
Carrying amount	**120,500,629,717**	**6,102,845,762**	**929,400,949**	**127,532,876,428**

	December 31, 2020			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	1,454,586,525	-	-	**1,454,586,525**
Normal watch-list	-	400,000,000	-	**400,000,000**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	1,454,586,525	**400,000,000**	**-**	**1,854,586,525**
Allowance for impairment losses	(116,187)	-	-	**(116,187)**
Carrying amount - fair value	**1,454,586,525**	**400,000,000**	**-**	**1,854,586,525**

	December 31, 2019			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	1,635,837,477	-	-	**1,635,837,477**
Normal watch-list	-	-	-	**-**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	1,635,837,477	**-**	**-**	**1,635,837,477**
Allowance for impairment losses	(86,639)	-	-	**(86,639)**
Carrying amount - fair value	**1,635,837,477**	**-**	**-**	**1,635,837,477**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Debt instruments at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	47,612,579,495	-	-	**47,612,579,495**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	47,612,579,495	**-**	**-**	**47,612,579,495**
Allowance for impairment losses	(2,787,960)	-	-	**(2,787,960)**
Carrying amount	**47,609,791,535**	**-**	**-**	**47,609,791,535**

	December 31, 2019			
Debt instruments at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	40,951,128,217	-	-	**40,951,128,217**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	40,951,128,217	**-**	**-**	**40,951,128,217**
Allowance for impairment losses	(13,500,616)	-	-	**(13,500,616)**
Carrying amount	**40,937,627,601**	**-**	**-**	**40,937,627,601**

(All amounts are shown in Egyptian Pounds)

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

	December 31, 2020			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	9,125,361	-	-	**9,125,361**
New financial assets purchased or issued	10,607,678	-	-	**10,607,678**
Financial assets have been matured or derecognised	(9,125,361)	-	-	**(9,125,361)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**10,607,678**	**-**	**-**	**10,607,678**

	December 31, 2019			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	19,083,244	-	-	**19,083,244**
New financial assets purchased or issued	9,125,361	-	-	**9,125,361**
Financial assets have been matured or derecognised	(19,083,244)	-	-	**(19,083,244)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**9,125,361**	**-**	**-**	**9,125,361**

(All amounts are shown in Egyptian Pounds)

December 31, 2020				
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	14,438,799	-	-	**14,438,799**
New financial assets purchased or issued	17,938,647	-	-	**17,938,647**
Financial assets have been matured or derecognised	(14,438,799)	-	-	**(14,438,799)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**17,938,647**	**-**	**-**	**17,938,647**

December 31, 2019				
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	30,548,616	-	-	**30,548,616**
New financial assets purchased or issued	14,438,799	-	-	**14,438,799**
Financial assets have been matured or derecognised	(30,548,616)	-	-	**(30,548,616)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**14,438,799**	**-**	**-**	**14,438,799**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	**146,580,951**	**14,987,231**	**270,879,795**	**432,447,977**
Net impairment loss recognized during the year	85,884,000	76,079,777	71,123,633	**233,087,410**
Loans written-off during the year	-	-	(10,457,191)	**(10,457,191)**
Collections of loans previously written-off	-	9,414,745	-	**9,414,745**
Foreign exchange translation differences	-	-	(4,695)	**(4,695)**
Balance at the end of the year	**232,464,951**	**100,481,753**	**331,541,542**	**664,488,246**

	December 31, 2019			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	**52,573,588**	**2,303,028**	**426,697,861**	**481,574,477**
Net impairment loss recognized during the year	94,007,363	5,288,334	10,256,089	**109,551,786**
Loans written-off during the year	-	-	(166,045,747)	**(166,045,747)**
Collections of loans previously written-off	-	7,395,869	-	**7,395,869**
Foreign exchange translation differences	-	-	(28,408)	**(28,408)**
Balance at the end of the year	**146,580,951**	**14,987,231**	**270,879,795**	**432,447,977**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	1,195,552,396	2,510,683,999	3,180,871,259	**6,887,107,654**
New financial assets purchased or issued	435,922,378	1,399,701,242	275,638,712	**2,111,262,332**
Financial assets have been matured or derecognised	(529,499,760)	(1,099,407,181)	(197,378,651)	**(1,826,285,592)**
Transfer to stage 1	1,645,389	(1,645,389)	-	**-**
Transfer to stage 2	(867,216,184)	867,216,184	-	**-**
Transfer to stage 3	(108,964,469)	(174,273,545)	283,238,014	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	948,995,211	75,287,390	600,501,218	**1,624,783,819**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(66,421)	(284,716,591)	**(284,783,012)**
Collections of loans previously written-off	-	9,155,116	-	**9,155,116**
Foreign exchange translation differences	-	(8,376,945)	7,954,092	**(422,853)**
Balance at the end of the year	**1,076,434,961**	**3,578,274,450**	**3,866,108,053**	**8,520,817,464**

	December 31, 2019			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	1,318,563,344	2,562,361,700	2,595,532,931	**6,476,457,975**
New financial assets purchased or issued	154,201,368	1,007,169,569	-	**1,161,370,937**
Financial assets have been matured or derecognised	(323,698,647)	(1,168,030,814)	-	**(1,491,729,461)**
Transfer to stage 1	1,085,880	(1,085,880)	-	**-**
Transfer to stage 2	(34,339,561)	34,339,561	-	**-**
Transfer to stage 3	(1,103,912)	(83,368,566)	84,472,478	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	80,843,924	190,886,555	662,720,245	**934,450,724**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	(68,159,130)	**(68,159,130)**
Collections of loans previously written-off	-	18,059,660	-	**18,059,660**
Foreign exchange translation differences	-	(49,647,786)	(93,695,265)	**(143,343,051)**
Balance at the end of the year	**1,195,552,396**	**2,510,683,999**	**3,180,871,259**	**6,887,107,654**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	86,639	-	-	**86,639**
New financial assets purchased or issued	-	-	-	**-**
Financial assets have been matured or derecognised	(2,667)	-	-	**(2,667)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	32,215	-	-	**32,215**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**116,187**	**-**	**-**	**116,187**

	December 31, 2019			
Debt instruments at fair value through other comprehensive income	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	116,133	-	-	**116,133**
New financial assets purchased or issued	5,913	-	-	**5,913**
Financial assets have been matured or derecognised	(9,421)	-	-	**(9,421)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(25,986)	-	-	**(25,986)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**86,639**	**-**	**-**	**86,639**

(All amounts are shown in Egyptian Pounds)

	December 31, 2020			
Debt instruments at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2020	13,500,616	-	-	**13,500,616**
New financial assets purchased or issued	-	-	-	**-**
Financial assets have been matured or derecognised	-	-	-	**-**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(10,712,656)	-	-	**(10,712,656)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**2,787,960**	**-**	**-**	**2,787,960**

	December 31, 2019			
Debt instruments at amortized cost	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2019	4,619,649	-	-	**4,619,649**
New financial assets purchased or issued	13,500,616	-	-	**13,500,616**
Financial assets have been matured or derecognised	(4,619,649)	-	-	**(4,619,649)**
Transfer to stage 1	-	-	-	**-**
Transfer to stage 2	-	-	-	**-**
Transfer to stage 3	-	-	-	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	-	-	-	**-**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**13,500,616**	**-**	**-**	**13,500,616**

(All amounts are shown in Egyptian Pounds)

Off balance sheet items exposed to credit risks	December 31, 2020	December 31, 2019
Financial guarantees	317,500	357,500
L/Cs	2,183,629,602	3,678,811,436
Accepted papers	1,797,703,754	3,300,687,075
L/Gs	40,570,756,871	42,590,274,614
Other contingent liabilities	19,632,824	367,558,187
Total	**44,572,040,551**	**49,937,688,812**

Commitments for credit facilities have a carrying amount of EGP 31,497,891,864 at the end of current reporting year against EGP 36,638,991,924 in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of December 2020 and December, 2019 without taking into consideration collaterals held by the Group, if any. For financial position items, amounts stated depend on the net carrying amount shown in the financial position.

The preceding table related to financial position items exposed to credit risks shows that 63% of the maximum limit exposed to credit risk at the end of current reporting year is attributable to Loans and credit facilities to customers against 63% at the end of the prior year, investments in debt instruments constitute 19% against 17% at the end of the prior year and treasury bills constitute 16% against 19% at the end of the prior year.

The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from loan portfolio, facilities, and debt instruments based on the following facts:

- 94% of the loans and credit facilities portfolio at the end of the current reporting year comprises loans and credit facilities classified at the top 2 categories of the internal rating against 95% at the end of the prior year.
- 96% of the loans and credit facilities portfolio at the end of the current reporting year not impaired against 96% at the end of the prior year.
- Loans and credit facilities that are individually assessed for impairment (stage 3) at the end of the current reporting year have a carrying amount of EGP 5,186,668,166 Impairment on these loans and credit facilities represents 81% of their carrying amount. Loans and credit facilities, that are individually assessed for impairment at the end of the prior year had a carrying amount of EGP4,494,188,118 and their impairment represents 77% of such carrying amount.
- The Bank applied more prudential selection process on granting loans and credit facilities during the current reporting year ended December 31, 2020.
- 98% of investments in debt instruments and treasury bills at the end of the current reporting year comprise local sovereign debt instruments against 98% at the end of the prior year.

(All amounts are shown in Egyptian Pounds)

(A/6) Loans and credit facilities
Balances of loans and credit facilities in terms of credit risk rating are analyzed below:

	December 31, 2020		December 31, 2019	
	Loans and credit facilities to customers	Loans and credit facilities to banks	Loans and credit facilities to customers	Loans and credit facilities to banks
Neither have arrears nor impaired	165,212,583,679	-	153,836,995,672	-
Have arrears but not impaired	2,519,321,576	-	2,653,024,989	-
Impaired	5,186,668,166	-	4,494,188,118	-
Total	**172,918,573,421**	**-**	**160,984,208,779**	**-**
Less: Allowance for impairment losses	(9,185,305,710)	-	(7,319,555,631)	-
Less: Segregated interest	(330,084)	-	(5,850,387)	-
Less: Unearned discount & deferred income	(97,135,879)	-	(131,610,742)	-
Net	**163,635,801,748**	**-**	**153,527,192,019**	**-**

Total credit allowance for loans and credit facilities at the end of the current reporting year amounted to EGP 9,185,305,710 (EGP 7,319,555,631 at the end of the prior year) of which EGP 4,197,649,595 represent impairment in stage three (EGP 3,451,751,054 at the end of the prior year) and EGP 4,987,656,115 represent impairment for stage one and stage two in the credit portfolio (EGP 3,867,804,577 at the end of the prior year).

Note (20-A) includes additional information on the allowance for impairment losses for Loans and credit facilities to customers during the current reporting year.

During the current accounting year, the loans and credit facilities portfolio increase by 7% due to the increase on lending activity.

Loans and credit facilities which do not have arrears and are not subject to impairment
The credit quality of Loans and credit facilities that not subject to impairment is assessed by reference to the bank's internal rating.

Loans and credit facilities to customers

December 31, 2020

Retail

Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,446,431,018	902,049,238	23,635,785,228	1,956,533,840	**29,940,799,324**
Normal watch-list	42,845	-	-	-	**42,845**
Special watch-list	164,133	-	-	-	**164,133**
Total	**3,446,637,996**	**902,049,238**	**23,635,785,228**	**1,956,533,840**	**29,941,006,302**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	59,683,395,528	39,015,148,615	18,420,181,364	3,510,377,634	**120,629,103,141**
Normal watch-list	3,674,727,366	5,538,043,512	694,867,162	76,710,148	**9,984,348,188**
Special watch-list	1,331,847,052	2,748,760,845	573,794,907	3,723,244	**4,658,126,048**
Total	**64,689,969,946**	**47,301,952,972**	**19,688,843,433**	**3,590,811,026**	**135,271,577,377**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

December 31, 2019

Retail

Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,450,187,264	846,011,295	18,597,924,787	1,590,045,837	**24,484,169,183**
Normal watch-list	388,176	-	-	-	**388,176**
Special watch-list	123,322	-	-	-	**123,322**
Total	**3,450,698,762**	**846,011,295**	**18,597,924,787**	1,590,045,837	**24,484,680,681**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	60,290,571,684	36,869,956,346	18,732,595,710	4,301,670,618	**120,194,794,358**
Normal watch-list	3,093,093,351	3,666,076,797	408,316,057	36,895,450	**7,204,381,655**
Special watch-list	166,366,570	1,786,772,408	-	-	**1,953,138,978**
Total	**63,550,031,605**	**42,322,805,551**	**19,140,911,767**	**4,338,566,068**	**129,352,314,991**

Guaranteed loans are not considered subject to impairment for the non-performing category after taking into consideration the collectability of the guarantees.

(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which have arrears but are not subject to impairment

These are loans and credit facilities with past-due installments but are not subject to impairment, unless information has otherwise indicated. Loans and credit facilities to customers which have arrears but are not subject to impairment are analyzed below.

December 31, 2020

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	123,084,194	1,354,893,464	134,231,339	**1,612,208,997**
More than 30 – 60 days	-	28,602,521	218,452,027	29,919,116	**276,973,664**
More than 60 – 90 days	-	21,227,865	172,338,722	24,472,168	**218,038,755**
Total	**-**	**172,914,580**	**1,745,684,213**	**188,622,623**	**2,107,221,416**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	95,587,735	-	42,760,839	**138,348,574**
More than 30 – 60 days	-	24,742,361	-	19,151,152	**43,893,513**
More than 60 – 90 days	-	12,957,380	-	1,455,369	**14,412,749**
More than 90 days	-	-	-	215,445,324	**215,445,324**
Total	**-**	**133,287,476**	**-**	**278,812,684**	**412,100,160**

December 31, 2019

Retail

	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	94,226,249	1,158,825,914	131,831,597	**1,384,883,760**
More than 30 – 60 days	-	25,373,887	154,895,434	14,578,370	**194,847,691**
More than 60 – 90 days	-	8,945,942	96,720,986	10,229,727	**115,896,655**
Total	**-**	**128,546,078**	**1,410,442,334**	**156,639,694**	**1,695,628,106**

Corporate

	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	121,337,753	-	13,037,884	**134,375,637**
More than 30 – 60 days	-	39,038,295	-	11,963,964	**51,002,259**
More than 60 – 90 days	-	7,922,114	-	29,862,315	**37,784,429**
More than 90 days	-	-	537,968,917	196,265,641	**734,234,558**
Total	**-**	**168,298,162**	**537,968,917**	**251,129,804**	**957,396,883**

Past due loans and credit facilities are those amounts, or any part thereof, which have fallen due but for which no payment has been received in accordance with the contractual terms. These include arrears for periods more than one day.

Amounts shown in the note represent the whole balance of the loan or facility and not only the past due amounts. These do not include the remaining loans and credit facilities of the same customer so long default has not fully or partially occurred on those loans.

On initial recognition of Loans and credit facilities, the fair value of collaterals, if any, is assessed based on valuation methods used for similar assets but are not recognized in the financial statements since these do not represent assets of the bank at that date. In subsequent periods, the fair value is updated to reflect the market price or prices for similar assets.

(All amounts are shown in Egyptian Pounds)

Loans and credit facilities which are individually impaired

Loans and credit facilities to customers

At the end of the current reporting year, the carrying amount of loans and credit facilities, that are assessed to be individually impaired (Stage 3) excluding any cash flows expected to arise from the associated guarantees, amounted to EGP 5,186,668,166 against EGP 4,494,188,118 at the end of the prior year.

The following table provides a breakdown of the balance of such loans and credit facilities which are individually impaired including the fair value of the collaterals shall prevail when calculating the provisions.

December 31, 2020

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	52,499,267	40,819,367	297,870,882	14,848,179	**406,037,695**
Fair value of collaterals	-	6,686,662	46,503,363	960,226	**54,150,251**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	569,445,574	3,784,612,953	509,835	426,062,109	**4,780,630,471**
Fair value of collaterals	-	-	-	-	**-**

December 31, 2019

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	49,384,349	20,037,400	291,449,626	23,044,535	**383,915,910**
Fair value of collaterals	-	6,985,795	86,093,496	9,801,766	**102,881,057**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	378,456,031	3,290,262,295	519,862	441,034,020	**4,110,272,208**
Fair value of collaterals	-	-	-	-	**-**

Restructured loans and facilities:

The Bank applies different types of restructuring policies to its loans and credit facilities, which include extending payment terms, executing forced management programmes and applying prepayment and extension provisions to the loan. The applied restructuring policies depend on factors or criteria that indicate, in management judgment that the counterparty's continuous payment of the loan is unlikely to occur in the absence of such restructuring policies that are subject to ongoing review. Within the bank renegotiated outstanding loans relate to long-term loans made to any type of clientele (retail and corporate loans clients).

Total renegotiated loans amounted to EGP 1,821,876,913 at the end of the current reporting year against EGP 735,628,769 at the end of the prior year. These balances do not include any amounts whose commercial terms were renegotiated to preserve the quality of the bank's relationship with its clients, including those terms pertaining to loans interest rates and/or loans repayment periods .

The Bank practice calls for most clients whose loans have been renegotiated to be maintained in the "non-performing" category, as long as the bank remains uncertain of their ability to meet their future commitments in accordance with the definition of default under Basel II.

Loans and credit facilities to customers

Corporate loans	December 31, 2020	December 31, 2019
Overdrafts	53,456,549	14,813,140
Direct loans	1,768,420,364	720,815,629
Total	**1,821,876,913**	**735,628,769**

(A/7) Debt instruments, treasury bills, and other governmental notes

The following table shows a breakdown of debt instruments, treasury bills, and other governmental notes (excluding allowances for impairment) per last rating for Standard and Poor's and its equivalent:

	Rating	December 31, 2020	December 31, 2019
Egyptian Treasury Bills	B	42,021,929,253	46,208,956,979
Fair value through other comprehensive income			
Other debt instruments	unrated	400,000,000	-
US Treasury Bonds	AA+	1,454,586,525	1,635,837,477
Amortized cost			
Egyptian Treasury Bonds	B	47,612,579,495	40,951,128,217
Total		**91,489,095,273**	**88,795,922,673**

(All amounts are shown in Egyptian Pounds)

(A/8) Acquisition of collaterals
During the prior reporting year, the Bank acquire foreclosed asset as acquisition of guarantees as following:

Nature of the asset	Book Value
Building	7,300,000

Assets acquired were classified under other Assets in the financial position. Such Assets shall be sold, if practical.

(A/8) Concentration of risks of financial assets exposed to credit risks (Geographical segments)
The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets including loans and credit facilities is segmented into the geographical regions of the bank's clients except for investments in foreign treasury bonds which are reported in the "other countries" category.

	Arab Republic of Egypt						
	Great Cairo	Alex	Delta	Red Sea & Upper Egypt	Total	Other Countries	Total
Treasury bills	42,021,929,253	-	-	-	**42,021,929,253**	-	**42,021,929,253**
Loans and credit facilities to customers							
Retail loans							
Overdrafts	2,201,833,700	1,091,106,998	117,694,319	88,502,246	**3,499,137,263**	-	**3,499,137,263**
Credit cards	826,528,798	133,062,623	107,531,069	48,660,695	**1,115,783,185**	-	**1,115,783,185**
Personal loans	17,951,708,102	2,756,975,372	3,869,898,789	1,100,758,060	**25,679,340,323**	-	**25,679,340,323**
Real estate loans	1,653,518,330	127,272,939	168,896,048	210,317,325	**2,160,004,642**	-	**2,160,004,642**
Corporate loans							
Overdrafts	48,125,954,254	8,724,308,102	5,406,874,039	3,002,279,125	**65,259,415,520**	-	**65,259,415,520**
Direct loans	34,326,114,431	7,261,140,807	7,372,766,761	2,259,831,402	**51,219,853,401**	-	**51,219,853,401**
Syndicated loans and facilities	17,619,667,308	302,420,783	1,589,181,289	178,083,888	**19,689,353,268**	-	**19,689,353,268**
Other loans	4,290,378,009	5,307,810	-	-	**4,295,685,819**	-	**4,295,685,819**
Financial derivatives	-	-	-	-	**-**	106,092,208	**106,092,208**
Financial Investments							
Debt instruments	48,012,579,495	-	-	-	**48,012,579,495**	1,454,586,525	**49,467,166,020**
Other financial assets	2,770,365,073	81,202,523	73,726,567	23,180,482	**2,948,474,645**	26,737,080	**2,975,211,725**
Total at the end of the current Year	**219,800,576,753**	**20,482,797,957**	**18,706,568,881**	**6,911,613,223**	**265,901,556,814**	**1,587,415,813**	**267,488,972,627**
Total at the end of the comparative year	**209,831,141,991**	**18,218,219,447**	**16,676,697,552**	**5,914,408,466**	**250,640,467,456**	**1,746,439,982**	**252,386,907,438**

(All amounts are shown in Egyptian Pounds)

(Business segments)
The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (excluding allowances for impairment). The gross amount of all financial assets is segmented into business sectors in which the bank's clients operate.

	Agricultural entities	"Industrial entities"	"Trading institutions"	"Service institutions"	"Governmental sector"	Foreign governmental	"Other activities"	Individuals	Total
Treasury bills	-	-	-	-	42,021,929,253	-	-	-	**42,021,929,253**
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	3,499,137,263	**3,499,137,263**
Credit cards	-	-	-	-	-	-	-	1,115,783,185	**1,115,783,185**
Personal loans	-	-	-	-	-	-	-	25,679,340,323	**25,679,340,323**
Real estate loans	-	-	-	-	-	-	-	2,160,004,642	**2,160,004,642**
Corporate loans									
Overdrafts	964,424,958	29,472,924,980	12,720,062,710	22,102,002,872	-	-	-	-	**65,259,415,520**
Direct loans	909,348,790	29,978,328,282	8,552,073,526	11,780,102,803	-	-	-	-	**51,219,853,401**
Syndicated loans and facilities	38,435,752	17,489,624,053	318,039,212	1,843,254,251	-	-	-	-	**19,689,353,268**
Other loans	-	2,358,822,843	799,833,320	402,505,862	-	-	734,523,794	-	**4,295,685,819**
Financial derivatives	-	-	-	-	-	-	106,092,208	-	**106,092,208**
Financial Investments									
Debt instruments	-	-	-	400,000,000	47,612,579,495	1,454,586,525	-	-	**49,467,166,020**
Other financial assets	7,140,100	294,616,334	80,668,245	189,173,891	2,259,552,054	22,878,403	-	121,182,698	**2,975,211,725**
Total at the end of the current Year	**1,919,349,600**	**79,594,316,492**	**22,470,677,013**	**36,717,039,679**	**91,894,060,802**	**1,477,464,928**	**840,616,002**	**32,575,448,111**	**267,488,972,627**
Total at the end of the comparative year	**1,934,419,135**	**75,075,199,644**	**20,978,343,395**	**35,314,134,791**	**88,962,167,126**	**1,661,609,086**	**1,771,011,814**	**26,690,022,447**	**252,386,907,438**

(All amounts are shown in Egyptian Pounds)

(B) Market Risk

Market risk is the risk of losses resulting from unfavorable changes in market parameters. It contains all trading book transactions as well as some banking book portfolios valued using the mark-to-market approach. The bank's policy on market risk transactions is "Prudent" in that:

- Products subject to "market risk" which are offered by the Bank to its customers are restricted to cash and simple financial derivatives such as interest rate swaps and foreign exchange swap and forward contracts.
- The only trading activity conducted by the Bank is over-night foreign exchange position, within a prudent limit that cannot be exceeded.
- Open positions must be centrally managed and matched.

The front-office managers assume primary responsibility in terms of risk exposure; however, global management lies with an independent structure being the Market Risk Controller (MRC), within Risk Division. The main function of MRC is the ongoing analysis, independently from the trading rooms, of the positions and risks linked to the market activities of the bank and the comparison of these positions to the allowed limits. The MRC carries out the following functions:

- Daily and periodic analysis and reporting (independently from the front office) of the exposures, stress tests and risks incurred by the Bank's market activities and comparison of said exposure and risks with the pre-set limits.
- Definition of the risk-measurement methods and control procedures, approval of the valuation methods used to calculate and monitor risks, including those made on a gross or nominal basis.
- Management of the approval process for limits.
- Reviewing new products or services from market risk aspect under New Product Committee to ensure that market risks are properly identified and controlled.

At the proposal of this MRC and Head of Risk Division, the Board sets the levels of authorized risk by type of market activity and makes the main decisions concerning Bank's market risk management.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits

As a part of managing market risk, the Bank has several hedging strategies and enters into interest rate swaps to balance the risks inherent in debt instruments and fixed rate long term loans, if the fair value option is applied. The Bank uses a lot of methods to control market risk such as stress testing "ST".

Stress testing gives indicator of the loss volume expected that may arise from sharp adverse circumstances. Stress testing is designed to match business using standard analysis for specific scenarios. The Bank sets set a maximum limit of expected losses of 10% from authorized limit according to internal bank rules.

(B/2) Stress test for foreign exchange risk

The following table provides FX position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Short/Long FX positions	FX short positions	FX long positions	Expected loss at 10%
USD	123,063,426	-	123,063,426	12,306,343
EUR	6,225,350	-	6,225,350	622,535
GBP	364,317	-	364,317	36,432
JPY	21,567	-	21,567	2,157
CHF	51,348	-	51,348	5,135
DKK	79,427	-	79,427	7,943
NOK	(1,100)	(1,100)	-	(110)
SEK	32,897	-	32,897	3,290
CAD	73,534	-	73,534	7,353
AUD	9,033	-	9,033	903
AED	(225,789)	(225,789)	-	(22,579)
BHD	11,171	-	11,171	1,117
KWD	112,129	-	112,129	11,213
OMR	57,357	-	57,357	5,736
QAR	144,194	-	144,194	14,419
SAR	(103,490)	(103,490)	-	(10,349)
CNY	16,818	-	16,818	1,682
EGP	(129,932,189)	(129,932,189)	-	-
Maximum expected loss at December 31, 2020				**12,993,220**
Maximum expected loss at December 31, 2019				**14,911,921**

(B/3) Foreign exchange rate volatility risk (concentration of FX risk on financial instruments)

The Bank is exposed to foreign exchange rate volatility risk in terms of the financial position and cash flows. The board of directors set limits for foreign exchange risk at the total value of positions at the end of the day and during the day when timely control is exercised. The following table summarizes the bank's exposure to the risks of fluctuations in foreign exchange rates at the end of the reporting year. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	Euro	GBP	Other currencies	Total
Financial assets						
Cash and due from banks &Central Bank of Egypt	18,102,348,261	5,625,792,617	252,966,614	110,610,795	143,376,010	**24,235,094,297**
Treasury bills	37,565,548,625	4,438,441,981	-	-	-	**42,003,990,606**
Trading investments	61,102,261	-	-	-	-	**61,102,261**
Loans and credit facilities to customers	133,759,127,686	26,773,452,409	3,064,457,796	38,710,288	53,569	**163,635,801,748**
Financial derivatives	-	106,092,208	-	-	-	**106,092,208**
Financial investments	47,648,700,795	2,505,994,123	1,238,572	-	-	**50,155,933,490**
Other financial assets	2,929,205,959	38,663,702	3,272,224	5,972	161,444	**2,971,309,301**
Total financial assets	**240,066,033,587**	**39,488,437,040**	**3,321,935,206**	**149,327,055**	**143,591,023**	**283,169,323,911**
Financial liabilities						
Due to banks	3,967,354,400	125,348,501	17,971,278	27,175,694	986,085	**4,138,835,958**
Customer deposits	196,937,808,715	31,302,514,540	4,474,935,485	444,694,688	161,805,555	**233,321,758,983**
Financial derivatives	55,504,635	-	-	-	-	**55,504,635**
Other loans	286,816,515	3,376,304,753	141,515,482	-	-	**3,804,636,750**
Other financial liabilities	972,517,845	65,749,717	1,752,093	182,723	674	**1,040,203,052**
Total financial liabilities	**202,220,002,110**	**34,869,917,511**	**4,636,174,338**	**472,053,105**	**162,792,314**	**242,360,939,378**
Net financial position	**37,846,031,477**	**4,618,519,529**	**(1,314,239,132)**	**(322,726,050)**	**(19,201,291)**	**40,808,384,533**
At the end of the comparative year						
Total financial assets	**218,815,533,788**	**43,954,962,314**	**3,112,731,451**	**330,975,755**	**134,733,772**	**266,348,937,080**
Total financial liabilities	**186,604,054,452**	**38,895,985,937**	**4,673,430,066**	**468,995,962**	**148,826,176**	**230,791,292,593**
Net financial position	**32,211,479,336**	**5,058,976,377**	**(1,560,698,615)**	**(138,020,207)**	**(14,092,404)**	**35,557,644,487**

(B/4) Structural Interest Rate Risk

Structural interest rate risk is linked to commercial activities and corporate center transactions. Structural interest rate risk arises from residual gaps (surplus or deficit) of the bank's fixed-rate positions. The general principle is to reduce structural interest rate risk to the maximum extent.

Whenever possible, commercial operations are hedged against interest rate, either through micro-hedging (individual hedging of each commercial transaction) or macro-hedging techniques (hedging of portfolios of similar commercial transactions within the treasury department).

Consequently, structural interest rate risk only results from the residual positions remaining after hedging. The absence of interest rate derivative market in Egyptian Pound makes it difficult to hedge positions in this currency.

Organization of the management of Structural Interest Rate risks

Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the Bank's finance department.

Risk assessment, limits and corrective actions are decided by the Assets & Liabilities management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room through the financial market. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties

- Decide on the limits for the sensitivity.
- Review, validate and approve any assumptions used for the identification and measurements of the respective risks.
- Review interest rate Gap and sensitivity position reported through ALMU.
- Assess, amend and approve recommendations for bringing the Gap (if any) within the previously approved limits.

Assets & Liabilities Management Unit (ALMU) duties

- Document and maintain the respective risks management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Provide recommendations for bringing the gaps within limits.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.

Dealing Room duties

- Provide frequent updates on markets movements.
- Execute and Report progress of ALCO approved recommendations.
- Co-ordinate with ALMU on the spontaneous hedging of special transactions according to ALCO approved policy and recommendations.

Bank's Objective of Interest Rate Risk Management

The Bank's aim is to reduce exposure to structural interest rate risk as much as possible.

Any residual interest rate risk exposure must comply with the sensitivity limits approved by the ALCO. Sensitivity is defined as the variation in the net present value of future residual fixed-rate positions for a 1% parallel increase in the yield curve. Adherence to applicable limits is closely monitored.

Measurement and monitoring of structural interest rate risks

In order to quantify the Bank's exposure to structural interest rate risks, all fixed rate assets and liabilities on future maturities are analyzed to identify any gaps.

On a quarterly basis, assets and liabilities are analyzed independently, without any prior matching. Maturities on outstanding positions are determined on the basis of the contractual terms of the transactions and models of historic client behavior (e.g. saving accounts) as well as conventional assumptions for some balance sheet items (e.g. equity).

Once the gaps have been identified for each major currency, the sensitivity is calculated as the variation of the net present value of the fixed rate position of an instantaneous parallel shift of the 1% in the yield curve of each major currency. The cumulative sensitivity for all currencies as well as for any single currency should not exceed the above mentioned limit.

(All amounts are shown in Egyptian Pounds)

The following table summarizes the extent to which the bank is exposed to the risks of fluctuations in the interest rate including the carrying amount of the financial instruments distributed on the basis of the rate prevailing in re-pricing dates or maturity dates, whichever is earlier.

"At the end of the current year"	Up to one month	More than one month up to 3 months	More than 3 months up to one year	More than one year up to 5 years	More than 5 years	Interest free	Total
Financial assets							
Cash and due from Central Bank of Egypt (CBE)	-	-	-	-	-	17,166,858,582	**17,166,858,582**
Due from banks	1,086,106,196	3,833,293,025	499,500,000	1,149,490,000	-	499,846,494	**7,068,235,715**
Treasury bills	4,136,990,431	11,421,700,805	26,445,299,370	-	-	-	**42,003,990,606**
Trading investments	-	-	-	-	-	61,102,261	**61,102,261**
Loans and credit facilities to customers	125,878,344,610	5,916,051,894	9,367,809,239	18,213,276,218	4,260,319,787	-	**163,635,801,748**
Financial derivatives	-	-	-	-	-	106,092,208	**106,092,208**
Financial investments							
Fair value through other comprehensive income	400,000,004	306,394,937	-	197,169,426	951,022,158	619,795,827	**2,474,382,352**
Amortized cost	11,718,808	2,656,719,089	4,816,128,696	32,834,579,366	7,290,645,576	-	**47,609,791,535**
Fair value through profit or loss	-	-	-	-	-	71,759,603	**71,759,603**
Other financial assets	-	-	-	-	-	2,971,309,301	**2,971,309,301**
Total financial assets	**131,513,160,049**	**24,134,159,750**	**41,128,737,305**	**52,394,515,010**	**12,501,987,521**	**21,496,764,276**	**283,169,323,911**
IRS (notional amount)	**1,699,066,809**	**322,508,049**	**322,508,049**	**2,204,460,506**	**-**	**-**	**4,548,543,413**
Financial liabilities							
Due to banks	3,898,193,466	-	-	-	-	240,642,492	**4,138,835,958**
Customer deposits	98,993,391,502	29,760,113,909	29,085,124,401	40,095,529,305	59,332,025	35,328,267,841	**233,321,758,983**
Financial derivatives	-	-	-	-	-	55,504,635	**55,504,635**
Other loans	3,250,109,259	30,181,635	428,209,511	96,136,345	-	-	**3,804,636,750**
Other financial liabilities	-	-	-	-	-	1,040,203,052	**1,040,203,052**
Total financial liabilities	**106,141,694,227**	**29,790,295,544**	**29,513,333,912**	**40,191,665,650**	**59,332,025**	**36,664,618,020**	**242,360,939,378**
IRS (notional amount)	**4,548,543,413**	**-**	**-**	**-**	**-**	**-**	**4,548,543,413**
Re-pricing gap	**22,521,989,218**	**(5,333,627,745)**	**11,937,911,442**	**14,407,309,866**	**12,442,655,496**	**(15,167,853,744)**	**40,808,384,533**
At the end of the comparative year							
Total financial assets	**124,809,056,583**	**19,652,079,708**	**50,046,940,510**	**41,940,721,462**	**13,671,974,565**	**16,228,164,252**	**266,348,937,080**
IRS (notional amount)	**-**	**208,538,688**	**208,540,000**	**4,637,999,000**	**-**	**-**	**5,055,077,688**
Total financial liabilities	**124,652,113,193**	**26,518,505,429**	**19,351,415,357**	**27,906,348,325**	**155,518,000**	**32,207,392,289**	**230,791,292,593**
IRS (notional amount)	**5,055,077,688**	**-**	**-**	**-**	**-**	**-**	**5,055,077,688**
Re-pricing gap	**(4,898,134,298)**	**(6,657,887,033)**	**30,904,065,153**	**18,672,372,137**	**13,516,456,565**	**(15,979,228,037)**	**35,557,644,487**

(C) Liquidity Risk
Liquidity risk is defined as the risk of not being able to meet cash flow or collateral requirements when they fall due and at a reasonable price.

The Bank manages this exposure through modeling of its cash flow under several scenarios.

Organization of Liquidity Risk Management
Identification and measurement of the risk is carried out by the Assets & Liabilities Management Unit (ALMU) which comes under the authority of the bank's Finance Department.

Risk assessment and corrective actions are decided by the Assets & Liabilities Management Committee (ALCO) headed by the Chairman with the participation of the Managing Directors, the Chief Financial Officer and the Commercial Divisions Heads, the Branch Network Head, the General Secretary and the Head of the Dealing Room.

Execution of the necessary actions decided by the ALCO for the rectification of the gaps is carried out by the dealing room and/or the business lines. Progress is reported and notified to the ALMU/ALCO.

Assets & Liabilities Management Committee (ALCO) duties
- Review, validate and approve any assumptions and scenarios used for the identification and measurements of the respective risks.
- Review the structured liquidity Gap reported by ALMU.
- Assess, amend and approve recommendations for funding strategy and/or the portfolio composition for the remedy of the gaps.

(All amounts are shown in Egyptian Pounds)

Assets & Liabilities Management Unit (ALMU) duties
- Document and maintain the respective risks' management policy as approved by the ALCO.
- Construct and continuously elaborate on the models used for the identification and measurement of the respective risks.
- Report to ALCO on the respective exposures and the evolution of such exposures over time.
- Follow up and notify ALCO of the progress made in the implementation of the ALCO decisions.
- Co-ordinate with the various business lines for funding needs and report potential impact on the liquidity gap.
- Test and advice on the potential impact of any new product offering on the structured liquidity positions.

Dealing Room duties
- Is responsible for managing short term liquidity.
- Provide frequent updates on markets' status and alerting signals of liquidity stretches.
- Execute and Report progress of ALCO approved recommendations.
- Communicate their funding needs to ALMU for the construction of the liquidity gap.

Bank's Objective of Liquidity Risk Management
- The Bank's objective is to finance its activities at the best possible rates under normal conditions and to ensure it can meet its obligations in the event of a crisis.
- To this end, the main principles of the bank's liquidity management are as follows:
- Management of the short-term liquidity in accordance with The regulatory framework;
- Diversification of funding sources;
- Maintenance of a portfolio of liquid assets.

Measurement and monitoring of structural liquidity risks
The Bank's liquidity management framework comprises the following processes:

- Regular assessment of the bank structural liquidity profile and its development over time;
- Monitoring of the diversification of funding sources;
- Assessment of the bank's funding needs on the basis of the budget forecasts in order to plan appropriate funding solutions.

Liquidity gaps are constructed by listing the respective on and off-balance sheet-items according to the currency of denomination and residual maturity. Maturities on outstanding assets and liabilities are determined on the basis of the contractual terms of transactions, models of historic client behavior patterns (e.g. savings accounts) as well as conventional assumptions relating to certain balance sheet items (e.g. equity).

Liquidity risk
Liquidity risk represents difficulty encountering the bank in meeting its financial commitments upon maturity and refurbishing amounts withdrawn. This may results in failure in fulfilling obligations related to depositors and meeting lending commitments.

			December 31, 2020			
Contractual maturities	**Up to one month**	**More than one month up to 3 months**	**More than 3 months up to one year**	**More than one year up to 5 years**	**More than 5 years**	**Total**
Financial liabilities						
Due to banks	4,153,277,342	-	-	-	-	**4,153,277,342**
Customer deposits	123,488,471,856	31,147,836,523	42,672,806,737	49,951,962,354	75,459,881	**247,336,537,351**
Other loans	306,366,733	51,754,099	798,573,394	2,739,790,756	-	**3,896,484,982**
Total financial liabilities	**127,948,115,931**	**31,199,590,622**	**43,471,380,131**	**52,691,753,110**	**75,459,881**	**255,386,299,675**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

			December 31, 2019			
Contractual maturities	**Up to one month**	**More than one month up to 3 months**	**More than 3 months up to one year**	**More than one year up to 5 years**	**More than 5 years**	**Total**
Financial liabilities						
Due to banks	16,050,840,383	-	-	-	-	**16,050,840,383**
Customer deposits	121,153,301,172	25,147,093,882	24,583,178,821	48,513,288,805	174,957,000	**219,571,819,681**
Other loans	693,973,743	1,461,510,270	1,785,890,226	1,749,950,972	15,000,156	**5,706,325,366**
Total financial liabilities	**137,898,115,298**	**26,608,604,152**	**26,369,069,047**	**50,263,239,778**	**189,957,156**	**241,328,985,430**

- All balances shown in the table above represent the undiscounted cash flows; therefore, it is not possible to match these figures with the corresponding items in the statement of financial position.
- The spot foreign exchange rate and interest rate prevailing at that date are used in the above table.

Assets available to meet all liabilities and cover loan commitments include cash, balances with Central Banks, due from banks, treasury bills, other governmental notes and Loans and credit facilities to banks and clients. Maturity term of percentage of loans to clients that are maturing within a year is extended in the normal course of the bank's business. Moreover, some debt instruments, treasury bills and other governmental notes are pledged to cover liabilities. The Bank has the ability to meet unexpected net cash flows through selling securities, and finding other financing sources.

(All amounts are shown in Egyptian Pounds)

Cash flow derivatives

Derivatives settled on a gross-basis

The Bank is a party to derivative contracts that are settled on a gross-basis, in particular foreign exchange derivatives. The following table shows derivative financial liabilities that shall be settled in gross distributed over the remaining period of contractual maturities at the balance sheet date. The amounts shown in the table represent the undiscounted cash flows.

	December 31, 2020					
Maturities for statement of financial position items	**Up to one month**	**More than one month up to 3 months**	**More than 3 months up to one year**	**More than one year up to 5 years**	**More than 5 years**	**Total**
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	1,684,198,546	385,649,070	1,080,225,845	-	-	**3,150,073,461**
Cash inflows	1,677,268,363	375,195,229	1,002,865,756	-	-	**3,055,329,348**

	December 31, 2019					
Maturities for statement of financial position items	**Up to one month**	**More than one month up to 3 months**	**More than 3 months up to one year**	**More than one year up to 5 years**	**More than 5 years**	**Total**
Held for trading derivatives						
Foreign exchange derivatives						
Cash outflows	1,473,159,499	547,327,997	1,057,615,772	-	-	**3,078,103,268**
Cash inflows	1,472,146,050	537,448,106	969,969,010	-	-	**2,979,563,166**

Cash flow for Off-balance sheet items

	December 31, 2020			
Maturities for off-balance sheet items	**Less than one year**	**More than one year and less than 5 years**	**More than 5 years**	**Total**
Financial guarantees	317,500	-	-	**317,500**
Operating lease commitments	127,355,381	393,504,249	100,460,794	**621,320,424**
Capital commitments resulting from acquisition of property and equipment	997,688,233	-	-	**997,688,233**
Total	**1,125,361,114**	**393,504,249**	**100,460,794**	**1,619,326,157**

	Less than one year	**More than one year and less than 5 years**	**More than 5 years**	**Total**
Commitments for credit facilities	28,981,512,940	2,512,030,109	4,348,815	**31,497,891,864**

	December 31, 2019			
Maturities for off-balance sheet items	**Less than one year**	**More than one year and less than 5 years**	**More than 5 years**	**Total**
Financial guarantees	357,500	-	-	357,500
Operating lease commitments	95,093,222	275,023,904	66,162,524	**436,279,650**
Capital commitments resulting from acquisition of property and equipment	956,533,263	-	-	**956,533,263**
Total	**1,051,983,985**	**275,023,904**	**66,162,524**	**1,393,170,413**

	Less than one year	**More than one year and less than 5 years**	**More than 5 years**	**Total**
Commitments for credit facilities	33,564,754,800	3,074,237,002	122	**36,638,991,924**

(All amounts are shown in Egyptian Pounds)

(D) Fair value of financial assets and liabilities and sources of fair value

(D/1) Financial instruments measured at fair value

Financial assets classified as trading financial assets at fair value with changes in fair value are measured in the statement of income under 'Net trading income'.

Debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with changes in fair value recognized in the other comprehensive income statement under "fair value reserve".

For investments in equity instruments, equity securities listed on the stock exchange are measured at fair value in accordance with quoted market prices on the date of the consolidated financial statements.

For non-listed shares, except for strategic investments, they are evaluated in one of the accepted techniques: discounted cash flow method Multiples of value "and the inclusion of the valuation differences in other comprehensive income within the" fair value reserve "; for strategic investments, the nominal cost or value is the fair value of those investments.

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements within the fair value hierarchy, based on the levels of inputs that are essential for measuring the fair value as a whole:

Level 1:
The first level inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Bank can access on the measurement date.

Level 2:
The inputs of the second level are all inputs other than quoted prices within the first level and these inputs are observable for the asset or liability, directly or indirectly.

Level 3:
The third level inputs are the unobservable inputs of the asset or liability.

	December 31, 2020			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury bonds	1,454,586,525	-	-	**1,454,586,525**
Other debt instruments	-	400,000,000	-	**400,000,000**
Funds at fair value through other comprehensive income	41,970,650	-	-	**41,970,650**
Funds at fair value through profit or loss	71,759,603	-	-	**71,759,603**
Equity Instruments	83,418,622	-	494,406,555	**577,825,177**
Trading investments	61,102,261	-	-	**61,102,261**
Financial derivatives	-	106,092,208	-	**106,092,208**

	December 31, 2019			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury bonds	1,635,837,477	-	-	**1,635,837,477**
Funds at fair value through other comprehensive income	41,521,680	-	-	**41,521,680**
Funds at fair value through profit or loss	61,694,866	-	-	**61,694,866**
Equity Instruments	97,190,572	-	689,338,400	**786,528,972**
Trading investments	84,301,673	-	-	**84,301,673**
Financial derivatives	-	83,458,859	-	**83,458,859**

(All amounts are shown in Egyptian Pounds)

(D/2) Financial instruments not measured at fair value

The following table summarizes the carrying amount and fair value of financial assets and liabilities that are not stated in the statement of financial position at fair value:

	Carrying amount		Fair value	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Financial assets				
Due from banks	7,068,235,715	8,464,251,159	7,068,235,715	**8,464,251,159**
Loans and credit facilities to customers	163,635,801,748	153,527,192,019	163,810,472,925	**154,086,662,117**
Financial investments at amortized Cost				
Debt instruments	47,609,791,535	40,937,627,601	49,501,996,206	**43,244,233,868**
Financial liabilities:				
Due to banks	4,138,835,958	16,030,665,382	4,138,835,958	**16,030,665,382**
Customer deposits	233,321,758,983	208,126,587,681	230,382,583,949	**206,297,797,867**
Other loans	3,804,636,750	5,625,017,188	3,804,636,750	**5,625,017,188**

Due from Banks:

The carrying amount of variable interest rate placements and deposits for one day represents its fair value. For non-interest bearing balances due from banks, the carrying amount represents their fair value. The carrying amount of fixed interest rate deposits represents their fair value since the maturity of these deposits is less than one year.

Loans and credit facilities to customers:

Loans and credit facilities are stated at the statement of financial position net of allowance for impairment losses.

Debt instruments at amortized cost:

The fair value of debt instruments is determined at the cost charged on the "Egyptian Treasury Bonds" according to Reuters announced at the end of the financial year.

Customer deposits and due to other banks:

The estimated fair value for deposits of indefinite maturity, including free-interest rate deposits, represents the amount paid on demand.

(E) Capital management:

For capital management purposes, the Bank's capital includes total equity as reported in the statement of financial position plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Compliance with the legally imposed capital requirements in Egypt;
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the Bank;
- Maintaining a strong capital base to enhance growth of the Bank's operations;
- Capital adequacy and uses are reviewed by the Bank's management in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE). Data is submitted and filed with the CBE on a quarterly basis. The CBE requires the bank to comply with the following;
- Maintaining EGP 500 million as a minimum requirement for the issued and paid-up capital. The Bank's paid-up capital amounted to EGP 10,774,114,830 at the end of the current year.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities. Minimum level of capital adequacy ratio reached 12.75% after adding capital conservation buffer and Domestic Systemically Important Banks during current year. The Bank's capital adequacy ratio reached 21.92% at the end of the current year (December 31, 2019: 18.91%) according to Basel II.

(All amounts are shown in Egyptian Pounds)

The numerator in the capital adequacy ratio according to Basel II comprise the following 2 tiers:

- Tier 1: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks and special reserves), less: any goodwill previously recognized and any carried forward losses,plus:the carrying amount of other comprehensve income. The interim net profit was incorporated in Tier 1 capital in accordance with the decision of Central Bank of Egypt Board of Directors held on 15 February 2017.
- Tier 2: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity), in addition to 45% from increase in fair value above the carrying amount of investments in subsidiaries and associates and 45% from special reserve.

In calculating the numerator of the capital adequacy ratio, total value of Tier 2 should not exceed total value of Tier 1. Also, total value of subordinated loans (deposits) should not exceed 50 % of Tier 1.

Assets are risk weighted at a range of 0 to 200%. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, which had been issued on December 24, 2012 and in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II) issued during May 2019.

The tables below summarizes the compositions of Tier 1, Tier 2 and the capital adequacy ratio based on Basel II:

According to Basel II	December 31, 2020	December 31, 2019 Restated*
Tier 1 capital		
Share capital	10,774,114,830	9,794,649,850
General reserve	15,104,078,670	16,083,543,650
Legal reserve	2,049,233,783	2,049,233,783
Other reserves	21,379,530	21,379,530
Retained earnings	3,238,881,600	3,238,981,600
Interim profit	7,301,759,859	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	404,690,659	524,328,450
Total deductions from capital invested	(596,771,221)	(642,605,412)
Total tier 1 capital	**38,318,821,633**	**31,090,965,374**
Tier 2 capital		
45% from special reserve	16,761,150	16,761,150
Impairment provision for loans, debt instruments and contingent liabilities in stage one*	1,506,781,410	1,596,969,858
Total tier 2 capital	**1,523,542,560**	**1,613,731,008**
Total capital	**39,842,364,193**	**32,704,696,382**
Risk weighted assets and contingent liabilities:		
Credit Risk	158,727,240,641	152,904,242,645
Market Risk	15,363,994	9,060,800
Operational Risk	22,983,763,606	20,037,457,036
Total risk weighted assets and contingent liabilities	**181,726,368,241**	**172,950,760,481**
Capital adequacy ratio for Tier 1	**21.09%**	**17.98%**
Capital adequacy ratio	**21.92%**	**18.91%**

* Provided it does not exceed 1.25% from total value of risk weighted assets and contingent liabilities.

** After 2019 profit distribution.

- Based on Consolidated financial statement after the disposal of insurance activity.

Leverage financial ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on July 7, 2015 on special supervisory instructions related to leverage ratio which maintaining a minimum level of leverage ratio of 3% to be reported in quarterly basis to be obligatory ratio started from year 2018.

This ratio will be included in Basel requirement Tier1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments.

Leverage financial ratio reflect relationship between Tier 1 for capital that is used in capital adequacy ratio (after exclusions) and other assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

(All amounts are shown in Egyptian Pounds)

Ratio Elements

I- The numerator elements

The numerator consists of Tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

II- The denominator elements

The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called "Bank exposures" which include total the following:

1- On balance sheet items after deducting some of Tier I Exclusions for capital base;

2- Derivatives contracts exposures;

3- Financing Financial papers operations exposures;

4- Off-balance sheet items (weighted by credit conversion factor)

The tables below summarizes the leverage financial ratio:	December 31, 2020	December 31, 2019 Restated*
Tier 1 capital after exclusions	**38,318,821,633**	31,090,965,374
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	287,795,705,007	271,343,121,990
Total exposures off-balance sheet	27,144,100,711	30,628,941,430
Total exposures on-balance sheet and off-balance sheet	**314,939,805,718**	**301,972,063,420**
Leverage financial ratio	**12.17%**	**10.30%**

* After 2019 profit distribution.

– Based on Consolidated financial statements after the disposal of insurance activity.

4- Significant accounting estimates and assumptions :

In the application of the bank's accounting policies, which are described in note 3, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year.

a. Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.

This evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

b. Fair value of derivatives

Fair value of derivative financial instruments not quoted in an active market is determined using valuation techniques. When these techniques (such as the pricing models) are used to determine fair value, periodic tests and review are performed on them using competent independent personnel other than those responsible for the preparation of such techniques. All such models have been approved and tested prior to use to ensure that their results reflect reliable data and prices that can be compared to the market. These models use market observable data only to the extent it is practical to obtain such data, however, some areas such as credit risk related to the bank and counterparties, volatility and correlations requires management judgement. Changes in assumptions about these factors can affect the fair value of the financial instrument's disclosure.

c. Debt instrument at amortized cost:

Non-derivative financial assets with fixed or determinable payments and maturity dates are classified as debt instruments at amortized cost "within the business model of financial assets held to collect contractual cash flows".

If classification of investments as amortized cost – other than stakes required to be retained by the Group in accordance with the provisions of the law – were suspended by the bank, the carrying amount of the outstanding amortized cost investements at the end of the current reporting year would have increased by EGP 1,889,416,711 to reach the fair value with a corresponding increase in the fair value through other comprehensive income.

(All amounts are shown in Egyptian Pounds)

5- Segmentation analysis

(5/A) Segmental analysis by activity

Segment activity includes operational processes, assets used in offering banking services, management of surrounding risks and related yield. Such activity may be different from other activities. Segmentation analysis of operations according to banking activities includes:

Corporate: This includes current account activities, deposits, overdrafts, loans, credit facilities, and financial derivatives to large, medium, and small entities.

Individuals: This includes current account activities, deposits, savings, credit cards, personal loans, and real estate loans.

Other businesses: They include other Banking activities such as fund management and insurance activity.

Inter-segment activities are affected within the bank's normal course of business. Assets and liabilities of each segment include operating assets and liabilities as shown in the bank's balance sheet.

At the end of the current year

Income and expenses according to segmental activities (December 31, 2020)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,225,353,665	1,159,111,981	3,771,566,018	4,481,315,341	14,637,347,005
Net fee and commission income	1,369,827,033	3,822,763	539,707,443	(110,763,940)	1,802,593,299
Dividend income	-	35,191,190	-	-	35,191,190
Net trading income	374,003,002	-	25,707,996	(287,774,139)	111,936,859
Gain on financial investments	-	6,487,229	-	-	6,487,229
Impairment credit losses	(1,909,760,559)	7,183,261	(233,087,410)	(1,236,056)	(2,136,900,764)
Administrative expenses	(1,568,502,060)	(3,957,964)	(2,140,302,776)	5,457,782	(3,707,305,018)
Other operating revenues (expenses)	131,894,056	24,887,461	(207,680,166)	(130,471,132)	(181,369,781)
Share of profits of associates	-	156,535	-	-	156,535
Profit before income tax	**3,622,815,137**	**1,232,882,456**	**1,755,911,105**	**3,956,527,856**	**10,568,136,554**
Income tax expense	(866,518,486)	(277,451,263)	(395,079,998)	(1,537,576,365)	(3,076,626,112)
Net profit for the current year	**2,756,296,651**	**955,431,193**	**1,360,831,107**	**2,418,951,491**	**7,491,510,442**

Assets and liabilities according to segmental activities (December 31, 2020)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	134,689,925,305	90,608,037,140	31,788,111,955	22,101,949,407	279,188,023,807
Unclassified assets	-	-	-	-	10,974,950,204
Total assets	**134,689,925,305**	**90,608,037,140**	**31,788,111,955**	**22,101,949,407**	**290,162,974,011**
Segment activity liabilities	123,603,277,942	-	110,874,549,149	10,090,244,861	244,568,071,952
Unclassified liabilities	-	-	-	-	5,958,162,986
Total liabilities	**123,603,277,942**	**-**	**110,874,549,149**	**10,090,244,861**	**250,526,234,938**

At the end of comparative year Income and expenses according to segmental activities (December 31, 2019)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,781,248,347	861,115,590	3,644,514,448	3,466,074,797	13,752,953,182
Net fee and commission income	1,319,036,335	8,273,246	627,674,351	16,789,687	1,971,773,619
Dividend income	-	49,611,913	-	-	49,611,913
Net trading income	294,664,031	-	24,639,937	(199,555,814)	119,748,154
Gain on financial investments	-	6,652,342	-	-	6,652,342
Impairment credit losses	(604,092,200)	7,258,344	(109,551,786)	9,225,961	(697,159,681)
Administrative expenses	(1,450,787,203)	(3,225,291)	(2,069,482,588)	17,763,860	(3,505,731,222)
Other operating revenues (expenses)	295,142,612	46,838,956	(188,049,821)	(408,436,708)	(254,504,961)
Share of profits of associates	-	375,949	-	-	375,949
Profit before income tax	**5,635,211,922**	**976,901,049**	**1,929,744,541**	**2,901,861,783**	**11,443,719,295**
Income tax expense	(1,268,806,654)	(235,051,031)	(434,396,517)	(983,369,366)	(2,921,623,568)
Net profit for the comparative year	**4,366,405,268**	**741,850,018**	**1,495,348,024**	**1,918,492,417**	**8,522,095,727**

At the end of comparative year Assets and liabilities according to segmental activities (December 31, 2019)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	130,353,672,064	88,684,268,099	26,131,654,532	17,650,662,764	262,820,257,459
Unclassified assets	-	-	-	-	10,193,544,538
Total assets	**130,353,672,064**	**88,684,268,099**	**26,131,654,532**	**17,650,662,764**	**273,013,801,997**
Segment activity liabilities	105,796,404,060	-	103,868,062,330	22,753,136,343	232,417,602,733
Unclassified liabilities	-	-	-	-	5,293,161,424
Total liabilities	**105,796,404,060**	**-**	**103,868,062,330**	**22,753,136,343**	**237,710,764,157**

(All amounts are shown in Egyptian Pounds)

(5/B) Segmental analysis by geographic area
At the end of current year

Income and expenses according to geographical segments (December 31, 2020)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	6,718,857,340	1,117,858,190	932,652,562	415,998,503	5,451,980,410	**14,637,347,005**
Net fee and commission income	1,147,329,154	193,661,674	180,638,605	101,366,515	179,597,351	**1,802,593,299**
Dividend income	-	-	-	-	35,191,190	**35,191,190**
Net trading income	248,585,661	55,892,772	104,035,772	7,756,011	(304,333,357)	**111,936,859**
Gain on financial investments	4,057	-	-	-	6,483,172	**6,487,229**
Impairment credit losses	(1,427,250,339)	(250,414,721)	(331,259,876)	(133,923,032)	5,947,204	**(2,136,900,764)**
Administrative expenses	(2,639,643,820)	(469,642,950)	(434,424,464)	(214,031,923)	50,438,139	**(3,707,305,018)**
Other operating revenues (expenses)	(127,126,965)	(47,301,775)	(37,714,490)	(13,910,215)	44,683,664	**(181,369,781)**
Share of profits of associates	-	-	-	-	156,535	**156,535**
Profit before income tax	**3,920,755,088**	**600,053,190**	**413,928,109**	**163,255,859**	**5,470,144,308**	**10,568,136,554**
Income tax expense	(916,946,868)	(135,011,968)	(93,133,825)	(36,732,568)	(1,894,800,883)	**(3,076,626,112)**
Net profit for the current year	**3,003,808,220**	**465,041,222**	**320,794,284**	**126,523,291**	**3,575,343,425**	**7,491,510,442**

Assets and liabilities according to geographical segments (December 31, 2020)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	129,525,884,992	19,760,250,380	17,759,147,218	6,628,293,258	116,178,996,909	**289,852,572,757**
Unclassified assets	-	-	-	-	-	**310,401,254**
Total assets	**129,525,884,992**	**19,760,250,380**	**17,759,147,218**	**6,628,293,258**	**116,178,996,909**	**290,162,974,011**
Liabilities of geographical segments	187,659,679,644	29,213,379,696	18,394,732,412	5,373,858,065	7,428,539,642	**248,070,189,459**
Unclassified liabilities	-	-	-	-	-	**2,456,045,479**
Total liabilities	**187,659,679,644**	**29,213,379,696**	**18,394,732,412**	**5,373,858,065**	**7,428,539,642**	**250,526,234,938**

At the end of comparative year Income and expenses according to geographical segments (December 31, 2019)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	7,056,937,797	1,133,429,744	977,656,850	447,593,973	4,137,334,818	**13,752,953,182**
Net fee and commission income	1,122,188,456	173,627,934	172,802,867	95,767,737	407,386,625	**1,971,773,619**
Dividend income	-	-	-	-	49,611,913	**49,611,913**
Net trading income	278,542,543	38,818,590	63,553,047	10,286,016	(271,452,042)	**119,748,154**
Gain on financial investments	21,188	-	-	-	6,631,154	**6,652,342**
Impairment credit losses	(345,229,695)	(232,062,411)	(124,742,991)	(11,628,585)	16,504,001	**(697,159,681)**
Administrative expenses	(2,491,960,844)	(433,769,798)	(429,548,965)	(205,816,693)	55,365,078	**(3,505,731,222)**
Other operating revenues (expenses)	91,257,441	(35,839,314)	(40,824,893)	(34,127,564)	(234,970,631)	**(254,504,961)**
Share of profits of associates	-	-	-	-	375,949	**375,949**
Profit before income tax	**5,711,756,886**	**644,204,745**	**618,895,915**	**302,074,884**	**4,166,786,865**	**11,443,719,295**
Income tax expense	(1,272,475,697)	(145,069,165)	(139,349,578)	(67,977,368)	(1,296,751,760)	**(2,921,623,568)**
Net profit for the comparative year	**4,439,281,189**	**499,135,580**	**479,546,337**	**234,097,516**	**2,870,035,105**	**8,522,095,727**

At the end of comparative year Assets and liabilities according to geographical segments (December 31, 2019)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	123,577,680,650	17,702,947,372	16,056,976,028	5,763,277,378	109,574,351,471	**272,675,232,899**
Unclassified assets	-	-	-	-	-	**338,569,098**
Total assets	**123,577,680,650**	**17,702,947,372**	**16,056,976,028**	**5,763,277,378**	**109,574,351,471**	**273,013,801,997**
Liabilities of geographical segments	165,121,845,368	28,086,535,998	14,931,135,008	5,568,749,741	21,677,428,638	**235,385,694,753**
Unclassified liabilities	-	-	-	-	-	**2,325,069,404**
Total liabilities	**165,121,845,368**	**28,086,535,998**	**14,931,135,008**	**5,568,749,741**	**21,677,428,638**	**237,710,764,157**

Geographical Segmental analysis is based on the locations of branches through which the bank provides its services.

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

6 - Net interest income	December 31, 2020	December 31, 2019
Interest from loans and similar income:		
Loans and credit facilities:		
Customers	17,320,290,614	19,557,349,707
Total	**17,320,290,614**	**19,557,349,707**
Treasury bills and bonds	12,971,107,393	11,879,104,501
Deposits and current accounts	358,918,699	928,610,714
Net interest differential on hedging instruments (IRS contracts)	87,826,489	7,469,526
Total	**30,738,143,195**	**32,372,534,448**
Cost of deposits and similar expense :		
Deposits and current accounts:		
Banks	(669,827,351)	(365,100,542)
Customers	(15,068,289,563)	(17,983,161,729)
Total	**(15,738,116,914)**	**(18,348,262,271)**
Repo arrangements	(239,185,725)	(51,471,289)
Other loans	(123,493,551)	(219,847,706)
Total	**(16,100,796,190)**	**(18,619,581,266)**
Net	**14,637,347,005**	**13,752,953,182**

7 - Net fee and commission income:	December 31, 2020	December 31, 2019
Fee and commission income :		
Credit fees and commission	1,458,990,438	1,543,432,252
Custody fees	28,535,784	29,263,782
Investment commission	22,500,009	18,947,896
Other fees	782,248,644	882,079,600
Total	**2,292,274,875**	**2,473,723,530**
Fee and commission expense:		
Brokerage fees	(5,295,462)	(4,816,874)
Other fees	(484,386,114)	(497,133,037)
Total	**(489,681,576)**	**(501,949,911)**
Net	**1,802,593,299**	**1,971,773,619**

8 - Dividend income	December 31, 2020	December 31, 2019
Equity instruments at fair value through other comprehensive income	35,191,190	49,611,913
Total	**35,191,190**	**49,611,913**

9 - Net trading income:	December 31, 2020	December 31, 2019
Forex operations:		
Foreign exchange trading gains (loss)	115,051,882	155,259,419
Investment funds held for trading	12,371,744	7,961,578
Changes in fair value of currency forward contracts	(7,225,941)	(32,132,645)
Changes in fair value of currency swap contracts	(2,427,141)	(12,473,238)
Changes in fair value IRS contracts	(5,833,685)	1,133,040
Total	**111,936,859**	**119,748,154**

10 - Administrative expenses	December 31, 2020	December 31, 2019
Staff cost:		
Salaries and wages	1,589,823,456	1,480,565,332
Social insurance	80,389,549	106,155,140
Pension cost:		
Defined contribution scheme	91,035,825	89,043,720
Other retirement benefits (Defined benefit scheme)	64,340,167	66,879,618
	1,825,588,997	**1,742,643,810**
Depreciation and amortization	335,245,619	289,911,992
Other administrative expenses	1,546,470,402	1,473,175,420
Total	**3,707,305,018**	**3,505,731,222**

(All amounts are shown in Egyptian Pounds)

11 - Other operating revenues (expenses)	December 31, 2020	December 31, 2019
Foreign exchange differences from translation of foreign currency monetary assets and liabilities other than held for trading items and those classified as at fair value through profit or loss at initial recognition	(76,580,897)	(451,249,074)
Gain on sale of property and equipment	8,164,022	2,895,344
Software cost	(182,777,831)	(159,676,576)
Operating lease rental expense	(130,265,866)	(124,395,096)
Gain on sale of foreclosed assets reverted to the bank in settlement of debts	-	736,748
Other provisions (net of reversed amounts)	133,599,966	77,414,349
Finance leases revenue ,net	398,197,756	399,918,035
Other leasing revenues	30,797,674	38,767,979
Impairment loss on leased assets	(247,104,064)	(25,953,904)
Net return received from insurance activity*	(137,208,664)	(31,732,438)
Other income (expense)	21,808,123	18,769,672
Total	**(181,369,781)**	**(254,504,961)**

* The following table summarise the net return received from insurance activity:	December 31, 2020	December 31, 2019
Direct premium	786,530,114	704,546,534
Re-insurance premium ceded	(89,268,966)	(38,354,618)
Technical reserve during the year	(644,819,253)	(523,129,273)
Outgoing re-insurance commissions	896,595	852,991
Other revenues	24,030,253	14,650,450
Claims paid	(207,301,042)	(201,335,652)
Re-insurance pay-back claim	28,982,116	26,894,901
Change in Provision for Outstanding Claims Balance	(13,035,444)	(5,359,161)
Impairment on receivable arising from insurance contracts	(23,223,037)	(10,498,610)
Total	**(137,208,664)**	**(31,732,438)**

12 - Impairment credit losses	December 31, 2020	December 31, 2019
Loans and credit facilities to customers	(2,142,847,969)	(713,643,986)
Due from banks	(1,482,317)	9,957,883
Treasury bills	(3,499,848)	16,109,817
Debt instruments at fair value through other comprehensive income	(29,548)	29,494
Debt instruments at amortized cost	10,712,656	(8,880,967)
Other assets	246,262	(731,922)
Total	**(2,136,900,764)**	**(697,159,681)**

13 - Income tax expense	December 31, 2020	December 31, 2019
Current tax	(3,032,145,899)	(2,911,322,966)
Deferred tax	(44,480,213)	(10,300,602)
Total	**(3,076,626,112)**	**(2,921,623,568)**

Additional data on deferred tax is disclosed in note (33). Income tax expense is different from the tax that would have arisen had the statutory tax rate been applied on pre-tax accounting profit as shown below:

Profit before tax	10,568,136,554	11,443,719,295
Income tax calculated at 22.5 % tax rate	2,377,830,725	2,574,836,841
Tax impact for:		
Non-taxable income	(104,160,235)	(34,260,891)
Non-deductible expenses for tax purposes	656,319,111	330,500,975
Recognize of deferred tax assets	(13,785,518)	(24,780,803)
Prior-years' tax settlements	(4,938,137)	27,029,507
Provision and segregated interest	117,364,163	28,055,524
Tax deductible (10% on dividend income)	3,515,790	9,941,813
Effective income tax expense	**3,032,145,899**	**2,911,322,966**

Tax Position

A) QNB ALAHLI Position:

A-1) Corporate Tax

- The Bank's accounts were tax-inspected and settled with respect to tax since the beginning of activity till the end of December 31, 2010.
- Years 2011 and 2012 transferred to tax dispute resolution committee.
- Years 2013 till 2018 have been inspected, and the due tax was paid.
- Year 2019 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-2) Salaries Taxes

- The Bank's books have been inspected, and the due tax was paid until year 2016.
- The Company has received deemed tax claim from inception for year 2017, The company objected the deemed tax at the due date and awaiting to appeal committee.
- Year 2018 under inspection from the tax authority.
- Year 2019 the Bank submitted its tax return in the due date and books have not been inspected yet.

A-3) Stamp duties

- The Bank's books have been inspected, for all branches until July 31, 2006 and all tax was paid.
- Period from July 01 ,2006 till December 31, 2018 have been inspected, and the due tax was paid.
- Year 2019 the Bank submitted its tax return in the due date and books have not been inspected yet.

(B) EX-MIBank Position:

B-1) Corporate Tax

- The Bank's accounts were tax- inspected, and settled since the beginning of activity till November 30, 2006.

B-2) Salaries Taxes

- The Bank's books have been inspected, and the due tax was paid till November 30, 2006.

B-3) Stamp duties

- The Bank's books have been inspected for all branches until July 31, 2006 and all due tax was paid.
- Period from August 01, 2006 till November 30, 2006 have been inspected, and the due tax was paid.

(C) QNB ALAHLI Leasing Position (subsidiary company):

C-1) Corporate Tax

- Years from start of activity incepted until 2016, the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Year 2017, 2018 and 2019, the company submitted its tax return on the due date and the books have not been inspected yet.

C-2) Salary tax

- Years from the start of activity incepted until December 31, 2016, the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2017 to 2019, no tax inspection has been carried out up till date.

C-3) Stamp duties

- Years from activity inception until 2017, the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Year 2018 and 2019 , no tax inspection has been carried out up till date.

(D) QNB ALAHLI Factoring Company Position (subsidiary company):

D-1) Corporate Tax

- The Company is subject to income tax law No. 91 of 2005 and its executive statute and law No. 44 of 2014.
- Years 2012 till 2016, the Company submitted the tax returns on the due date and this periods under inspection by tax authority.
- Year 2017 , 2018 and 2019, the Company submitted the tax returns on the due date.

D-2) Salary tax

- The Company is not abided by deducting and delivering salary taxes, as the company's employees are seconded by QNB ALAHLI (Major Shareholder),While the company with holds and transfers the tax for the employees appointed to the company .

D-3) Stamp duties

- The Company is subject to stamp duty tax law No. 111 of 1980 and amended by law 143 of period 2006 and the company not have been inspected till now.

D-4) Withholding tax

- The Company is committed to withholding tax and delivering it to tax authority on due dates.

(All amounts are shown in Egyptian Pounds)

(E) QNB ALAHLI Life Insurance Company Position (subsidiary company):

E-1) Corporate Tax

- The Company has received deemed tax claim from inception till 30 June 2005. The company objected the deemed tax at the due date and transferred to appeal committee.
- Years from 1 July 2005 to 30 June 2008, the company submitted its tax return , no tax inspection has taken place.
- Years from 1 July 2008 to 30 June 2012, the tax authority inspection and settlement took place and the final settlement have been made.
- Years from 1 July 2012 to 30 June 2016, Tax inspection had taken place and The company approve partially on inspection result and objections point had been transferred to internal committee.
- Years from 1 July 2016 to 30 June 2019, the company submitted its tax return on the due dates.

E-2) Salary tax

- The tax authority inspection and settlement took place for the period since inception till 2010.
- Years from 2011 up to 30 June 2012, the tax authority inspection took place and the company objected the results in the due dates for the periods and internal committee approved to pay the due tax.
- Years from 2013 up to June 2017, the company deduct tax dues from employee's salaries , it was inspected from the tax authority and they required further analysis and documents and it was inspected and waiting to inspection forms.

E-3) Stamp duties

- The Company's accounts were tax-inspected and settled with respect to Tax since the beginning of activity till June 2019.

(F) QNB ALAHLI Asset Management Egypt Company Position (subsidiary company):

F-1) Corporate Tax

- Years from 2002 till 2004, the Company has been inspected, and the due tax was paid for some items and remaining items was have been transferred to the internal committee.
- Years from 2005 till 2006 have been transferred to the internal committee.
- Years from 2007 till 2010, the Company have been inspected, and the due tax was paid for some items and remaining items have been transferred to the internal committee.
- Years from 2011 till 2014, prepare to inspection.
- Years 2015 till 2019, the Company submitted its tax return in the due date and the books have not been inspected yet.

F-2) Salaries Taxes

- periods from 2002 till 2004, the tax inspection was took place and internal committee was agreed and tax claim was paid.
- periods from 2005 till 2014 were inspected and finalized with no tax due.
- periods from 2015 till 2018, the company received the tax dues and objected at the official legal dates and awaiting for internal Committee.
- Year 2019 have not been inspected yet.

F-3) Stamp duty tax:

- Years from 2002 till 2010 have been inspected, and the due tax was paid.
- Years from 2011 till 2016 have been inspected and the company objected the results within the legal periods.
- Years 2017 till 2019, the Company submitted its tax return in the due date and the books have not been inspected yet.

14 - Earnings per share	December 31, 2020	December 31, 2019
Net profit for the year**	7,398,510,640	8,321,530,798
Remuneration for the Board Members (from the year's net profit)*	(16,000,000)	(16,000,000)
Staff profit share (from the year's net profit)*	(739,074,304)	(832,962,180)
Profit available to shareholders	**6,643,436,336**	**7,472,568,618**
Weighted average number of the shares outstanding during the year	2,154,822,966	2,154,822,966
Earning Per Share	**3.08**	**3.47**

* Estimate amount based on Profits distribution proposal. The actual amount will be subject to the ordinary AGM approval .

** Based on separate financial statements.

(All amounts are shown in Egyptian Pounds)

15 - Classification and measurement of financial assets and financial liabilities

The following table shows the gross financial assets and financial liabilities (excluding allowances for impairment) according to the business model classification:

December 31, 2020	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	17,166,858,582	-	-	-	**17,166,858,582**
Due from banks	7,078,843,393	-	-	-	**7,078,843,393**
Treasury bills	42,021,929,253	-	-	-	**42,021,929,253**
Trading investments	-	-	-	61,102,261	**61,102,261**
Loans and credit facilities to customers	172,918,573,421	-	-	-	**172,918,573,421**
Financial derivatives	-	-	-	106,092,208	**106,092,208**
Fair value through other comprehensive income	-	1,854,586,525	619,795,827	-	**2,474,382,352**
Amortized cost	47,612,579,495	-	-	-	**47,612,579,495**
Fair value through profit or loss	-	-	-	71,759,603	**71,759,603**
Other financial assets	2,975,211,725	-	-	-	**2,975,211,725**
Total financial assets	**289,773,995,869**	**1,854,586,525**	**619,795,827**	**238,954,072**	**292,487,332,293**
Due to banks	4,138,835,958	-	-	-	**4,138,835,958**
Customer deposits	233,321,758,983	-	-	-	**233,321,758,983**
Financial derivatives	-	-	-	55,504,635	**55,504,635**
Other loans	3,804,636,750	-	-	-	**3,804,636,750**
Other financial liabilities	1,040,203,052	-	-	-	**1,040,203,052**
Total financial liabilities	**242,305,434,743**	**-**	**-**	**55,504,635**	**242,360,939,378**

December 31, 2019	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	12,012,836,152	-	-	-	**12,012,836,152**
Due from banks	8,473,376,520	-	-	-	**8,473,376,520**
Treasury bills	46,208,956,979	-	-	-	**46,208,956,979**
Trading investments	-	-	-	84,301,673	**84,301,673**
Loans and credit facilities to customers	160,984,208,779	-	-	-	**160,984,208,779**
Financial derivatives	-	-	-	83,458,859	**83,458,859**
Fair value through other comprehensive income	-	1,635,837,477	828,050,652	-	**2,463,888,129**
Amortized cost	40,951,128,217	-	-	-	**40,951,128,217**
Fair value through profit or loss	-	-	-	61,694,866	**61,694,866**
Other financial assets	2,523,317,127	-	-	-	**2,523,317,127**
Total financial assets	**271,153,823,774**	**1,635,837,477**	**828,050,652**	**229,455,398**	**273,847,167,301**
Due to banks	16,030,665,382	-	-	-	**16,030,665,382**
Customer deposits	208,126,587,681	-	-	-	**208,126,587,681**
Financial derivatives	-	-	-	45,851,553	**45,851,553**
Other loans	5,625,017,188	-	-	-	**5,625,017,188**
Other financial liabilities	963,170,789	-	-	-	**963,170,789**
Total financial liabilities	**230,745,441,040**	**-**	**-**	**45,851,553**	**230,791,292,593**

* Re-measurement is related to expected credit loss adjustments, while reclassification includes adjustments to changes in measurement bases.

(All amounts are shown in Egyptian Pounds)

16 - Cash and due from Central Bank of Egypt (CBE)	December 31, 2020	December 31, 2019
Cash	3,841,124,598	3,956,404,795
Balances with CBE (mandatory reserve)	13,325,733,984	8,056,431,357
Total	**17,166,858,582**	**12,012,836,152**
Interest free balances	17,166,858,582	12,012,836,152
Total	**17,166,858,582**	**12,012,836,152**

17 - Due from Banks	December 31, 2020	December 31, 2019
Current accounts	650,130,667	767,613,975
Deposits	6,428,712,726	7,705,762,545
	7,078,843,393	**8,473,376,520**
Less : Allowance for impairment losses	(10,607,678)	(9,125,361)
Total	**7,068,235,715**	**8,464,251,159**
Balances at CBE other than those under the mandatory reserve	3,737,172,764	5,078,070,791
Local banks	2,378,845,974	2,270,586,815
Foreign Banks	962,824,655	1,124,718,914
Less : Allowance for impairment losses	(10,607,678)	(9,125,361)
Total	**7,068,235,715**	**8,464,251,159**
Interest free balances	499,846,494	638,653,608
Balances at floating interest rates	150,284,173	235,660,367
Balances at fixed interest rates	6,428,712,726	7,599,062,545
Less : Allowance for impairment losses	(10,607,678)	(9,125,361)
Total	**7,068,235,715**	**8,464,251,159**
Current balances	5,918,745,715	6,946,031,159
Non-current balances	1,149,490,000	1,518,220,000
Total	**7,068,235,715**	**8,464,251,159**

Treasury bills	December 31, 2020	December 31, 2019
91 days maturity	110,025,000	749,050,000
182 days maturity	5,006,875,000	5,040,225,000
More than 182 days maturity	38,938,771,770	43,359,678,100
Less : Unearned interest	(2,033,742,517)	(2,939,996,121)
	42,021,929,253	**46,208,956,979**
Less : Allowance for impairment losses	(17,938,647)	(14,438,799)
Total	**42,003,990,606**	**46,194,518,180**

19 - Trading investments	December 31, 2020	December 31, 2019
Mutual Fund certificates	61,102,261	84,301,673
Total	**61,102,261**	**84,301,673**

(All amounts are shown in Egyptian Pounds)

20 - Loans and credit facilities to customers	December 31, 2020			December 31, 2019		
	Total	Allowance for impairment losses	Net	Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	3,499,137,263	(54,943,886)	3,444,193,377	3,500,083,111	(66,256,164)	**3,433,826,947**
Credit cards	1,115,783,185	(59,584,077)	1,056,199,108	994,594,773	(19,091,483)	**975,503,290**
Personal loans	25,679,340,323	(504,482,004)	25,174,858,319	20,299,816,747	(320,411,469)	**19,979,405,278**
Real estate loans	2,160,004,642	(45,478,279)	2,114,526,363	1,769,730,066	(26,688,861)	**1,743,041,205**
Total (1)	**32,454,265,413**	**(664,488,246)**	**31,789,777,167**	**26,564,224,697**	**(432,447,977)**	**26,131,776,720**
Corporate including small loans for businesses						
Overdrafts	65,259,415,520	(1,839,236,984)	63,420,178,536	63,928,487,636	(1,620,028,139)	**62,308,459,497**
Direct loans	51,219,853,401	(5,662,544,670)	45,557,308,731	45,781,366,008	(4,580,967,655)	**41,200,398,353**
Syndicated loans and facilities	19,689,353,268	(624,399,516)	19,064,953,752	19,679,400,546	(567,440,941)	**19,111,959,605**
Other loans	4,295,685,819	(394,636,294)	3,901,049,525	5,030,729,892	(118,670,919)	**4,912,058,973**
Total (2)	**140,464,308,008**	**(8,520,817,464)**	**131,943,490,544**	**134,419,984,082**	**(6,887,107,654)**	**127,532,876,428**
Total loans and credit facilities to customers (1+2)	**172,918,573,421**	**(9,185,305,710)**	**163,733,267,711**	**160,984,208,779**	**(7,319,555,631)**	**153,664,653,148**
Less: Segregated interest			(330,084)			**(5,850,387)**
Less: Unearned discount and deferred income			(97,135,879)			**(131,610,742)**
Net Loans and credit facilities to customers distributed as follows:			**163,635,801,748**			**153,527,192,019**
Current balances			116,442,043,923			**110,620,728,243**
Non-current balances			47,193,757,825			**42,906,463,776**
Net Loans and credit facilities to customers			**163,635,801,748**			**153,527,192,019**

(All amounts are shown in Egyptian Pounds)

20-A - Allowance for impairment losses

December 31, 2020

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at 1 January 2020	66,256,164	19,091,483	320,411,469	26,688,861	**432,447,977**
Net impairment loss recognized during the year	(11,312,278)	40,492,594	185,117,676	18,789,418	**233,087,410**
Loans written-off during the year	**-**	**-**	**(10,457,191)**	**-**	**(10,457,191)**
Collection of loans previously written-off	-	-	9,414,745	-	**9,414,745**
Foreign exchange translation differences	-	-	(4,695)	-	**(4,695)**
Balance at end of the year	**54,943,886**	**59,584,077**	**504,482,004**	**45,478,279**	**664,488,246**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at 1 January 2020	1,620,028,139	4,580,967,655	567,440,941	118,670,919	**6,887,107,654**
Net impairment loss recognized during the year	219,309,703	1,346,364,823	56,993,902	287,092,131	**1,909,760,559**
Loans written-off during the year	**-**	**(273,657,726)**	**-**	**(11,125,286)**	**(284,783,012)**
Collection of loans previously written-off	-	9,155,116	-	-	**9,155,116**
Foreign exchange translation differences	(100,858)	(285,198)	(35,327)	(1,470)	**(422,853)**
Balance at end of the year	**1,839,236,984**	**5,662,544,670**	**624,399,516**	**394,636,294**	**8,520,817,464**
Total					**9,185,305,710**

December 31, 2019

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	57,314,838	10,097,735	269,917,078	14,098,495	**351,428,146**
Impact of adopting IFRS 9	30,720,193	3,513,548	91,105,836	4,806,754	**130,146,331**
Restated Balance at beginning of the year	88,035,031	13,611,283	361,022,914	18,905,249	**481,574,477**
Net impairment loss recognized during the year	41,572,014	16,258,539	40,782,604	10,938,629	**109,551,786**
Loans written-off during the year	(63,350,881)	(10,778,339)	(88,761,510)	(3,155,017)	**(166,045,747)**
Collection of loans previously written-off	-	-	7,395,869	-	**7,395,869**
Foreign exchange translation differences	-	-	(28,408)	-	**(28,408)**
Balance at end of the year	**66,256,164**	**19,091,483**	**320,411,469**	**26,688,861**	**432,447,977**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	1,311,185,436	3,124,058,279	817,752,554	150,936,849	**5,403,933,118**
Impact of adopting IFRS 9	602,021,049	470,503,808	-	-	**1,072,524,857**
Restated Balance at beginning of the year	1,913,206,485	3,594,562,087	817,752,554	150,936,849	**6,476,457,975**
Net impairment loss recognized during the year	(257,824,867)	1,119,986,454	(228,262,559)	(29,806,828)	**604,092,200**
Loans written-off during the year	-	(67,406,595)	-	(752,536)	(68,159,131)
Collection of loans previously written-off	-	18,059,660	-	-	**18,059,660**
Foreign exchange translation differences	(35,353,479)	(84,233,951)	(22,049,054)	(1,706,566)	**(143,343,050)**
Balance at end of the year	**1,620,028,139**	**4,580,967,655**	**567,440,941**	**118,670,919**	**6,887,107,654**
Total					**7,319,555,631**

(All amounts are shown in Egyptian Pounds)

21- Financial derivatives	December 31, 2020		
	Notional amount	Assets	Liabilities
(A) Held for trading			
- Forward foreign exchange contracts	1,820,739,958	-	**56,016,784**
- Swap foreign exchange contracts	1,329,333,503	-	(512,149)
Total	**3,150,073,461**	**-**	**55,504,635**
(B) Fair value hedge			
Interest rate swap contracts	4,548,543,413	106,092,208	**-**
Total	**4,548,543,413**	**106,092,208**	**-**
Total	**7,698,616,874**	**106,092,208**	**55,504,635**

	December 31, 2019		
	Notional amount	Assets	Liabilities
(A) Held for trading			
- Forward foreign exchange contracts	1,952,471,855	-	**48,790,843**
- Swap foreign exchange contracts	1,125,631,413	-	(2,939,290)
Total	**3,078,103,268**	**-**	**45,851,553**
(B) Fair value hedge			
- Interest rate swap contracts	5,055,077,688	83,458,859	**-**
Total	**5,055,077,688**	**83,458,859**	**-**
Total	**8,133,180,956**	**83,458,859**	**45,851,553**

Forward exchange contracts represent commitments to purchase local and foreign currencies including the unexecuted part of regular-way transactions. Interest rate swap contracts represent commitments to swap fixed interest rate with variable interest rate where the physical exchange of funds is not required except in foreign exchange swaps. The Bank's credit risk represents the cost of potential replacement of the swaps in case other parties fail to meet their obligations. This risk is controlled on an ongoing basis in terms of fair value and percentage of contracted amounts. To control the outstanding credit risk, the Bank assesses counterparties to the contract in the same manner used in lending activities.

Fair value hedge

The Bank uses interest rate swap contracts to mitigate part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies to the extent caused by declining market interest rates.

Net fair value of hedging instruments (Interest rate swap) asset amounted to EGP 106,092,208 as of December 31, 2020 (EGP 83,458,859 in the prior year). Gain resulting from hedging instruments amounted to EGP 22,633,349 (Gain of EGP 79,662,814 in the prior year) and Loss arose from the hedged items reached EGP 28,467,034 (Loss of EGP 78,529,774 in the prior year).

(All amounts are shown in Egyptian Pounds)

22- Financial investments

Fair value through other comprehensive income (FVTOCI)	December 31, 2020	December 31, 2019
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	400,000,000	-
Listed instruments in foreign stock exchange market	1,454,586,525	1,635,837,477
Total debt instruments measured at fair value through other comprehensive income	**1,854,586,525**	**1,635,837,477**
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	83,418,622	97,190,572
Unlisted instruments in stock exchange market	494,406,555	689,338,400
Total equity instruments measured at fair value through other comprehensive income	**577,825,177**	**786,528,972**
(C) Money market funds and balanced funds:		
*Unlisted instruments in stock exchange market	41,970,650	41,521,680
Total financial investments measured at fair value through other comprehensive income (1)	**2,474,382,352**	**2,463,888,129**
Amortized cost		
(A) Debt instruments:		
Listed instruments in stock exchange market	46,853,808,339	40,206,707,664
Unlisted instruments in stock exchange market	758,771,156	744,420,553
Less : Allowance for impairment losses	(2,787,960)	(13,500,616)
Total Debt instruments measured at amortized cost (2)	**47,609,791,535**	**40,937,627,601**
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
Unlisted instruments in stock exchange market	71,759,603	61,694,866
Total equity instruments measured at fair value through profit or loss (3)	**71,759,603**	**61,694,866**
(Total Financial investments (1+2+3	**50,155,933,490**	**43,463,210,596**
Current balances	8,190,961,534	6,980,536,929
Non-current balances	41,964,971,956	36,482,673,667
Total financial investment	**50,155,933,490**	**43,463,210,596**
Fixed interest debt instruments	49,064,378,060	42,573,465,078
Variable interest debt instruments	400,000,000	-
Total debt instruments	**49,464,378,060**	**42,573,465,078**

(All amounts are shown in Egyptian Pounds)

The following table analyzes the movements on financial investments during the year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the current year	**2,463,888,129**	**40,937,627,601**
Additions	400,000,000	13,386,778,875
Amortization of premium / discount	(31,034,062)	114,838,988
Disposals (sale/redemption)	(176,874,016)	(6,825,673,000)
Translation differences resulting from monetary foreign currency denominated assets	(31,094,318)	(14,493,585)
Changes in fair value reserve	(150,503,381)	-
Change in Allowance for impairment during the year	-	10,712,656
Balance at the end of the current year	**2,474,382,352**	**47,609,791,535**

The following table analyzes the movements on financial investments during the comparative year:

	Fair value through other comprehensive income	Amortized cost
Balance at the beginning of the comparative year	**2,269,997,110**	**37,538,005,839**
Impact of adopting IFRS 9	625,889,241	705,575,652
Additions	102,866,971	6,894,432,968
Amortization of premium / discount	(40,834,978)	113,820,800
Disposals (sale/redemption)	(301,385,348)	(4,214,977,248)
Translation differences resulting from monetary foreign currency denominated assets	(205,014,245)	(85,729,794)
Changes in fair value reserve	24,457,231	-
Re-classification financial investements	(12,087,853)	-
Less : Expected credit loss (ECL)	-	(13,500,616)
Balance at the end of the comparative year	**2,463,888,129**	**40,937,627,601**

Gain on financial investments	**December 31, 2020**	**December 31, 2019**
Gain on financial investments at fair value through profit or loss	6,487,229	6,652,342
Total	**6,487,229**	**6,652,342**

* The Bank's equity instruments classified in the fair value through other comprehensive income category represent Bank subscribed stake at 5% from the total certificates' number of its QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund) upon its initial offering, in addition to the Bank subscribed stake at 20% from the total certificates' number of its QNB ALAHLI Second Fund with yearly / cumulative return (Tawazon Balanced Fund), in addition to the 20% from the total certificates' number of its QNB ALAHLI Third Fund with yearly / cumulative return (Tadawol Equity Fund) upon its initial offering. All stakes required to be retained by the Bank until maturity of the funds in accordance with the provisions of the law, had a nominal value of EGP 5 million each.

(All amounts are shown in Egyptian Pounds)

Overview | Strategic Report | Operational Performance | Corporate Social Responsibility | Corporate Governance and Risk Management | Separate Financial Statements | Consolidated Financial Statements | Branches Network

23 - Investments in associates

The following table summarizes the Bank's holdings in its associates:

December 31, 2020	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	The Bank's stake
Senouhi Company for Construction Materials (Associate)	Egypt	15,463,865	4,322,738	23,415,050	(949,347)	2,572,487	**23.09%**
Total		**15,463,865**	**4,322,738**	**23,415,050**	**(949,347)**	**2,572,487**	

December 31, 2019	Country of residence	Investee's assets	Investee's liabilities (excluding equity)	Investee's revenues	Investee's profit (loss)	Carrying amount	The Bank's stake
Senouhi Company for Construction Materials (Associate)	Egypt	15,704,819	3,539,329	28,320,529	891,433	2,809,012	**23.09%**
Total		**15,704,819**	**3,539,329**	**28,320,529**	**891,433**	**2,809,012**	

24 - Intangible assets	December 31, 2020	December 31, 2019
Software		
Net book value at the beginning of the year	209,802,791	162,239,439
Additions	54,010,700	108,152,238
Amortization	(68,563,922)	(60,588,886)
Net book value at the end of the year	**195,249,569**	**209,802,791**

25 - Other assets	December 31, 2020	December 31, 2019
Accrued revenues	2,975,211,725	2,523,317,127
Pre-paid expenses	106,508,731	121,520,288
Advance payments for acquisition of property and equipment	709,507,587	547,060,134
Foreclosed assets reverted to the group in settlement of debts	11,469,071	13,469,071
Deposits held with others and custody	18,685,386	13,401,196
Advance payments to tax authority	31,917,652	31,807,014
Receivables arising from insurance contracts, net	5,078,147	650,275
Others	374,129,889	223,759,005
	4,232,508,188	**3,474,984,110**
Less : Allowance for impairment losses	(3,902,424)	(4,148,685)
Total	**4,228,605,764**	**3,470,835,425**

(All amounts are shown in Egyptian Pounds)

26 - Property and Equipment	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
January 1, 2019					
Cost	2,454,728,193	195,906,081	790,995,496	256,519,229	**3,698,148,999**
Accumulated depreciation	(645,841,142)	(122,354,209)	(564,476,580)	(127,865,741)	**(1,460,537,672)**
Net book value	**1,808,887,051**	**73,551,872**	**226,518,916**	**128,653,488**	**2,237,611,327**
December 31, 2019					
Net book value at the beginning of the year	1,808,887,051	73,551,872	226,518,916	128,653,488	**2,237,611,327**
Additions	208,652,399	61,871,240	209,244,135	25,285,082	**505,052,856**
Disposals from property and equipment	(856,362)	(139,751)	(18,621,355)	(1,613,603)	**(21,231,071)**
Disposals from accumulated depreciation	517,386	139,751	18,602,172	1,613,603	**20,872,912**
Depreciation for the year	(104,060,717)	(12,167,960)	(92,805,984)	(20,288,445)	**(229,323,106)**
Net book value	**1,913,139,757**	**123,255,152**	**342,937,884**	**133,650,125**	**2,512,982,918**
January 1, 2020					
Cost	2,662,524,230	257,637,570	981,618,276	280,190,708	**4,181,970,784**
Accumulated depreciation	(749,384,473)	(134,382,418)	(638,680,392)	(146,540,583)	**(1,668,987,866)**
Net book value	**1,913,139,757**	**123,255,152**	**342,937,884**	**133,650,125**	**2,512,982,918**
December 31, 2020					
Net book value at the beginning of the year	1,913,139,757	123,255,152	342,937,884	133,650,125	**2,512,982,918**
Additions	121,875,571	60,312,086	140,989,922	25,670,901	**348,848,480**
Disposals from property and equipment	(1)	(1,338,782)	(228,055)	(7,235,415)	**(8,802,253)**
Disposals from accumulated depreciation	1	1,315,802	187,105	6,968,232	**8,471,140**
Depreciation for the year	(109,893,212)	(17,370,831)	(116,695,325)	(22,722,329)	**(266,681,697)**
Net book value	**1,925,122,116**	**166,173,427**	**367,191,531**	**136,331,514**	**2,594,818,588**
Balances at December 31, 2020					
Cost	2,784,399,800	316,610,874	1,122,380,143	298,626,194	**4,522,017,011**
Accumulated depreciation	(859,277,684)	(150,437,447)	(755,188,612)	(162,294,680)	**(1,927,198,423)**
Net book value	**1,925,122,116**	**166,173,427**	**367,191,531**	**136,331,514**	**2,594,818,588**

(All amounts are shown in Egyptian Pounds)

27 - Due to banks	December 31, 2020	December 31, 2019
Current accounts	273,078,309	886,972,602
Deposits	2,317,092,762	13,499,913,543
Repos transactions	1,548,664,887	1,643,779,237
Total	**4,138,835,958**	**16,030,665,382**
Central banks	1,548,664,887	1,643,779,237
Local banks	300,012,410	13,652,248,182
Foreign banks	2,290,158,661	734,637,963
Total	**4,138,835,958**	**16,030,665,382**
Non-interest bearing balances	240,642,492	770,156,843
Variable interest rate balances	32,435,817	116,815,759
Fixed interest rate balances	3,865,757,649	15,143,692,780
Total	**4,138,835,958**	**16,030,665,382**
Current balances	4,138,835,958	16,030,665,382
Total	**4,138,835,958**	**16,030,665,382**

28 - Customer deposits	December 31, 2020	December 31, 2019
Demand deposits	51,519,705,098	47,848,483,005
Time deposits and call accounts	89,785,421,119	78,796,467,589
Term saving certificates	59,244,487,077	48,669,174,000
Saving deposits	25,588,901,501	25,615,535,989
Other deposits*	7,183,244,188	7,196,927,098
Total	**233,321,758,983**	**208,126,587,681**
Corporate deposits	122,447,209,834	104,258,525,351
Retail deposits	110,874,549,149	103,868,062,330
Total	**233,321,758,983**	**208,126,587,681**
Non-interest bearing balances	35,328,267,841	30,428,213,104
Variable interest rate balances	62,980,113,147	69,071,815,844
Fixed interest rate balances	135,013,377,995	108,626,558,733
Total	**233,321,758,983**	**208,126,587,681**
Current balances	189,418,429,446	164,120,624,876
Non-current balances	43,903,329,537	44,005,962,805
Total	**233,321,758,983**	**208,126,587,681**

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 354,045,886 as of December 31, 2020 (December 31, 2019 EGP 256,308,432). The fair value of these deposits approximates its carrying amount.

Other loans	December 31, 2020	December 31, 2019
Union National Bank	-	16,842,376
National Bank of Egypt	911,308	10,441,309
Commercial International Bank	33,905,556	110,911,111
European Investment Bank	156,602,702	159,283,761
Egyptian Gulf Bank	-	1,050,686
Qatar National Bank	412,967,625	882,282,500
European Bank for Reconstruction and Development	2,947,872,338	4,184,973,616
Banque Misr	1,275	601,616
National Bank of Kuwait	139,926,879	141,130,213
The Micro, Small and Medium Enterprises Development Agency	112,449,067	117,500,000
Total	3,804,636,750	5,625,017,188
Current balances	1,109,612,373	3,892,151,986
Non-current balances	2,695,024,377	1,732,865,202
Total	**3,804,636,750**	**5,625,017,188**

(All amounts are shown in Egyptian Pounds)

30 - Other liabilities	December 31, 2020	December 31, 2019
Accrued interest	1,040,203,052	963,170,789
Unearned revenues	98,709,675	129,643,296
Accrued expenses	818,115,220	717,335,584
Due to insurance and re-insurance companies	69,552,007	70,483,639
Sundry credit balances	1,475,537,553	1,087,458,712
Total	**3,502,117,507**	**2,968,092,020**

31 - Other provisions

	December 31, 2020					
Description	**Balance at the beginning of the year**	**Formed during the year**	**Released during the year**	**Foreign currencies translation differences + (-)**	**Used during the year**	**Balance at the end of the year**
Provision for tax claims	219,597,223	5,172,425	(157,872,105)	-	(7,367,476)	59,530,067
Provision for legal claims	18,712,516	1,755,212	(276,638)	(142,283)	(2,460,388)	17,588,419
Provision for contin-gent liabilities	472,545,493	18,038,419	-	(18,577)	-	490,565,335
Provision for fidelity	32,262,862	-	(417,279)	(604,183)	-	31,241,400
Provision for opera-tional risk	731,024	-	-	-	(17,122)	713,902
Total	**743,849,118**	**24,966,056**	**(158,566,022)**	**(765,043)**	**(9,844,986)**	**599,639,123**

	December 31, 2019						
Description	**Balance at the beginning of the year**	**Impact of adopting IFRS 9**	**Formed during the year**	**Released during the year**	**Foreign currencies translation differences + (-)**	**Used during the year**	**Balance at the end of the year**
Provision for Tax claims	345,874,187	-	316,425	(121,643,613)	-	(4,949,776)	219,597,223
Provision for Legal claims	12,767,804	-	12,442,787	-	(194,441)	(6,303,634)	18,712,516
Provision for contin-gent liabilities	290,796,573	153,241,923	31,226,615	-	(2,719,618)	-	472,545,493
Provision for fidelity	35,918,620	-	-	-	(3,655,758)	-	32,262,862
Provision for operational risk	487,587	-	243,437	-	-	-	731,024
Total	**685,844,771**	**153,241,923**	**44,229,264**	**(121,643,613)**	**(6,569,817)**	**(11,253,410)**	**743,849,118**

32 - Insurance policyholders' rights	December 31, 2020	December 31, 2019
Technical Reserves for Insurance activties	3,152,137,383	2,507,318,130
Provision for outstanding claims	95,198,243	82,162,799
Total	**3,247,335,626**	**2,589,480,929**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

33 - Deferred income tax
Deferred tax has been calculated on all temporary tax differences using the balance sheet method and using the expected tax rate at the time that the bank will recognize a benefit from assets / incurred liabilities at a tax rate of (22.5%) for the current financial year. The Group does not offset deferred tax assets and deferred tax liabilities unless the Bank has a legally enforceable right to set off current tax assets against current tax liabilities; and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax assets and liabilities
Below are the balances and movements of deferred tax assets and liabilities:

Balances of deferred tax assets and liabilities:	**Deferred tax assets**		**Deferred tax liabilities**	
	December 31, 2020	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Tax impact on temporary differences arising from:				
Property and equipment	-	-	(105,849,280)	(91,253,799)
Provisions (other than the provision for loan impairment)	306,881,271	327,340,677	-	**-**
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(99,636,191)	**(130,501,782)**
Others	13,755,885	23,181,211	-	**-**
Deferred tax assets (liabilities)	**320,637,156**	**350,521,888**	**(205,485,471)**	**(221,755,581)**
Net balance of DTA (DTL)	**115,151,685**	**128,766,307**		

Movement of deferred tax assets and liabilities:	**Deferred tax assets**		**Deferred tax liabilities**	
	December 31, 2020	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Beginning balance	350,521,888	307,629,856	(221,755,581)	(72,650,961)
Impact of adopting IFRS 9	-	41,728,828	-	(135,589,181)
DT recognized / utilized during the year	(29,884,732)	1,163,204	16,270,110	**(13,515,439)**
Closing balance	**320,637,156**	**350,521,888**	**(205,485,471)**	**(221,755,581)**

Balances of deferred tax assets (liabilities) recognized directly in equity	**December 31, 2020**	**December 31, 2019**
Differences in fair value of financial investments at fair value through other comprehensive income	(99,636,191)	(130,501,782)
Effect of changes in accounting policies	-	41,728,828

34 - Defined benefits obligation	December 31, 2020	December 31, 2019
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	513,228,220	482,288,384
Amounts recognized in the income statement:		
Post-retirement medical benefits	64,340,167	66,879,618
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	365,975,012	414,628,886
Unrecognized actuarial gain	147,253,208	67,659,498
	513,228,220	**482,288,384**
Liability movements during the year are represented as follows:		
Balance at the beginning of the financial year	482,288,384	437,821,485
Current service cost	11,498,593	10,874,025
Interest cost	55,233,903	58,712,541
Actuarial losses / gain	(2,392,329)	(2,706,948)
Benefits paid	(33,400,331)	(22,412,719)
	513,228,220	**482,288,384**
Amounts recognized in the income statement are shown below:		
Current service cost	11,498,593	10,874,025
Interest cost	55,233,903	58,712,541
Actuarial losses / gain recognized during the year	(2,392,329)	(2,706,948)
	64,340,167	**66,879,618**

The main actuarial assumptions used by the Bank are outlined below:	December 31, 2020	December 31, 2019
Discount rate (two plans):		
A-QNB ALAHLI current employees plan	14.50%	14.00%
B-Ex-MIBank retirees plan	14.50%	14.00%
QNB ALAHLI long term increase in the cost of medical care (on top of inflation)	8.00%	10.27%
Ex-MIBank long term increase in the cost of medical care (on top of inflation)	8.00%	10.27%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost	DBO
Post-retirement medical benefits	7.88%	7.37%

35 - Issued and paid-up capital

(A) Authorized Capital

- The authorized capital amounts to EGP 15 billion.

(B) Issued and Paid up Capital

- The issued and paid up capital amounted to EGP 8,904,227,140 on December 31, 2017 representing 890,422,714 shares with a nominal value of EGP 10 each, of which 765,099,714 shares were paid in Egyptian pound and 125,323,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.
- The Extraordinary General Assembly held on February 15, 2018 decided to increase the capital from EGP 8,904,227,140 to EGP 9,794,649,850 ,an increase of EGP 890,422,710 by transferring from the general reserve.
- The issued and paid up capital amounted to EGP 9,794,649,850 on December 31, 2018 representing 979,464,985 shares with a nominal value of EGP 10 each, of which 854,141,985 shares were paid in Egyptian pound and 125,323,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.
- The Extraordinary General Assembly held on February 28, 2019 decided to increase the capital from EGP 9,794,649,850 to EGP 10,774,114,830,an increase of EGP 979,464,980 by transferring from the general reserve. The official bodies has been approved this increase during the second quarter of Year 2020.
- The Extraordinary General Assembly held on February 28, 2019 decided to split the face value of each share of the Bank's capital from EGP 10 to be EGP 5. The issued and paid up capital amounted to EGP 10,774,114,830 on December 31, 2020 representing 2,154,822,966 shares with a nominal value of EGP 5 each.

(All amounts are shown in Egyptian Pounds)

36 - Reserves and retained earnings

(1) Reserves	December 31, 2020	December 31, 2019
General reserve (a)	15,104,078,670	13,417,823,247
General banking risk reserve (b)	1,169,067	1,169,067
Legal reserve (c)	2,049,233,783	1,633,301,744
Fair value reserve (d)	404,806,848	524,415,090
Special reserve (e)	39,494,455	39,494,455
Capital reserve	21,379,530	18,489,519
General risk reserve*	21,453,923	21,453,923
Reserve for transactions under common control	4,000,483	4,000,483
Total reserves at the end of the year	**17,645,616,759**	**15,660,147,528**

* In piror year accordance with the instructions of the Central Bank of Egypt to apply IFRS 9 as of January 1, 2019, the special reserve - credit and general bank risk reserve - credit and IFRS 9 credit risk are consolidated in one reserve under the name of general risk reserve. The difference between the provisions required under IFRS 9 and the provisions required in accordance with previous instructions will be deducted from the general risk reserve .

Reserve movements are as follows:

(a) General reserve	December 31, 2020	December 31, 2019
Balance at the beginning of the financial year	13,417,823,247	8,531,087,699
Transferred from retained earnings	2,665,720,403	4,886,735,548
Transferred to capital increase	(979,464,980)	-
Balance at the end of the year	**15,104,078,670**	**13,417,823,247**
(b) General banking risk reserve		
Balance at the beginning of the year	1,169,067	2,781,992
Transferred to retained earnings	-	(1,612,925)
Balance at the end of the year	**1,169,067**	**1,169,067**

In accordance with the instructions of the Central Bank of Egypt, the general banking risk reserve is supported annually by 10% of the value of the assets owned by the Bank in return for debt if these assets are not disposed of within the period specified in the law.

	December 31, 2020	December 31, 2019
(c) Legal Reserve		
Balance at the beginning of the year	1,633,301,744	1,287,748,276
Transferred from the net profit of the prior year	415,932,039	345,553,468
Balance at the end of the year	**2,049,233,783**	**1,633,301,744**

According to the provisions of local laws, 5% of net profit of the year shall be transferred to a non-distributable statutory reserve until it reaches 100% of the bank's capital.

(d) Fair Value Reserve	December 31, 2020	December 31, 2019
Balance at the beginning of the year	524,415,090	(679,166,099)
Impact of adopting IFRS 9	-	1,328,882,119
Deferred tax recognized as of a result of adopting IFRS 9	-	(135,589,181)
Net change in fair value (Note 22)	(150,503,381)	24,457,231
Impairment losses on debt instruments at fair value through other comprehensive income	29,548	(29,494)
Transferred to retained earnings	-	(12,087,853)
Deferred tax recognized during the year (Note 33)	30,865,591	(2,051,633)
Balance at the end of the year	**404,806,848**	**524,415,090**

(e) Special Reserve

The application of the CBE new basis rules of preparation and presentation of financial statements as well as the modified principles of recognition and measurement requires to restate the comparative figures of the first financial year that have been impacted by this change, including comparative figures in the balance sheet and the income statements for the previous year. as the impact of adjustment is positive, such impact was carried directly to retained earnings then transferred to the special reserve in equity and shall not be used except by approval from CBE. The following is a breakdown of the items that generated the special reserve amount:

	December 31, 2020	December 31, 2019
Amortized cost method using EIR for held to maturity investments	253,607	253,607
Amortized cost method using EIR for Available-for-sale investments	393,930	393,930
Applying the equity method on investments in associates	26,637,789	26,637,789
Deferred tax (Tax impact on adjustments)	(4,249,739)	(4,249,739)
Available-for-sale investments (Equity instruments)	16,458,868	16,458,868
Total	**39,494,455**	**39,494,455**

(All amounts are shown in Egyptian Pounds)

(2) Profit for the year and retained earnings	December 31, 2020	December 31, 2019
Movements on retained earnings:		
Balance at the beginning of year	9,848,191,979	8,243,667,987
Impact of adopting IFRS 9	-	26,389,444
Net profit of the financial year	7,491,517,830	8,522,091,359
Previous year's profit distribution	(2,154,822,966)	(979,464,985)
Employees' profit share	(866,118,001)	(721,808,017)
Board of directors' remuneration	(17,260,000)	(14,941,250)
Transferred to capital reserve	(2,890,011)	(6,434,554)
Transferred to general reserve	(2,665,720,403)	(4,886,735,548)
Transferred to the legal reserve	(415,932,039)	(345,553,468)
Transferred from fair value reserve, net of tax	-	9,368,086
Transferred from general banking risk reserve	-	1,612,925
Balance at the end year	**11,216,966,389**	**9,848,191,979**

37 - Cash and cash equivalents

For the purpose of presenting the cash flow statement, cash and cash equivalents include the following balances maturing within less than 3 months from placement or acquisition date.

	December 31, 2020	December 31, 2019
Cash and balances with central banks	3,841,124,598	3,956,404,795
Due from banks in less than 3 months	5,234,653,393	6,603,156,520
Treasury bills and other governmental notes (91 days)	109,334,969	726,823,580
Total	**9,185,112,960**	**11,286,384,895**

38 - Contingent liabilities and other commitments

(a) Legal claims (litigation)

Several lawsuits were brought against the Bank and are still outstanding as of December 31, 2020. No provision has been formed since it is not probable that the Bank will incur losses in regard of these lawsuits.

(b) Capital commitments:

The Bank is a party to contracts for capital commitments amounting to EGP 997,688,233 as of December 31, 2020 (EGP 956,533,263 on December 31, 2019). These represent commitments by the Bank for the purchases of buildings and equipment. Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

(c) Commitments for guarantees

The Bank's commitments for loans, guarantees and facilities are set out below:

	December 31, 2020	December 31, 2019
Financial guarantees	317,500	357,500
Accepted papers	1,797,703,754	3,300,687,075
L/Gs	40,570,756,871	42,590,274,614
Import L/Cs	1,957,494,838	3,473,097,930
Export L/Cs	226,134,764	205,713,506
Other contingent liabilities	19,632,824	367,558,187
Total	**44,572,040,551**	**49,937,688,812**

(d) Commitments for credit facilities	December 31, 2019	December 31, 2018
Commitments for credit facilities	31,497,891,864	36,638,991,924

(e) Commitments under operating lease contracts

Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	December 31, 2020	December 31, 2019
Not more than one year	127,355,381	95,093,222
More than one year and less than 5 years	393,504,249	275,023,904
More than 5 years	100,460,794	66,162,524
Total	**621,320,424**	**436,279,650**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2020
(All amounts are shown in Egyptian Pounds)

39 - Related-party transactions
Qatar National Bank (Q.P.S.C.) is the ultimate parent and controlling party as at the end of the reporting year which owns 94.97% of the bank's ordinary shares whereas the remaining 5.03% are held by other shareholders.

A number of transactions have been conducted during the reporting year with related parties within the Bank's normal course of business. These include loans, deposits, and foreign currency transactions.

Related party transactions with the parent company other than the payment of dividends on ordinary shares:

QNB Group	December 31, 2020	December 31, 2019
Due from banks	419,726	5,237,534
Due to banks	2,130,717,038	168,693,443
Export LC	2,513,234	6,483,525
LGs for banks	6,856,553,603	9,015,950,648
Foreign exchange derivative	1,329,333,503	989,007,803
Interest rate swap contracts	4,548,543,413	5,055,077,688
Other loans	412,967,625	882,282,500

A - Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Outstanding loans at the beginning of the financial year	111	111	1,119	38
Loans issued during the financial year	-	-	-	1,081
Loans repayment during the financial year	-	-	(1,119)	-
Loans outstanding at the end of the financial year	**111**	**111**	**-**	**1,119**
Interest income on loans	15	-	57	80

* No provisions have been recognized in respect of loan provided to related parties.

	Directors and other key management personnel (and close family members)		Associates	
Loans and credit facilities to related parties can be analyzed below	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Overdrafts	111	111	-	1,119
Total	**111**	**111**	**-**	**1,119**

B - Deposits from related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Deposits outstanding at the beginning of the financial year	62,923,605	64,394,311	10,683,248	7,305,502
Deposits placed during the year	11,381,135	5,389,712	186,507	3,382,738
Deposits repaid during the year	(1,245,256)	(6,860,418)	(5,814,808)	(4,992)
Deposits outstanding at the end of the financial year	**73,059,484**	**62,923,605**	**5,054,947**	**10,683,248**
Interest expense on deposits	2,174,975	2,474,684	232,950	304,022

Deposits from related parties can be analyzed below	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Demand deposits	10,310,095	1,593,925	1,270,166	7,084,929
Saving accounts	91,110	91,994	-	-
Certificates of deposits	6,000,000	4,000,000	-	-
Time deposits	56,658,279	57,237,686	3,784,781	3,598,319
Total	**73,059,484**	**62,923,605**	**5,054,947**	**10,683,248**

(All amounts are shown in Egyptian Pounds)

C - Other transactions with related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Fee and commission income	566	14,036	32,575	157,243
Guarantees issued by the bank	-	-	22,929	31,799
The above guarantees comprise:				
LGs	-	-	22,929	31,799
Total	**-**	**-**	**22,929**	**31,799**

The pricing for related parties' transactions are the same for other parties.

In accordance with the instructions of the Central Bank of Egypt (CBE) rules in 23 August 2011. The monthly average of net salaries and benefits for top 20 employees with the largest salaries and benefits reached EGP 8,650,786 during the current year.

40- Money Market and balanced Funds

A - QNB ALAHLI First Fund with cumulative daily return (THEMAR Money Market Fund)

The Bank has set up an investment fund under the name of "THEMAR" with daily accumulated interest as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

THEMAR initial offering was for one million certificates at nominal value of EGP 100 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. EFG HERMES is managing this fund.

Total number of the outstanding certificates at December 31, 2020 reached 11,377,254 at a total value of EGP 4,593,896,243 The Group currently holds 379,046 certificates worth of EGP 153,050,815 of which EGP 20,188,951 are classified as fair value through other comprehensve income and represent 5% from the total number of certificates that were initially issued, whereas the remaining value of EGP 71,759,603 are classified as fair value through profit or loss and EGP 61,102,261 are classified as trading investments.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 22,252,412 have been reported in the "fees and commission income" line item in the consolidated income statement.

B - QNB ALAHLI Second Fund with periodly / cumulative return (Tawazon Balanced Fund)

The Bank has set up an investment fund under the name of Tawazon Fund with periodic income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tawazon initial offering was for two hundred and fifty thousand certificates amounting to EGP 25 million, of which 50,000 certificates worth of EGP 5 million were subscribed by the bank at that time. Beltone Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2020 reached 56,046 at a total value of EGP 11,868,183. The Bank currently holds 50,000 certificates worth of EGP 10,587,895 that are classified as fair value through other comprehensve income and represent 20% of the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 57,731 have been reported in the "fees and commission income" line item in the consolidated income statement.

C - QNB ALAHLI Third Fund with periodly / cumulative return (Tadawol Equity Fund)

The Bank has set up an investment fund under the name of Tadawol Fund with periodic accumulated income as one of the banking activities authorized in accordance with the provisions of the Capital Market Law 95 of 1992.

Tadawol certificates were offered in a public offering amounting to EGP 25 million distributed over two hundred and fifty thousand certificates with a nominal value of EGP 100 each, subscriptions have only covered a number of one hundred and twenty five thousand certificates amounting to EGP 12.5 million, of which 50,000 certificates worth of EGP 5 million were subscribed at by the bank at that time. HC Fund Manager Asset Management is managing this fund.

Total number of the outstanding certificates at December 31, 2020 reached 76,895 at a total value of EGP 17,214,950 . The Bank currently holds 50,000 certificates worth of EGP 11,193,804 that are classified as fair value through other comprehensve income and represent 40% from the total number of certificates that were initially issued.

According to the management agreement and the fund's prospectus, the Bank shall receive fees and commissions for supervising the fund and other administrative services. Total commissions for the current year amounting to EGP 189,866 have been reported in the "fees and commission income" line item in the income statement.

41 - Important Events

1- The coronavirus ("COVID-19") pandemic is continuing across the various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. QNBAA 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, QNBAA 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.

Accordingly, QNBAA is continuing its internal protective action started in Q1 2020 by enhancing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the COVID-19 impact on the loan portfolio. Further precautionary actions might be taken progressively in the light of the pandemic is not over yet.

2- On September 15, 2020, the Central Bank of Egypt issued the Law No. 194 of 2020, which repealed Law No. 88 of 2003 of the "Central Bank, Banking Sector and Monetary System".

The law applies for the Central Bank of Egypt and the Egyptian banking system. The addressees are bound by the provisions of the law to adjust their positions in accordance with its provisions, within a period not exceeding one year from the date of its implementation, and the Board of Directors of the Central Bank may extend this period for a period or for other periods not exceeding two years, The Central Bank have to issues a regulations and decisions implementing which related to it's law.

Branches Network

QNB ALAHLI Branches Network

Head Office 1:
Dar Champollion - 5 Champollion St.- Down Town – 11111 - Cairo
Tel: (202) 27707000
Fax: (202) 27707099

Head Office 2:
54 El Batal Ahmed Abdel Aziz St.- El-Mohandseen - 12311 - Giza
Tel: (202) 33324100
Fax: (202) 33324199

Treasury & Dealing Room:
Tel.: (202) 27707530
Reuters Dealing Code: QNBE
Reuters Page: QNBE
Bloomberg Page: QNBA

Cairo Region
Almaza City Center:
Commercial Center “City Center Almaza” Unit (E1-11) - Al Multaqa Al Arabi District-11341- Cairo

Almaza:
103 El Thawra St.- Almaza - 11341 -Cairo
Tel: (202) 24193673
Fax: (202) 24193681

Beirut:
22 Beirut St.- Heliopolis - 11341 - Cairo
Tel: (202)24563804
Fax: (202)24563899

Osman Ibn Affan:
25 Osman Ibn Affan – 11341-Heliopolis
Tel: (202)24159724
Fax: (202)24159679

Hassan Sadek:
Awayd number (5) Hassan Sadek Basha St.- Heliopolis - 11341 - Cairo
Tel: (202)24632000
Fax: (202)24632099

El Merghany:
95 D Borg El Shams Buildings, Al Sayed Merghany St.- Heliopolis - 11341- Cairo
Tel: (202)24164800
Fax:(202)24164899

Ard El Golf:
5 Samir Mokhtar St.- Ard El- Golf - Heliopolis - 11341 - Cairo
Tel: (202)24139304
Fax: (202)24139399

Al Sebak:
32 Al Andalus St.- Heliopolis -11351 - Cairo
Tel: (202)24562200
Fax: (202)24562299

Thawra:
18 El-Thawra St.- Heliopolis - 11341 - Cairo
Tel: (202)24136300
Fax: (202)24136349

Champollion:
5 Champollion St.- Down Town – 11111 - Cairo
Tel: (202)27707000
Fax: (202)27707099

Kasr El Nil:
39 Kasr El Nil St.- Mostafa Kamel Square - Down Town - 11121 - Cairo
Tel: (202)23994200
Fax: (202)23994299

El Manial:
8 Mathaf El Manial St.- Manial – 11451 - Cairo
Tel: (202)25312263
Fax: (202)25312259

Opera:
42 El-Gomhouria St.- Opera Square - Down Town - 11121 - Cairo
Tel: (202)23999500
Fax: (202)23999599

Ahmed Heshmat:
33 Ahmed Hesmat St.- Zamalek – 11211- Cairo
Tel: (202)27281700
Fax: (202)27281799

Bab El Louq:
6 Falaky Square - Bab El Louq – Down Town - 11121- Cairo
Tel: (202)27919500
Fax: (202)27919599

Bab El Sheria:
472 Port Said St.- Bab El Sheria – 11271 - Cairo
Tel: (202)25891872
Fax: (202)25891876

EL-Kamel Mohamed:
2 El-Kamel Mohamed St.- Zamalek - 11211- Cairo
Tel: (202)27281600
Fax: (202)27281699

El-Sayeda Zeinab:
202 Portsaid St. El Sayeda Zeinab -11461- Cairo
Tel: (202) 23993400
Fax: (202) 23993499

Kasr El-Aini:
5 Elkasr Elaainy St.- Down Town - 11121 - Cairo
Tel: (202)25352100
Fax: (202)25352199

Nile City:
2005A Korniche El Nile - Nile City Towers - North Tower - Ground Floor - 11221- Cairo
Tel: (202)24619241
Fax: (202)24619244

Ramsis - Ghamra:
219 Ramsis-Ghamra -11271 - Cairo
Tel: (202)25971100
Fax: (202)25971199

El Mahkama Square:
36 El-Hegaz St.- Heliopolis - 11351- Cairo
Tel: (202)26311700
Fax: (202)26311799

El Nozha:
7 El Hegaz Square - Heliopolis - 11361- Cairo
Tel: (202)27771431
Fax: (202)27770676

El Shams:
48 Farid Semeka St.-Heliopolis - 11351- Cairo
Tel: (202)21805692
Fax: (202)21804093

Hegaz:
143 & 145 Al Hegaz St.- Heliopolis - 11361- Cairo
Tel: (202)26311600
Fax: (202)26311699

Ibn Maged Street:
235 Hegaz St.- Heliopolis - 11351- Cairo
Tel: (202)26250100
Fax: (202)26250199

Safir:
60 Abo Bakr El-Seddik St.- Safir Square – Heliopolis - 11361- Cairo
Tel: (202)26310700
Fax: (202)26310799

Galaa Complex:
El Galaa Complex main walls – next to Sun Mall Super Market – Abou Bakr El Sedik st. -Heliopolis - 11361 - Cairo
Tel: (202)22697953
Fax: (202)22699315

Omar Ibn El Khattab:
83 Omar Ibn El Khattab St. - Al Sabaa Omarat Heliopolis - 11769 - Cairo
Tel: (202)26904246

Farid Semeka:
111 Farid Semeka St.- El Nozha - 11361 - Cairo
Tel: (202)27746152
Fax: (202)27746156

Triumph:
102 Othman Ibn Affan – Heliopolis - 11361- Cairo
Tel: (202)26311400
Fax: (202)26311499

Ain Shams:
115 Selim El Awel St.- Ain shams - 11321 – Cairo
Tel: (202)26311900
Fax: (202)26311999

Gisr El-Suez:
149 Gisr El Suez St.- El Nozha - Heliopolis - 11351- Cairo
Tel: (202)26371850
Fax: (202)26371859

Hadayek El Kobba:
16 Waly El-Aahd St.- Saray El- Hadayek Mall - 11331 – Cairo
Tel: (202)24885700
Fax: (202)24885799

Heliopolis:
7 El Merghany St.- Heliopolis - 11341- Cairo
Tel: (202)24163700
Fax: (202)24163799

Helmyet El-Zaitoun:
Ibn El-Hakam Square - Beet El Ezz Towers - 11321 – Cairo
Tel: (202)26312000
Fax: (202)26312099

Kasr El-Tahra:
62 Toman Bey St.- Helmyet El Zaiton - 11321 - Cairo
Tel: (202)24560100
Fax: (202)24560199

Makrizi:
7 El Awhady St.- With Makrizi St.- Heliopolis - 11341 - Cairo
Tel: (202) 22570668
Fax: (202) 22570676

Khalifa Al Mamoun:
46 khalifa Al Mamoun street – 11341-Heliopolis – Cairo
Tel: (202)24539192
Fax: (202)24539235

Roxy:
25 Kobba St.- Roxy Sq – Heliopolis -11341- Cairo
Tel: (202)24563600
Fax: (202)24563699

Heliolido Club - Roxy:
Heliolido club - Al Maahad Al Eshtrakey street - Roxy square – 11341-Heliopolis
Tel: (202)24504304
Fax: (202)24504320

East Cairo Region:

10th of Ramadan:
Banks Area -10th of Ramadan – 44411 - Sharkia
Tel: (2055)390300
Fax: (2055)390399

1st Industrial Zone - 10th of Ramadan:
14A Service Area - 10th of Ramadan - 44411 - Al Sharkia
Tel: (2055)4392100
Fax: (2055)4392199

Badr University:
Entertainment District – West City - Badr City - 11829 – Al Sharkia
Tel: 01270088701

Badr City:
Block#29, El Mogawra 2 – District No.1- in front of Russian University - Badr City - 11829 – Al Sharkia
Tel: (202)28609130
Fax: (202)28609162

El Sherouk City Plaza:
Plot# 35,45 - Sherouk Entrance #1- City Plaza Mall - Cairo Suez Desert Road - 11837 - Cairo
Tel: 01221751426

Obour City:
Shop 34 & 35 – Obour City Club- Obour City- 18111- Cairo
Tel: (202)46140300
Fax: (202)46140399

Obour City Industrial Zone:
Lot 1- Banks Area , Industrial Zone A - Obour City - 18111 - Cairo
Tel: (202)46140200
Fax: (202)46140299

El Mahatta Square:
1 El-Mahatta Square- Sarayat El- Maadi - Helwan - 11431 - Cairo
Tel: (202)27680000
Fax: (202)27680099

Helwan:
13 Mohamed Mostafa El Maraghy St. - Helwan - 11421 - Cairo
Tel: (202)25485600
Fax: (202)25485699

Korniche El Maadi:
380 Jawharet El Maadi Building - Korniche El Nil - Maadi - 11431- Cairo
Tel: (202)25296400
Fax: (202)25296499

Maadi Entrance:
Plot #405 -Maadi Entrance – Cournish El Maadi –11431- Cairo
Tel: (202)23242700
Fax: (202)23242799

Maadi Degla:
Cross Roads of 218 & 231 St.- Maadi Degla - 11435 - Cairo
Tel: (202)25220600
Fax: (202)25220699

Mokatam:
Corner of Road 9 & 10 El Hadaba El Olya - Mokattam - 11439 - Cairo
Tel: (202)25031800
Fax: (202)25031899

Zahraa EL-Maadi:
Block no. 10071 - Tenth District - El-Hadaba El Sofla - Al-Merage - El-Basateen - 11439 - Cairo
Tel: (202)24471334
Fax: (202)24471337

New Maadi:
48 Al Nasr Avenue - New Maadi - Helwan - 11435 - Cairo
Tel: (202)27067200
Fax: (202)27067299

Nasr Street:
Block 1- Cross Road, Nasr and El-Lasilky - New Maadi - 11435 - Cairo
Tel: (202)27557300
Fax: (202)27557399

Street 9:
Corner of Roads 9 & 79 -Maadi – 11431 - Cairo
Tel: (202)27683800
Fax: (202)27683899

Wadi Degla:
Wadi Degla Club - Zahraa El Maadi -Helwan - 11435 - Cairo
Tel: (202)25195136
Fax: (202)25195168

Abbas El Akkad:
20 Abo El Ataheya St.- Abbas El Akkad Ext.- Nasr City – 11471 - Cairo
Tel: (202)22769500
Fax: (202)22769599

Ahmed Fakhry:
40 Ahmed Fakhry St.-Block 126- 6th District - Nasr City - 11391 - Cairo
Tel: (202)23546312
Fax: (202)23546316

Arab Academy:
1 Mousheer Ahmed Ismail St.- Masaken Sheraton - Arab Maritime Acadamy - 11361 - Cairo
Tel: (202)22686751

Hassan El Maamoun:
108 El Mona Building Hassan El Maamoun St.- District No. 6 – Nasr City -11391- Cairo
Tel: (202)22769000
Fax: (202)22769099

Makram Ebeid:
86 Makram Ebeid St.- Nasr City – 11371- Cairo
Tel: (202)22767000
Fax: (202)22767099

Mustafa El Nahas:
112 Mustafa El Nahas St.- 6th District – Entrance No.2 - Nasr City - 11391 -Cairo
Tel: (202)26703493
Fax: (202)26703495

Zaker Hussien:
2 Ahmed El Zomor Street – Nasr City - 11471 - Cairo
Tel: (202)22871147
Fax: (202)22871152

Abasia:
111 Abasia St.- 11381- Cairo
Tel: (202)24884000
Fax: (202)24884099

City Stars:
Unit # 1255 , Gate 7 – Citystars Mall - Omar Ebn El Khattab St.- Nasr City - 11391 - Cairo
Tel: (202)24802480
Fax: (202)24802483

Asmaa Fahmy:
2 Nozha St.- Next to Rekaba Edaria - Nasr City - 11371 - Cairo
Tel: (202)24159725
Fax: (202)24159475

House of Financial Affairs:
El Massah - Abdel Aziz Shenawy St.- Parade Area - Nasr City - 11371 -Cairo
Tel: (202)24010496

Nasr City:
2 Abbas El Akkad St.- Nasr City - 11371-Cairo
Tel: (202)24074600
Fax: (202)24074699

El Obour Building:
Shop # 6 & 7, building # 7 El Obor Building, Salah Salem St.- Heliopolis - Nasr City – 11371 - Cairo
Tel: (202)24054024
Fax: (202)24054021

Abdalla El Araby:
Land No. 17 - Block 63 Taksem Seventh District - Tayaran Street Extension - Nasr City - 11471 -Cairo
Tel: (202)23879396
Fax: (202)23879397

Tayaran:
32 Tayaran St.- Nasr City – 11371 - Cairo
Tel: (202)24078103
Fax: (202)24078199

El-Rehab:
Banks Area - B District – Rehab City - Tagamoa - 11841 - Cairo
Tel: (202)26940200
Fax: (202)26940299

Kattameya Road:
Building No. 2 Abrag Badr – Kattameya Road - 19111- Cairo
Tel: (202)23104167
Fax: (202)23104170

Master El Sokhna Road:
Shop # (2 B) Services Complex “Master El-Sokhna” Cairo/ Sokhna road, next to landing area - sign 8 km - Ein Sokhna direction before toll station -19111-Cairo
Tel: 01205556935

Chill out El Nakhiel:
Services Complex “Chillout – El Nakheil” south end of Shaheed axis road before the ring road tunnel-19111-Cairo

Madinety:
First Floor Banks Building – Administrative Area - First Phase - No. 103 - 19511 – Cairo
Tel: 01206628809

Open Air Mall Madinety:
unit (3) Ground floor - Build (j) - commercial centers District in front of Arabesk Mall - first phase – Madinety Project – 19511-New Cairo
Tel: 01222419666

Cloud 9:
Unit # (6) “Cloud Nine Mall”- Northern Investors area- “Mohamed Naguib Axis” – 1st Settlement – 11865-New Cairo.
Tel: (202)25391021
Fax: +(202)25391024

Porto Cairo:
Unit No. (50 - 5) Porto Cairo Mall - First settlement - New Cairo – 11865 - Cairo
Tel: 01065596125

Green Tower:
Green Tower - 305 Road 90 “southern” 2nd District - New Cairo -11853 - Cairo
Tel: (202)28109558
Fax: (202)28109559

Air Force Hospital:
Air Force Hospital - 90th St.- Fifth Settlement - 11835 - New Cairo
Tel: (202)26182205
Fax: (202)26182204

Redcon:
Build No. 140 - First Sector – City Center - Fifth Settlement -11835 – New Cairo
Tel: (202)28114026
Fax: (202)28114028

The spot:
Plot(49B) - Southern Investors District - Fifth Settlement – New Cairo – 11835 – Cairo
Tel: (202)25734101
Fax: (202)25734104

Mirage Residance:
Unit (3) - Build (A) Mirage Residance - Entertainment District - 1st Settlement - 11865 - New Cairo
Tel: 01208888360

Emerald Empire:
Unit # 23 Ground and First Floor - Emerald Center - El Nakhil City - 1st Settlement - 11865 – New Cairo
Tel: (202)25982300
Fax: (202)25982399

Cairo Festival City:
Unit (2-086) 2nd floor - El fatim land , taha hesin str. – Cairo festival city mall – Fifth Settlement -11835– New Cairo
Tel: (202)26168178
Fax: (202)26168179

New Cairo:
Down Town Project - 90 St.- 5th Settlement - New Cairo - 11835 - Cairo
Tel: (202)25982200
Fax: (202)25982299

Masa - New Capital:
unit #GB-04 - Capital Plaza Mall – New Administrative Capital - 11865 – New Cairo
Tel: 01270103339

Al Rebat - New Cairo:
Unit #G06 - Al Rebat Mall – Northern 90th St. - 5th Settelment - 11835 – New Cairo
Tel: (202)28215651
Fax: (202)28215654

Egypt Air:
Egypt Air Building - South Building-Block 6 - Airport Road – 11776 - Cairo
Tel: (202)22679517

Sun City:
Store No. A28F floor F - Sun City - Masaken Sheraton – Autostorad road - Heliopolis - 11361 - Cairo
Tel: (202)22650500
Fax: (202)22650599

Masaken Sheraton:
5 Khaled Ibn El Waleed St.- Heliopolis - 11361 - Cairo
Tel: (202)26961460
Fax: (202)26961489

New Nozha:
3A Dr. Mohamed Hussein Kamal St.-New Nozha - 11769 - Cairo
Tel: (202)26253600
Fax: (202)26253699

The District:
Unit No. (3-10) - Wadi Degla Club Wall Beside the District – Heliopolis -11361 - Cairo
Tel: 01288418813

Air Mall:
Store No. 1/2 Ground Floor – Air Mall Building Passengers Building No (1) - Cairo Airport – 11776 - Cairo
Tel: (202)22691691
Fax: (202)22691694

Sakr Koreish:
90 Sakr Koraish Building – Sheraton Buildings - 11361 - Cairo
Tel: (202)26969503
Fax: (202)26969599

Sindbad:
81 Joseph Tito St.- New Nozha – 11769 - Cairo
Tel: (202)26253700
Fax: (202)26253799

Giza Region

Aghakhan:
2 Horria St.- Takseem Aghakhan - 11241 - Cairo
Tel: (202)22253000
Fax: (202)22253099

Alfy:
14 Mohamed Bek Alfy St.- Down Town - 11111 - Cairo
Tel: (202)25970800
Fax: (202)25970899

Banha:
26 Saad Zaghlool St.- 13111 - Banha
Tel: (2013)3806200
Fax: (2013)3806299

Faggalla:
39 Kamel Sedky St.- Faggala – El Zaher - 11271 - Cairo
Tel: (202) 25880656

Menyet El Serg:
173 Shoubra St.- Sahel – Shoubra - 11241 - Cairo
Tel: (202)22052454
Fax: (202)22050575

Rod El-Farag:
74 Rod El Farag St.- El Sahel – Shoubra - 11241 - Cairo
Tel: (202)24291000
Fax: (202)24291099

Shoubra:
53 Shobra St.- Shoubra - 11231 - Cairo
Tel: (202)25945900
Fax: (202)25945999

Shoubra El-Khima:
135, 15 May St.- El Teraa El Boulakya - Mansheit El Hourrya - Shoubra El Khima - 13211 - Qalubiya
Tel: 01223990070

Teraa El-Bolakia:
156 El Terra El Bolakia St.- Shoubra - 11231 - Cairo
Tel: (202)22009738
Fax: (202)22009742

El Marwa (Boulak El Dakroor):
57 El Sudan St.- Dokki - 12311 - Giza
Tel: (202)37618708
Fax: (202)37618747

Saint Regis:
Ground floor - Saint Regis Hotel - Kornish El Nile - Bolak Abu Al Ela – 11221-Cairo

Mossadek - Dokki:
12 Tanzeem - 6 Mossadek St.- Dokki - 12311 - Giza
Tel: (202)33338900
Fax: (202)33338999

El Nil:
5 Wessa Wassef - Borg El Riad – 12311 - Giza
Tel: (202)35732095
Fax: (202)35732080

El-Bahr El-Azam:
304 Elbahr Elaazam St.- Borg El Kawsar - 12211 - Giza
Tel: (202)35670700
Fax: (202)35670799

El-Galaa:
106 El Nil St.- Agouza - 12311 - Giza
Tel: (202)33323300
Fax: (202)33323399

Giza:
62 Mohamed Bahy El Din Barakat St.- 12211 - Giza
Tel: (202)33311100
Fax: (202)33311199

Messaha:
5 Al-Messaha Square - Dokki - 12311 - Giza
Tel: (202)33338100
Fax: (202)33338199

Mohy El-Din Abou El-Ezz:
38 Mohy El Din St.- Dokki – 12311 - Giza
Tel: (202)37492134
Fax: (202)37492138

Mourad:
28 Taha Hussien St.- 12211 - Giza
Tel: (202)35684871
Fax: (202)35684869

First Mall:
Unit # (106),35 Giza street "First Mall" – Four Seasons First Residence Hotel-12311- Giza
Tel: (202) 35725643
Fax: (202) 35725649

Arab Academy - Smart Village:
Arab Academy building - Smart Village -12577- Giza
Tel: (202)35370071
Fax: (202)35370073

Dandy Mall:
Dandy Mall - Cairo-Alex. Desert Road. (kilo 28) - 12577- Giza
Tel: (202)35367200
Fax: (202)35367299

Faisal:
179 King Faisal St.- Haram - 12151 - Giza
Tel: (202)33891600
Fax: (202)33891699

Haram:
360 Al- Haram St.- Haram – 12111 - Giza
Tel: (202)35992400
Fax: (202)35992499

King Faisal:
457 Faisal St. - 12111 - Giza
Tel: (202)37891300
Fax: (202)37891399

Mariottia:
44 Al Haram Street - Crystal Palace Mall - 12111 - Giza
Tel: (202)33866002
Fax: (202)33866088

Nasr El Din:
426 Al Haram St.- El Gazera El Arabia Tower - Haram - 12111 - Giza
Tel: (202)35674200
Fax: (202)35674299

Hadayek Al Ahram:
Reviera Mall - Hadayek Al Ahram – 12572-Giza

Agouza:
1 Aswan Square - Al Agouza - 12311 - Giza
Tel: (202)33000500
Fax: (202)33000599

Gameat El-Dowel El-Arabia:
9 Gameat El-Dewal El-Arabia – Al Mohandseen - 12411- Giza
Tel: (202)33003700
Fax: (202)33003799

Kitkat:
5A Mohamed Roushdy St.- 8A El Nabawy El Mohandes Sq.- Agouza– 12411 - Giza
Tel: (202)33080200
Fax: (202)33080299

Lebanon:
30 Lebanon St.-El Mohandseen – 12411 - Giza
Tel: (202)33000900
Fax: (202)33000999

Moustafa Mahmoud:
2 El Fawakeh St.- Mohandseen – 12311 - Giza
Tel: (202)33315000
Fax: (202)33315099

Shehab:
7 Shehab St.- Mohandseen - 12411 - Giza
Tel: (202)37618783
Fax: (202)37617965

Sphinx:
3 Ahmed Orabi St.- Sphinx Square - 12411 - Giza
Tel: (202)33002500
Fax: (202)33002599

Sudan:
149-151 Sudan St.- Mohandseen – 12411 - Giza
Tel: (202)33346800
Fax: (202)33346899

Wadi El Nil:
22 Wadi El Nil st. – Mohandseen –12411- Giza.

October - industrial zone:
October City - Banks Area – Industrial Zone 4 - 12451 - Giza
Tel: (202) 21274300
Fax: (202) 21274399

Chillout Park:
Store No. (3A) - Restaurant Compound - Alex - Cairo Desert Road - 12451 - Giza
Tel: (202)33783201
Fax: (202)33783204

Park Avenue:
Unite # G/213 - Park Avenue Project - Cairo/ Alex Desert Road – 12461-Giza
Tel: 01208888368

6th of October Distinguished District:
University Mall - Behind Misr University - 6th of October - 12451 -Giza
Tel: (202)38247514
Fax: (202)38247513

Mall of Arabia:
Unit No. 071 H - Mall of Arabia - 6th of October - 12451 - Giza
Tel: (202)38260229
Fax: (202)38260231

Banks Complex Mall -West Somid :
Service Center Neighbhood 9 , 10 – West Somid - 6th of October - 12566 - Giza
Tel: (202)38249047
Fax: (202)38249048

IDG:
IDG - Main Service area - Food court – 6 October –12451- Giza
Tel: (202) 38642395
Fax: (202) 38642398

Strip Mall:
Commercial Store No. 1L - Plot # 9 &10 of Auto Ville Project - Strip Mall - Dahshour
Road - EL Sheikh Zayed – 12857 – Giza
Tel: (202) 38579194

El Sheikh Zayed:
Al Mogawra 1 - Building 105 front of Zayed Hospital - 6th of October -12461 - Giza
Tel: (202)37944107
Fax: (202)37944109

Mall 360:
Plot # 3, 3rd neighborhood - The eastern tourist extension area - 6 of October – 12451-Giza
Tel: (202)36104591
Fax: (202)36104594

Prima Vista:
Unit No. G9/3,F7/1 Mall Prima Vista - Block 1/9 - El-Mehwar El- Markazi - 6th Of October -12451 - Giza
Tel: (202)25983800
Fax: (202)25983899

ElMajarra:
El Majarra Complex - Plot No. (12) Mehwar Crazy Water – Sheikh Zayed - 6th of October - 12461 - Giza
Tel: (202)38272600
Fax: (202)38272699

Sila Mall:
Sila Mall , Plot #2/28/B, - Mehwar El-Markazi - 6th of October city-12451- Giza
Tel: (202)38274000
Fax: (202)38274099

Smart Village:
Egyptian Exchange Building – Smart Village - 6th of October - 12577 - Giza
Tel: (202)35371050
Fax: (202)35371053

Mazar:
Mazar Mall - 16th Neighborhood – Sheikh zaied , 6th Of October city- 12461-Giza
Tel: (202)37952551
Fax: (202)37952554

Karma 4:
Karma Mall 4 - 17th Neighborhood -Sheikh zaied , 6th Of October city- 12461-Giza
Tel: (202)37862718
Fax: (202)37862724

Arkan :
Plot (29-30-32) - Crazy Water corridor - Sheikh Zayed - 6th of October – 12461- Giza

Alexandria Region

Damanhour:
19 El Gomhoria St.- Karta - 22111 - Damanhour
Tel: (2045)3370900
Fax: (2045)3370999

Khaled Ibn El-Waleed:
631 Al Guish Avenue - Off Khaled Ibn El Waleed - Miami - 21421 - Alex
Tel: (203)5381100
Fax: (203)5381199

Miami:
265 Gamal Abdel Nasser Avenue – Miami - 21421 - Alex
Tel: (203)5381000
Fax: (203)5381099

Roushdy:
240 El Geish Road (Kourniche) – 21311 - Alex
Tel: (203)5419500
Fax: (203)5419599

Mamoura:
Royal Mall - Mamoura Road - 21421 - Alexandria.
Tel: (203)3253943
Fax: (203)3253954

Montaza:
737 El Geish Road - Mandara – 21421 - Alex
Tel: (203)5487619
Fax: (203)5487932

Sporting:
293 El Horreya Road - 21311- Alex
Tel: (203)4291624
Fax: (203)4291598

Fawzy Moaaz Street:
74 A Fawzy Moaz St.- Semouha - 21431- Alex
Tel: (203)4196700
Fax: (203)4196799

Glym:
10 Abdel-Salam Aref St.- Glym - 21311 - Alex
Tel: (203)5815500
Fax: (203)5815599

Kafr El Dawar:
Building no 1 in Adghan – 50 kanal str. –entrance of new bridge – kafer el dawar city –22221- el Behera governorate
Tel: (2045)2249000
Fax: (2045)2249099

Kafr Abdou:
26 Ismaillia St.- Across Ismallia with Saint Geni - Kafr Abdou - 21311 -Alex
Tel: (203)5419560
Fax: (203)5419596

Loran:
723 Tareq El Horreya - Loran – 21411 - Alex
Tel: (203)5702634
Fax: (203)5702635

Moustafa Kamel:
16 Ibrahim Sherif St.- Mostafa Kamel - 21311 - Alex
Tel: (203)5419600
Fax: (203)5419699

Semouha:
35 Vector Emanual Square – Semouha - 21431 - Alex
Tel: (203) 4195900
Fax: (203) 4195999

Wabour El-Mayah:
243 Ahmed Ismail St.- Behind Olympic Club Wabour El Maya - 21131 - Alex
Tel: (203)4294189
Fax: (203)4295684

Zizenya:
601 El-Horaya St.- Zizenya - 21411 - Alex
Tel: (203)5819300
Fax: (203)5819399

Agami:
Gate No. 8 Agami Star Mall - Bitash - 21221 - Alex
Tel: (203)4318708
Fax: (203)4318709

Ahmed Orabi Square - El Manshya:
6 Ahmed Orabi Square - Ksm Manshia – 21111 – Alex
Tel: (203)4885200
Fax: (203)4885299

Alex Port:
Unit No. 6, 7 - Ground floor – Investment Building – Alexandria Port - 21111 - Alex
Tel: (203)4833343
Fax: (203)4877797

Alexandria Entrance:
unit no 1,El Tarek Trade company building - Al Manshia - Moharam Bek - Alex Entrance- 21121-Alex
Tel: (203)3872000
Fax: (203)3872099

Borg El- Arab:
New Borg El Arab City - 23121- Alex
Tel: (203)4630100
Fax: (203)4630199

Fouad Street:
39 El Horeya St.- El Attareen - 21131- Alex
Tel: (203)4966890
Fax: (203)4966909

Ibrahimia:
118 Port Said st. near Hehya street – El Ibrahimia - 21321 - Alex
Tel: (203)5980400
Fax: (203)5980499

Mansheya:
2 Salah Salem St.- Near ElSenteral St.- El Aatareen - El Mansheya - 21111- Alex
Tel: (203)4881200
Fax: (203)4881299

Safia Zaghloul:
33 Safia Zaghloul St.- 21131-Alex
Tel: (203)4883000
Fax: (203)4883099

Sultan Hussein:
47 Al Sultan Hussien St.- 21131 - Alex
Tel: (203)4883100
Fax: (203)4883199

MASA Al Alamain:
Commercial Mall "O" Masa Al-Alamain – New Alamain City – 51718-Matrouh Governorate
Tel: 01201339077

Delta & Suez Canal Region

Delta City Mall:
42 El Geish St.- Borg Delta City Mall - 31111 - Tanta
Tel: (2040)3385200
Fax: (2040)3385299

El Mansoura:
213 El Gommuhuria St.- 35111 - Mansoura
Tel: (2050)2280300
Fax: (2050)2280399

"Metawaa Mall" Belqass - Dakahlia:
Green Plaza Mall - Thawra street - Belqass city –35631- Dakahlia
Tel: (2050)2780071
Fax: (2050)2780076

El Mehalla:
22 El Tegara School St.-31911 - Mehalla
Tel: (2040)2281000
Fax: (2040)2281099

El Mohafza Square:
240 El- Geish St.- El Mohafza Sq.- 35111- Mansoura
Tel: (2050)2280000
Fax: (2050)2280099

Fakous:
Plot # 198 of 189 original -Al Baghdadi (1) - Awlad El Adawy - Faqous – 47111-Sharkia Governorate
Tel: (2055)3941956
Fax: 2055)3941956

Kafr El Sheikh:
19 Ramezeya - Takseem El Moharbeen El Kodmaa - Salah Salem Street – East City District - 33111- Kafr El Sheikh
Tel: (2047)3550000
Fax: (2047)3550099

Desouk:
68 El Geish street, Desouk City -33211- Kafr El Sheikh Governorate
Tel: (2047)2555902
Fax: (2047)2555617

Lewaa Abdel Aziz St. :
Saad Zaghloul St.- Abu Aisha Building - 44111 - Zagazig
Tel: (2055)2390600
Fax: (2055)2390699

Meet Ghamr:
42 Port Said St.- Meet Ghamr – Abou Aisha Tower - 35311 - Dakhleia
Tel: (2050)4930000
Fax: (2050)4930099

Sadat City:
Block 1 - Mehwar Khadamat – seventh District - Land No.1 - Center Services - Ahmed Ismael St.- Front of Area No.11- Sadat City - 32897- Menofya
Tel: (2048)2625300
Fax: (2048)2625399

Shebeen El-Kom:
21 Gamal Abd El Nasser St.- Saharf square - kawthar building - Shebyn el kom - 32111- Menofya
Tel: (2048)2229416
Fax: (2048)2229395

City Mall – Shebeen El-Kom:
Gamal Abdel Nasser Street - in front of the Faculty of Engineering - Shebin El-Kom city – 32111-Monofeya
Tel: (2048)2225215
Fax: (2048)2226052

Tanta:
El- Safwa Plaza Center- El-Kady St.- 31111- Tanta
Tel: (2040)3385600
Fax: (2040)3385699

Tanta Stadium:
Al Farouk Tower - Al Geish street – Tanta stadium area - 1st district -31121- Tanta
Tel: (2040)3352737
Fax: (2040)3352747

Zagazig:
Corner of Saad Zaghloul & Abdel Aziz Abaza St.- 44111- Zagazig
Tel: (2055)2390000
Fax: (2055)2390099

Menouf:
2 El toomey St. off El Gheish St., - 32911 - Menoufeya Governorate
Tel: (2048)3669303
Fax: (2048)3669306

Damietta:
67 Saad Zagloul St. Korniche El Nil - 34111- Damietta
Tel: (2057)393500

Damitta Port:
Investment Building - Damietta Port First Floor - 34516 - Damietta
Tel: (2057)2292406

New Damietta:
Plot #9 - Entertainment area - 2nd neighborhood -34517-New Damietta
Tel: (2057)2405762
Fax: (2057)2405768

El-Ain El-Sokhna:
(El Suez - El Sokhna - Hurghada) Kilo 46 Desert Road - Stella Di Mare Resort Fence - 43552- Suez
Tel: (2062)3393600
Fax: (2062)3393699

El-Gomhoreya:
58 El-Goumhoria St.- 42111- Port Said
Tel: (2066)3390300
Fax: (2066)3390399

El Canal - Ismailia:
141A Tahrir St.- 41111 - Ismailia
Tel: (2064)3923560
Fax: (2046)3923552

Ismailia:
Panorama Bldg., plot 1 - El mowa'f El Gadid st.- corner el 20 St. with Shebeen El Kom St.- infront of Mogamaa El Mahakem - 41111 - Ismalia
Tel: (2064)3269000
Fax: (2064)3269099

Port Said:
Miami Building - 23 july St.- 42111 - Port Said
Tel: (2066)3390100
Fax: (2066)3390199

Shark El-Tafria Port:
Shark El-Tafria Port - 42532 – Port Said
Tel: (2066)3390380
Fax: (2066)3390389

Teda:
Ain Sokhna - Industrial Economical Zone - Service Building - First Step - 43552- Suez
Tel: (062)3597020
Fax: (062)3597021

EL-Shohadaa St - Suez:
City Mall - 45,45 A EL-Shohadaa St.- 43111 - Suez
Tel: (2062) 3471807
Fax: (2062) 3471806

Suez:
5 El Galaa St.- 43111- Suez
Tel: (2062)3393300
Fax: (2062)3393399

Red Sea and Upper Egypt Region

Assuit:
2 Al Gomhoreya St.- El Watania Buildings - Building No. A- 71111- Assuit
Tel: (2088)2422500
Fax: (2088)2422599

Silicon Waha - New Assuit City:
Unit (G3-G4 Commercial Building - Technology Zone - 71684 - New Assuit City
Tel: (2088) 2035059
Fax: (2088) 2035063

Aswan Plaza:
Aswan Plaza Mall - Korniche El Nil St.- Bandar Aswan- 81111 – Aswan City
Tel: (2097)2391000
Fax: (2097)2391099

Beni Suef:
16 Port Said St.- Takseem El Houreya - 62111- Beni Suef
Tel: (2082)4494000
Fax: (2082)4494099

Fayoum:
10 El Hourrya St.- Baher Youssef - 63111- El Fayuom
Tel: (2084)2390700
Fax: (2084)2390799

Luxor:
109 Ma'abad El Karnak St.- beside Mubarak Library - 85111- Luxor
Tel: (2095)2399100
Fax: (2095)2399199

Menia:
76 Takseem Shalaby - 61111 - Menia
Tel: (2086)2386300
Fax: (2086)2386399

Qena:
Building No. 9 - District No. 65 – 23 july St.- 83111 - Qena
Tel: (2096)3390600
Fax: (2096)3390699

Sohag:
46 Korniche El Nil St. Borg El Nil Kebly - 82111- Sohag
Tel: (2093)2380600
Fax: (2093)2380699

El-Dahar:
1 Hurghada Stadium Shops - El Nasr Avenue - El Dahar - 84111 - Hurghada
Tel: (2065)3562000
Fax: (2065)3562099

El-Kawthar Hurgada:
Banks Area - Block 8 - El-Kawthar zone - 84111- Hurghada
Tel: (2065)3418700
Fax: (2065)3418799

Grand Beach:
Grand Beach Resort - 84111 - Hurghada
Tel: (2065)3416100
Fax: (2065)3416199

Hadabet Um El Sid:
Store No. 4 - Project of Madinat Elalaab Elmaeya- Hadabet Um Elsid - 46619 - Sharm El Sheikh
Tel: (2069)3622090
Fax: (2069)3622095

Hurghada Sheraton Road:
36 North Mountain Road - 84111- Hurghada
Tel: (2065)3416500
Fax: (2065)3416599

Hurghada City Center:
Unit #G031 ground level – Hurghada City Center Mall - Cournich Road – El Dahar - 84111 – Hurghada
Tel: (2065)3548391
Fax: (2065)3548384

Nabq Bay:
Commercial part (RI) front of Oriental Hotel Resort - Khalyg Nabq - 84111- Hurghada
Tel: (2069)3622050
Fax: (2069)3622055

Sharm El-Sheikh:
El Salam Road - Khalyg Neama – 46619 - Sharm El Sheikh
Tel: (2069)3622000
Fax: (2069)3622099

Specialized Corporate

El Batal Ahmed Abdel Aziz:
54 Al Batal A. A. Aziz St.- Mohndeseen - 12311 - Giza
Tel: (202)33324192 - (202)33324202
Fax: (202)33324196

Talaat Harb:
10 Talaat Harb - Ever Green Building - Down Town - 11121- Cairo
Tel: (202)27708002
Fax: (202)27708095

Qatar National Bank ALAHLI S.A.E
P.O box 11111 - Cairo - Egypt

Tel: (202) 27707000
Fax: (202) 27707099

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