Driving growth in the new normal

Annual Report 2021

Who we are

QNB ALAHLI is the second largest Egyptian private sector bank, and a subsidiary of QNB Group, the largest financial institution in the Middle East and Africa.

The bank offers a wide range of products that serve the financial needs of medium-sized companies, small enterprises and individuals, and provides services and products that suit their specific requirements, with a balanced focus on both the corporate sector and the retail banking sector. It has succeeded in maintaining its position in the Egyptian market, which helped to achieve a remarkable growth in the loan and deposit portfolio, market share, and returns, while maintaining a sound asset quality and cost ratios.

QNB ALAHLI has established a number of subsidiaries in specialized fields, such as QNB ALAHLI Leasing, which was established in 1997, QNB ALAHLI Life Insurance in 2003, and QNB ALAHLI Factoring in 2012.

QNB ALAHLI currently has a network of more than 231 branches covering the most important governorates in Egypt, more than 872 ATMs, and more than 62,000 points of sale, in addition to allocating a 24/7 customer service call center to serve more than 1,300,000 customers.

Contents

Board of Directors

Mr. Mohamed Osman Ibrahim El-Dib

| > Chairman - Non-Executive

Mr. Ali Rashid Ali Al-Mohannadi

| > Vice Chairman - Non-Executive

Ms. Heba Ali Ghaith Al-Tamimi

| > Board Member - Non-Executive

Mr. Mohamed Mahmoud Ali Bedeir

| > CEO and Board Member - Executive

Mr. Adel Ali Mohamed Al-Malki

| > Board Member - Non-Executive

Mr. Tarek Abdel Raouf Magdy Fayed

| > Board Member - Executive

Mr. Abdullah Nasser Salem Al-Khalifa

| > Board Member - Non-Executive

Mr. Khaled Ahmed Khalifa Al-Sada

| > Board Member - Non-Executive

Ms. Shikha Salem Abdullah Al-Dosari

| > Board Member - Non-Executive

Mr. Nedhal Shafi Hassan Al-Nuaimi

| >Board Member - Non-Executive

QNB ALAHLI's Chairman Statement

Along with our board of directors, our executive management and employees are all determined to advance QNB ALAHLI's positioning in the Egyptian banking sector

Mr. Mohamed Osman El-Dib
Chairman

QNB ALAHLI's board of directors supports the executive management's strategy to empowering fintech's, which have become a cornerstone of the present challenges and future hopes.

QNB ALAHLI has succeeded in being at the forefront of financial institutions in 2021 despite the many challenges facing the banking sector, including the repercussions of the coronavirus pandemic. We managed to prove the bank's pioneering role & footprint in the Egyptian banking industry during the past year.

QNB ALAHLI strongly relies on the management's clear vision, experienced employees, its longstanding history of success and accomplishments since it started its operations in Egypt, along with its established reputation in the banking sector. QNB ALAHLI's progressive growth is driven by its clear vision, strategic ideas & plans, all backed up by the flexibility, wisdom & functionality of the Egyptian monetary policies, which played a major role in maintaining the resilience of the Egyptian banking sector and the national economy.

Applying the highest standards of compliance and anti-money laundering
2021 witnessed QNB ALAHLI's commitment to implementing and abiding by compliance rules in all its banking operations, where all the bank's activities have been subject to the banking regulations and relevant laws & ethics. To achieve this, the bank relied on identifying, monitoring, and assessing any risks resulting from non-compliance, along with offering the technical expertise and ongoing monitoring of risks. The bank was also keen on adhering to the highest standards and applying the best practices of professional conduct in banking to achieve the requirements and objectives of shareholders and customers.

QNB ALAHLI has also worked vigorously to combat money laundering and financial crimes, including any form of corruption that may threaten the financial ecosystem, by strictly applying regulations that prevent any illicit financial flows into the banking system.

QNB ALAHLI's figures demonstrate its pioneer positioning in the market
Reflecting on 2021, we are proud of the successive achievements which reflect our strength and established leading position among private banks in the financial sector. Accordingly, we are tirelessly advancing in our journey to serve the aspirations of our partners, customers, and shareholders. We are also committed to offering the latest in innovative banking services and products to satisfy our customers' needs and fulfil our goal of being their bank of choice.

Furthermore, QNB ALAHLI highly considers the safety of its customers, employees, and their partners from the repercussions of coronavirus and its variants. As such, we stress on the implementation of all safety and preventive measures in all our QNB ALAHLI's branches as well as the headquarter. Moreover, we ensure continuous sterilization of buildings, social distancing, wearing face masks, and giving the necessary precautions and attention to the elderly and those with chronic diseases, where we support them with relieved workloads or the opportunity to work from home. The bank is also keen on offering vaccines in collaboration with healthcare authorities along with adhering to the relevant regulations and guidelines of the Central Bank of Egypt.

Green economy is QNB ALAHLI's gateway to achieving sustainable development
Sustainability is one of the key topics influencing the entire world today. The growing demand by investors, regulatory authorities and customers on the topic, broadened the conversation around the bank's sustainability to include daily financial, environmental, and social activities, thus, positively affecting all stakeholders. By adopting innovative mechanisms and tools, QNB ALAHLI plays an essential role in achieving the target goals of sustainable development in general, and particularly in the transition into a green economy. As such, the bank is keen on providing all credit facilities for green projects, such as renewable and solar energy as well as participating in the CNG-powered vehicles initiative, with the aim of improving environmental issues and climatic conditions. The bank has also participated in various initiatives dedicated to boosting economic growth and offering job opportunities to reduce unemployment rates.

QNB ALAHLI is focused on implementing its green transition strategy through supporting SME's customers, offering green bonds, developing new service & product-based projects, enhancing the conditions for existing projects to comply with the current environmental standards and equipping them with all the financial tools to overcome any potential challenges. The bank strongly believes in the essential role that green economy plays in establishing a tangible, sustainable, and resilient economy.

Supporting electronic payments and digital solutions
QNB ALAHLI's board of directors supports the executive management's strategy to empowering fintech's, which have become a cornerstone of the present challenges and future hopes. We strive to develop our digital channels to conveniently meet the banking needs of our customers, enabling them to manage their accounts remotely, with the highest safety and security standards.

Accordingly, it is worth noting that QNB ALAHLI is one of the leading banks that provide state-of-the-art banking services and advanced financial solutions; such as online banking, E-wallets, and POS, to meet the needs of all its corporate and individual customers. QNB ALAHLI is at the forefront of financial institutions launching the latest digital products and solutions to serve its customers, as the bank prioritizes the government's strategy for the digitization of payments being the main guarantee in ensuring full governance and efficient management of the country's resources.

QNB ALAHLI adheres to key governance principles
QNB ALAHLI is keen on applying the best practices of governance for optimal professional performance and full transparency in all its business operations. The bank recognizes the importance of implementing governance procedures and adopting these principles as a general culture, vision and long-term strategy in a sustainable manner with the aim of maximizing the value of the institution, maintaining the confidence of customers and investors, and preserving the rights of all stakeholders including the bank's employees and customers. QNB ALAHLI is therefore committed to publishing its financial results thoroughly and in compliance with the regulatory guidelines that govern the bank's business and activities across key pillars; responsibility, accountability, transparency and integrity, in order to ensure financial stability and enhance the bank's financial performance. QNB ALAHLI takes pride in its role within the Egyptian market as one of the leading banks abiding by the concepts of sound governance.

Along with the board of directors, our executive management and employees are all determined to advance QNB ALAHLI's positioning in the Egyptian banking sector, highlighting its transparency, integrity, proactive and objective vision. In addition, we're committed to delivering on our promise in providing quality services that are in line with the latest international practices, positioning the bank at the forefront of financial institutions despite global challenges and the negative impact of coronavirus pandemic on all economies internationally and locally. Our goals empower us into adopting flexible policies and measures to keep pace with such changes and to take bold steps to mitigate the negative impacts of the pandemic and maintain safety, stability, and growth rates.

QNB ALAHLI is committed to fulfilling its role in giving back to the community in various sectors including healthcare, education, and women & youth empowerment, with the aim of developing the society, both economically and socially. Our long-term dedication towards the community is part of our true belief in the significance of this role, which is evident through our extensive and solid experience in sustainability projects. In conclusion, I would like to extend my appreciation to our success partners; shareholders, customers, and employees for their joint efforts, commitment to the resolutions of the Central Bank of Egypt, supporting work processes and boosting our long-standing institution.

QNB ALAHLI's Chief Executive Officer Statement

QNB ALAHLI achieved strong financial performance and unprecedented indicators towards a stronger and faster growth during year 2021

Mr. Mohamed Bedeir
QNB ALAHLI's Chief Executive Officer

> QNB ALAHLI achieved high growth rates, remarkable indicators and tangible results in all of its sectors. These figures and records make us proud of our strength and the leading position we hold in the banking sector.

The pandemic has disrupted lives across all countries and communities and negatively affected global economic growth in 2020. However, year 2021 marked a stronger beginning and a better economic growth. This was due to the vaccination race lead by major countries to provide vaccines to the developing ones. As the global economy is still recovering on all levels, it is expected that the return to pre-covid normal conditions will lead to a more sustainable and inclusive economy for all sectors of the society. Economic recovery insights are promising mainly due to the vaccination programs and the exceptional measures that the countries and markets are implementing to support business and investment ecosystem.

QNB ALAHLI took several fast measures and policies that were efficient and flexible to develop its operations, overcome crises, address strong competition in the markets and take advantage of the opportunities available. These decisions were not by coincidence or luck. They were developed in line with the powerful vision and strategy of QNB Group that anticipated and addressed future needs and developed emergency solutions allowing us to seamlessly achieve our goals in the Egyptian market.

What QNB ALAHLI achieved during last year is a real success in the banking sector, given the circumstances enforced by the pandemic, which affected many financial institutions locally and globally.

Only few were able to survive the repercussions and move forward without looking back.

These entities reached top ranks during such conditions. Among these, was QNB ALAHLI that achieved high growth rates, remarkable indicators and tangible results in all of its sectors. Such figures and records make us proud of our strength in continuing our leading path of success.

2021: A Major Milestone in the Bank's History

From the beginning of 2021, QNB ALAHLI set a number of goals to achieve, the most important was to grow in all sectors that demonstrate its strength and positioning in the market, especially at the level of large-scale portfolios, small, medium and micro enterprises' and the retail portfolio. In addition, we planned to achieve high profit rates befitting its long-standing position. The Board of Directors placed the clients' satisfaction on top of its priority list; ensuring the fulfillment of their wishes in a professional and advanced manner. We focused on increasing the deposit portfolio and utilizing a large percentage in the lending portfolio to be one of the leading banks in implementing that policy. Financial inclusion and digital transformation were not far from the consideration of the Board of Directors. We took a number of decisions to implement these plans such as opening free accounts for customers to support financial inclusion, providing digital services and products to facilitate customers' banking operations. QNB ALAHLI was engaged in the Central Bank of Egypt initiatives that support digital transformation such as activating electronic payments, increasing POS and ATM machines, and many other initiatives.

Towards a Stronger & Faster Growth

QNB ALAHLI achieved strong financial performance and unprecedented indicators during 2021 in all of its sectors. We maintained efficiency rates and risk ratios in line with our growth strategy, and delivered on the promised business sustainability and customer satisfaction KPIs. In 2021, The bank consolidated net profit exceeded EGP 7.6 billion with a 2% growth rate compared to the same period in 2020, with a net profit on standalone basis, exceeding EGP 7.4 billion by the end of December 2021.

QNB ALAHLI continued its success in the SME's sector in line with the Central Bank of Egypt ambitious plan of urging all banks to grant small companies 25% of their total banking portfolio and 10% of their facilities.

QNB ALAHLI managed to achieve these percentages one year before the Central Bank of Egypt's target date. As such, we continue to lead the banking sector in supporting the growth of the Egyptian economy.

The gross consolidated loans portfolio recorded EGP 183 billion, with a growth rate of 6% during 2021 in comparison with 2020, while the bank's market share of total loans reached 5.96% at the end of 2021.

The ratio of non-performing loans reached about 3.81% by the end of 2021, which is one of the best ratios in the banking sector, while the provision coverage ratio for substandard loans amounted to 143%, and the capital adequacy ratio reached 21.6% in light of the optimal application of credit policies.

The consolidated customer deposits portfolio increased and amounted to EGP 295 billion by the end of 2021, achieving a growth rate of 27% - compared to 2020 - driven by growth in all activities. The bank's market share of total deposits reached 4.59% in 2021.

The loans to deposits ratio exceeded 62% by the end of 2021, compared to an average of 48% within the banking sector, which is a high rate for deposits, in light of the focus on the growth of basic banking operations while maintaining high liquidity ratios in all currencies, while the total combined assets amounted to EGP 360 billion by the end of 2021 with an increase of 24% compared to the year 2020.

Extended & Influential Partnerships

During the past year, we succeeded in expanding QNB ALAHLI's circle of stakeholders and partners by activating and signing extended and influential partnerships in many important sectors that contributed to the bank's records and added to the economy's value and growth. These partnerships, in addition to the bank's tools, provided all needed funds for large, small and medium-sized companies which goes in line with the Central Bank of Egypt initiative. It also enabled the bank to participate in most syndicated loans in the market to finance major projects.

QNB ALAHLI has been commissioned to manage a number of loans in order to finance local, multinational and governmental companies. These projects were successfully and timely managed in various business sectors such as oil and gas, petrochemicals, communications, infrastructure, energy, construction and building materials, and others.

QNB ALAHLI is keen to participate in all initiatives, launched and directed by the Central Bank of Egypt that support the digital economy, including SME's initiative, mortgage finance initiatives with a return of 8% for middle income and 3% for middle and low income, as well as supporting the agriculture, tourism, industrial and contracting sectors.

QNB ALAHLI also participated in "Haya Karima", one of the most important national initiatives during the last period by building important projects in Qena and Assiut governorates.

In addition, the bank supported financial inclusion and digital transformation initiatives through several projects that were successfully achieved its purpose by activating digital payments, launching more ATMs and electronic POS machines for merchants.

Despite these achievements, social responsibility was never absent from the bank's agenda. The bank was keen to participate in several projects within the scope of community services and social welfare such as renovating schools - and several more to come in Upper Egypt in cooperation with Misr El-Khair Foundation.

In the health sector, the bank funded medical convoys for many villages, such as Al-Marashda in Qena. These convoys included diagnostic tools and medications to patients. Moreover, the bank is currently signing a MOU with Al-Haya Hospital in Al-Manashy village, Assiut, where we will be providing the necessary equipment to develop and operate a number of infant incubators. This project is on progress in collaboration with Misr El-Kheir. It is worth mentioning that Al-Haya hospital (serves 400 thousand citizens) residing in the cities of Dayrut and Al-Qusiya. For people with special needs in Al-Minya Governorate, QNB ALAHLI also partnered with Misr El-Khair and Al-Orman Association to develop many villages by providing clean water, sanitation, concrete roofing, in addition to equipping homes with living necessities.

In the sports sector, and in light of the African Cup of Nations 2022, QNB ALAHLI received the Afcon trophy, at its headquarters in Cairo, in an event that was memorable to all our employees. This was organized in cooperation with Visa. The presence of the "Total Energy Africa Cup of Nations" was a unique experience that confirms the strong relationship and trust between Visa and QNB ALAHLI.

> During the past year, we succeeded in expanding QNB ALAHLI's circle of stakeholders and partners by activating & signing extended and influential partnerships

Innovative Services & Products

The bank focused on creating number of advanced digital products and services to attract new customers and fulfill the aspirations of current ones. This includes but not limited to launching commercial payments services, for B2B companies, to conduct their transactions through Visa mobile payment services using QR codes, positioning us as the first bank in the Middle East to launch digital corporate payments which exceeded EGP 5 billion in 2021. In addition, the number of payment cards exceeded one and a half million, placing QNB ALAHLI among the leading private banks in Egypt that reached such achievement. The variety of payment options we offer - from credit, debit cards and prepaid ones - mirrors the customers' confidence in the quality of seamless services and products that meet all their needs and requirements.

The bank also launched "VISA Signature" credit card, which allows our senior customers a package of services and benefits that suit their lifestyle and facilitates their daily financial transactions, in addition to the prepaid contactless electronic payment bracelet, which is the latest in electronic payment methods.

QNB ALAHLI intends to expand electronic services and applications such as mobile, internet banking and smart wallets, while adopting plans to provide innovative digital solutions in line with the Central Bank of Egypt's plans.

Cybersecurity, Financial Inclusion & Digital Transformation

QNB ALAHLI supports all efforts within the Egyptian banking market, the most important of which is providing banking services to all individuals and integrating them into the formal economy and ecosystem. In its digital offerings, the bank complies with the highest standards of security and protection against all forms of fraud and cyber-attacks. Relying on a technological infrastructure and global smart systems, QNB ALAHLI is committed to protect all its customers with a clear vision for achieving economic growth and building a better society.

Future Vision & Expansion Plans

As we celebrate our success in 2021, we're looking forward to future accomplishments in 2022. What we reached is a step among many that we are working on for the coming period. The most important of which is to develop QNB ALAHLI's services in all our branches across the country. Our vision relies on our sustainability programs that are in line with the United Nations SDGs, the international and national commitments, and our continued leadership in environmental and corporate governance.

In addition to increasing the number of ATMs, we are working on providing innovative digital products for individuals and companies equipped with the latest in banking systems and practices that meet their needs. These products will provide seamless and convenient services to our customers and support in including individuals outside the formal financial ecosystem.

Code of Ethics

QNB ALAHLI is committed to the highest standards of professionalism, transparency and integrity. We are keen to implement ethical standards that cater for the long-term value and trust of our customers, shareholders, employees and the community through our experienced and qualified employees. Our focus is set on implementing effective and dynamic compliance measures and best practices across our operations to reduce the risk of non-compliance and ensure that all practices, activities and employees work within the regulatory framework of the bank's policies and procedures. We aim to maximize QNB ALAHLI's value and maintain the confidence of our investors, customers, and employees, by protecting the rights of all stakeholders.

Gratitude & Appreciation

What was achieved in 2021, could not have happened without the Board of Directors' efforts in setting unique plans, defining the desired goals and translating them on the ground through the bank's employees, who represent a trusted partner and true pillar in achieving our aspirations and successes. I want to seize the opportunity to express my extended gratitude and deep appreciation for what they have achieved during the past year. We expect to accomplish more during the current year 2022 in a dynamic, skilled and innovative way so that our institution remains at the top of the Egyptian banking sector.

> As we celebrate our success in 2021, we're looking forward to future accomplishments in 2022. What we reached is a step among many that we are working on for the coming period.

Awards

As a culmination of the bank's successes and achievements during 2021, QNB ALAHLI received several regional and international awards from renowned financial institutions and specialized magazines, as a gesture of appreciation to the bank's efforts and endeavors. With over fifteen prestigious awards, our pioneering role in the banking arena could not become more evident.

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.

Awards

- Best Corporate Bank - by Global Banking and Finance
- Best SME's Bank - by Global Banking and Finance
- Best Retail Bank - by Global Banking and Finance
- Best Trade Finance Bank - by Global Banking and Finance
- Best Digital Banking Products and Services- by Global Banking and Finance
- Best Bank for Treasury Services - by Global Banking and Finance
- Best E-banking product –Mobile Banking Egypt by International Finance Magazine
- Best Retail Bank Egypt - by International Finance Magazine
- Best SME's Bank – Egypt - by Capital Finance Magazine
- Best Retail Bank – Egypt - by Capital Finance Magazine
- Best SME's Bank in Egypt - by Global Finance Magazine
- Elite Quality recognition Award for processing payments with STP rate 99.68 % for payments issued through MT103 - by J.P. Morgan
- Elite Quality recognition Award for payments STP rate 99.87% issued through MT202.- by J.P. Morgan
- Best Bank for SME's - Pan Africa - by EMEA Finance
- Best Foreign Bank in Egypt - by EMEA Finance

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 as of 31/12/2021

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 SME's to push growth and deliver sustained development, perhaps just as importantly manages to support its SME's customers through the peaks of the economic cycle.

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 SME's.

Our Subsidiaries:

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

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

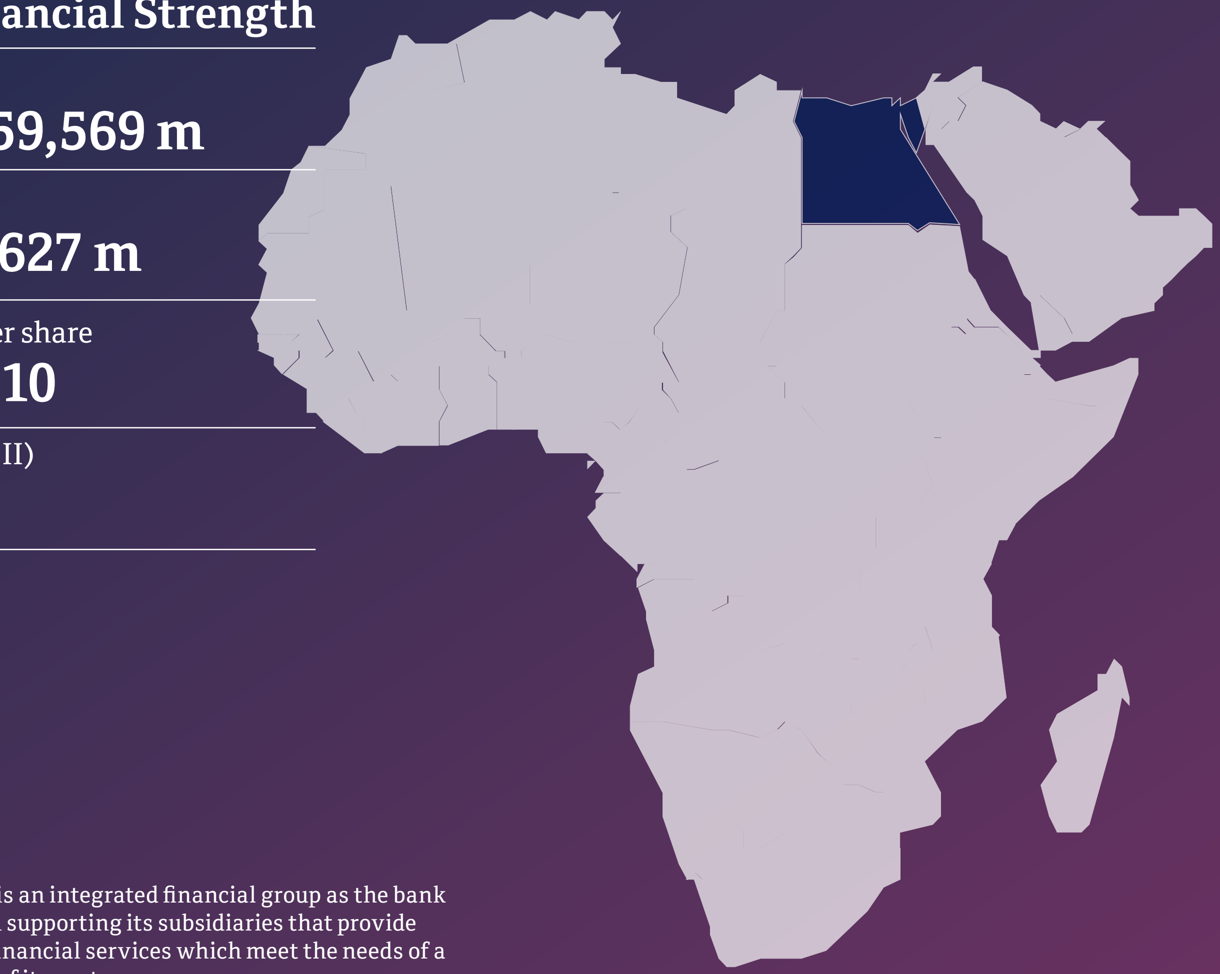
Our Financial Strength

Assets
EGP 359,569 m

Net profit
EGP 7,627 m

Earnings Per share
EGP 3.10

CAR (Basel II)
21.6%



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 1.3 million clients through 6970 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 231branches covering all governorates.

Moreover; the bank keeps enhancing its multi-channels automated tools to reach its clients through a network that reaches more than 872 ATMs, in addition to, a dedicated call-Center 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 Central Bank of Egypt guidelines in a suitable and convenient manner that suits the specific conditions and requirements of each of them.

Strategic Report

QNB ALAHLI's Strategy

Leveraging our digital capabilities & regional presence, we continue to demonstrate sustainable growth, profitability, and a leading market position 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.

Egypt is a growing market and building exceptional capabilities is a core priority to us. Accordingly, QNB ALAHLI's strategy for 2022 is guided by our strategic pillars: drive exponential growth, enhance profitability, boost efficiency & sustainability, improve quality of services, and transform digital capabilities.

Our efforts are directed towards creating a culture of customer centricity, through continuously enhancing the Customer Journey and Quality of Services in QNB ALAHLI to achieve "Service Excellence" under any circumstances.

We remain focused on SMEs and Retail Banking and expanding Digital offering; leveraging the Central Bank of Egypt direction to promote digital products & services.

We continuously develop and enhance our Multi Channel Business Model to improve customer reach, convenience & reliability.

> 231
Branches

> 872
ATMs

> 62,000
POS

> 24/7
Contact Center

> 386,000
e-Wallet Users

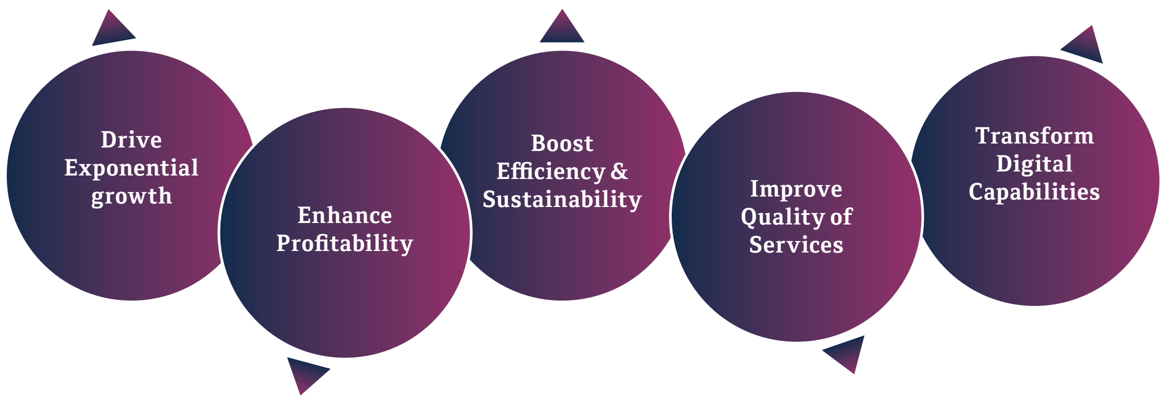
> 415,000
Internet Banking Users

Strategic Pillar measured by our key performance indicators

Size: Faster growth than market peers on assets, loans, and deposits

Efficiency: Become the most cost-efficient bank with best-in-class cost-income ratio

Digitalization: Continuously expand and enhance digital value offering



Profitability: Achieve Best-in class profitability as measured by RoAA RoAE

Quality: Focus on Customer Experience & Service Excellence

Creating and Delivering Value

Continuously expanding and enhancing digital value offering

Focusing on service excellence, we maintained our approach of introducing a diverse range of digital products to support an ever-improved user experience.

QNB ALAHLI is currently putting the finishing touches to establish **a state of the art digital only banking platform**, which enables users to initiate a banking account and conduct banking services without visiting any physical branch, creating a hassle free banking experience.

We continuously enhance the features and services of our **Internet and Mobile Banking platforms**. The bank expanded the services available on Internet and Mobile Banking platforms by adding new features such as applying for secured facilities, subscription to investment funds, redemption of loyalty points , and several other services were introduced in the updated version, to align with the market needs.

In addition, a new Corporate Internet Banking platform was built as a bilingual web-based portal that allows full accessibility to clients' real time data on their accounts. Several services may be performed on the platform, such as transfers execution in local and foreign currencies, bulk payments, payroll payments, and others, to guarantee a convenient customer journey.

QNB ALAHLI is close to announce the launching of **Instant Payment Network (IPN)**; a network allowing instant transactions between multiple source of funds like bank accounts, wallets and cards around the clock, which will also be availed on Internet & Mobile Banking platforms.

We successfully deployed more than 110,000 QR codes and 62,000 POS machines across Egypt, covering underserved areas, capitalizing on our wide multichannel model and 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.

We are continuously expanding and enhancing our digital value offering

Creating and Delivering Value
continued

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 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.

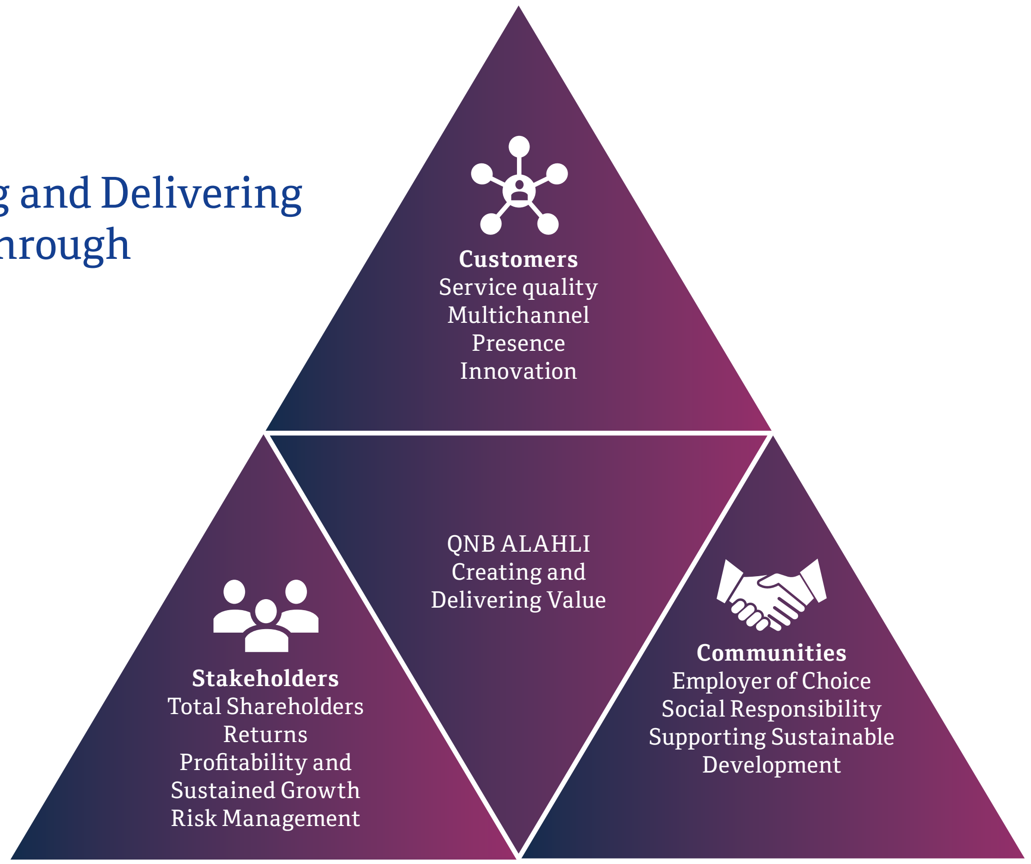
We recognize innovation as an important element to deliver our aspiration and strategy, supported by dedicated resources who are committed to unlocking new opportunities, delivering value and expanding the innovation culture and mindset across the whole organization. While we seek to improve the overall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

Key Innovation Themes:
A list of four innovation themes have been identified

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.

Application Programming Interface "API"	Platforms	Artificial Intelligence	Digitalization Automation
Create better partnership opportunities and generate new revenue	Generate new deals, create markets and expand businesses	Better understand customers, gain market insights, improve value proposition	Create new channels for customer acquisition and increase efficiency

Creating and Delivering Value Through



Sustainability

Sustainable finance , sustainable operations and beyond banking constitute QNB AL AHLI's sustainablilty framework

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

As a leading financial institution adding substantial value to the Egyptian financial sector, our products and services create value for our stakeholders. We do this, first and foremost by spreading a culture of sustainability across the organization and secondly by embedding sustainable practices into our business allowing us to meet our customers needs, not just in the present, but also into the future.

This is evidenced by the remarkable projects and positive initiatives that have been implemented throughout 2021 either based on our sustainable finance or sustainable operations pillars as follows:

» **Sustainable Finance**

1. A new **Environmental & Social Risk Policy Framework "ESR Policy Framework"** has been approved ensuring alignment between business and risk under the umbrella of sustainability. This comes in line with our strategic direction and with the steps taken to embed sustainability in QNB ALAHLI's business and internal operations [to deliver profit with purpose]. Our "ESR Policy" clearly articulates excluded activities, sectors deemed high risk, and risk categorization.

2. During 2021, QNB ALAHLI had successfully managed & financed energy efficient & renewable projects with a total generated capacity of 34.7MW, and total facilities amounting to EGP 410 Million as follows.

Energy Efficient Project

QNB ALAHLI concluded a Medium-Term Loan for the purpose of constructing a tri-generation plant located in Abo Rawash including the project management, engineering, supply, installation, testing, commissioning and start-up of the plant in order to generate electricity, steam & chilled water, to cover the required needs with using natural gas being the most efficient and cheapest energy source.

Renewables

QNB ALAHLI continues its leading role in supporting the solar energy developers and managed to grant a Medium-Term Loan to finance the development, construction, commissioning, operation and ownership of Solar Photovoltaic "PV" power plants located in Suez Gulf. Said Project is the largest rooftop solar plant in Egypt, Middle East & Africa.

» **Sustainable Operations**

QNB ALAHLI's Remarkable Initiatives Towards the Environment

1. Solar Energy Stations

In light of QNB ALAHLI's efforts for increasing the Green Energy sources, QNB ALAHLI started to implement solar energy stations in all its owned stand-alone buildings with a suitable space on the roof top to:

» Reduce environmental pollution through reducing CO2 emissions.

» Reduce energy consumption costs.

QNB ALAHLI continues its leading role in supporting the solar energy developers and had managed to grant a Medium-Term Loan to finance the development, construction, commissioning, operation and ownership of Solar Photovoltaic "PV" power plants located in Suez Gulf.

QNB ALAHLI implemented 7 solar power stations with a total capacity of 194 KW till date as follows:

- El Sokhna Branch (17 KWp).
- Hurghada El Kawthar Branch (40 KWp).
- 10th of Ramadan Branch (30 KWp).
- IDG Branch (18 KWp).
- New Damietta Branch (25 KWp).
- Mansoura Branch (15 KWp).
- 6th of October new building (49 KWp).

2. QNB ALAHLI's Protective Methods Towards COVID-19 Pandemic:

As soon as the country announced a national state of emergency due to COVID-19, the HR enacted special plan to face the ramification of the crisis.

This included creating a designated "Medical Crisis Hotlines" solely dedicated to address staff with any COVID-19 inquiries or medical approvals needed. These hotlines were working on a 24/7 basis and were committed to supporting staff and their family members.

It was done in collaboration with the new medical care third party provider that has enabled the HR to deliver swift medical support to employees during these critical times. Regarding staff who were infected with COVID-19 or have been in close contact with a sick person, a close medical follow-up to each employee was periodically done by the HR

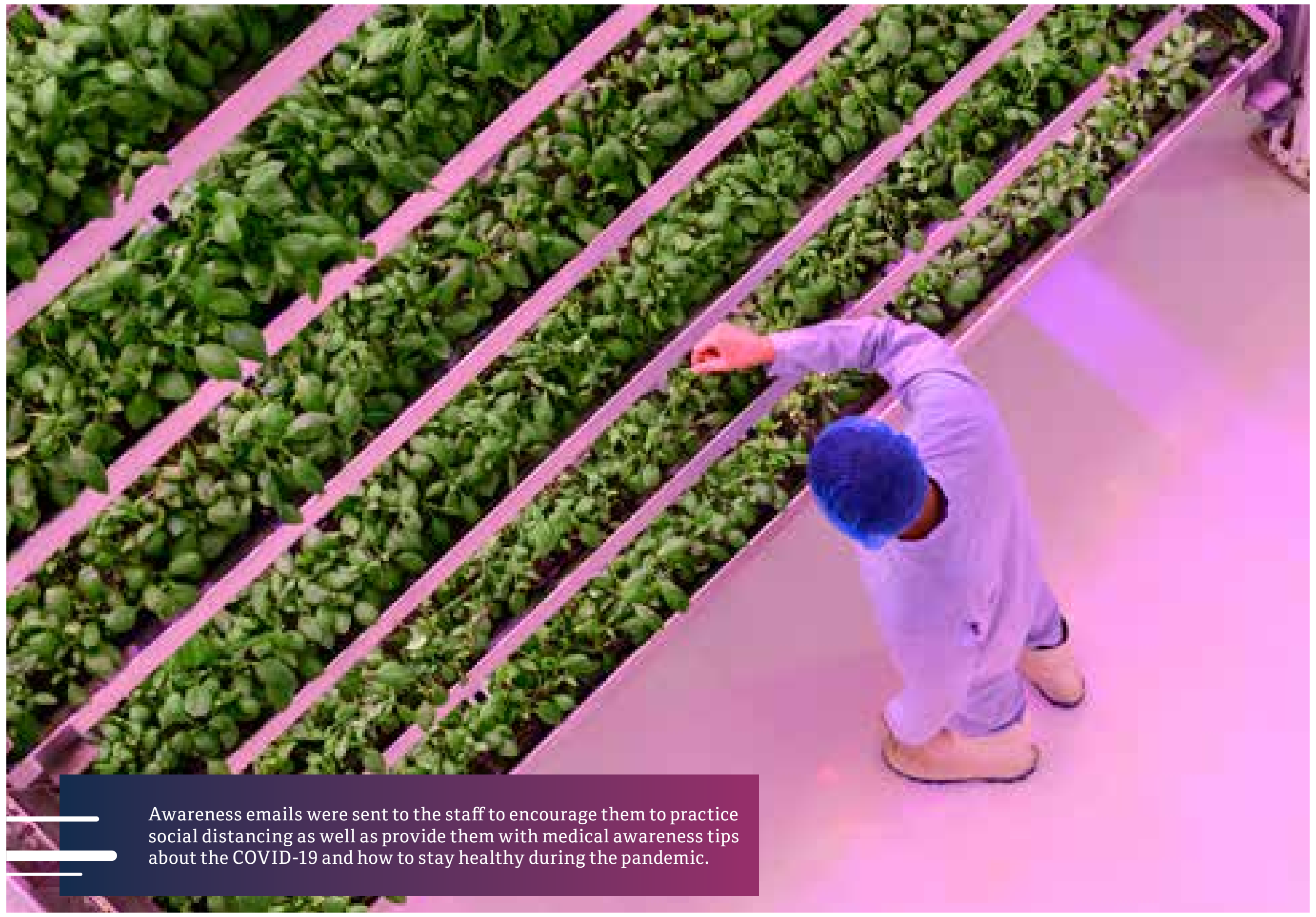
A dedicated task force was formed and all the necessary medical support or approvals were obtained swiftly to ease the affected person(s).

Awareness emails were sent to staff to encourage them to practice social distancing as well as to provide them with medical awareness tips about COVID-19 and how to stay healthy during the pandemic.

To enforce social distancing, 50% of the total manpower were working from home and the other 50% were reallocated across different QNB ALAHLI premises.

On a periodical basis, all the necessary precautionary measures and sanitization were rolled-out across all QNB ALAHLI premises to ensure the safety of all staff.

Sustainability
Continued



Awareness emails were sent to the staff to encourage them to practice social distancing as well as provide them with medical awareness tips about the COVID-19 and how to stay healthy during the pandemic.

3. Waste Management

Pursuant to QNB ALAHLI's efforts for improving the internal environmental management system across the entire organization, a complete waste management project was designed to manage QNB ALAHLI's direct impact on the environment and reduce the carbon footprint.

Beyond Banking

We actively contribute towards wider socio-economic development through our Corporate Social Responsibility activities with an overarching focus on education in the communities where we operate. In addition, we also support a range of external initiatives under the following categories: social and humanitarian, health and environment, economic and international affairs, and sports.

QNB's Remarkable Sustainability Initiatives on a Group level:

QNB is ranked as a leading financial institution when it comes to sustainability in Qatar by ESG Investors. As part of our Group's ongoing sustainability journey, QNB Group completed its first green benchmark bond issuance and first-ever green bond issued by a Qatari bank for a USD 600 million listed on the London Stock Exchange (LSE) under the Sustainable Bond Market segment. The deal was 3 times oversubscribed from global and dedicated ESG investors. The proceeds from this green bond issuance were used to finance and/or refinance assets in verified Eligible Green Projects.

QNB Group is a signatory to the United Nations Global Compact (UNGC). The first of many steps planned towards actively joining the international sustainability community.

Operational Performance

Wholesale & Commercial Banking

QNB ALAHLI is keen to support major projects in all sectors

The large corporate sector is one of the main sectors that the bank attaches great importance due to its clear strategy in supporting the national economy. The large corporate sector has succeeded in achieving several positive results during the past year 2021, despite the presence of several internal and external challenges, the bank was able to reach about EGP 148 Billion in the credit portfolio, of which EGP 60,7 Billion is the share of large corporate loans, contributing a large share to national and private sector projects.

For more than 40 years, the bank continues to have a strong presence in the Egyptian market leveraging on our solid position as the largest private bank in terms of total loans with vast experience, offering a full fledge of financial products and services, which contribute to these companies achieving their goals, maximizing the bank's corporate loan portfolio, providing job opportunities, improving productivity and contributing to the growth of the gross domestic product.

In relation to businesses with large corporations and major projects, the bank is maintaining very strong longstanding relationships with prominent and active Egyptian players & multinational companies as well as several public & private companies operating in all the different economic sectors in Egypt.

Moreover, the bank continues to play major roles in sizable transactions in various sectors on top of which comes financing renewable energy developers and green financing.

Adding to the above, the bank has also led, managed and participated in a number of debt restructuring transactions with local banks to ensure the business continuity of some of the clients.

The bank seeks to enhance the large corporate loan portfolio on a large scale to serve the bank's ambitious goals and meet the wishes of customers, as the bank attaches great importance to all projects that give added value to the Egyptian Economy, whether in national projects or private sector projects.

QNB ALAHLI is keen to support major projects in all sectors by diversifying its banking financing tools and providing support permanently with liquidity to give it the ability to continue and expand within the Egyptian market, where the bank gives several different advantages to major customers, including granting credit at low interest in light of the Central Bank of Egypt's directives and its various initiatives.

QNB ALAHLI succeeded during the last period in entering several syndicated loans for the benefit of major companies in light of the development plans followed by the bank to support the economy in various fields and sectors, as the bank has strong relations and ties with all local and foreign banks operating in the Egyptian market to finance major projects, the bank was assigned to arrange many loans to finance local and multinational companies and government companies, which were successfully arranged in record time in various economic sectors in the fields of oil, gas, petrochemicals, communications, infrastructure, energy, construction, building materials, and others.

Awards

- Best Corporate Bank - by Global Banking and Finance
- Best Trade Finance Bank - by Global Banking and Finance

QNB ALAHLI succeeded during the last period in entering several syndicated loans for the benefit of major companies in light of the development plans followed by the bank to support the economy.

Retail Banking

QNB ALAHLI Retail banking offers a wide range of products and services driven by more than 40 years of banking experience

QNB ALAHLI Retail banking offers a wide range of products and services driven by more than 40 years of banking experience with an integrated, immense multichannel network, respecting a sustainable market share, growth and profitability.

Aiming to provide our clients with the most valuable and top-notch services as well as to cope with the growing market demands and aligning with the Central Bank of Egypt Financial Inclusion initiatives, we have focused on developing new products & enhancing existing ones to meet the needs of all segments of the society.

QNB ALAHLI had a strong presence in the 2021 *"Financial inclusion activities"*, taking into consideration special measurement due to *Covid-19 Pandemic*, and dedicated offers through social media, were conducted to spread financial literacy and attract new clients to the bank in various governorates all over Egypt, focusing especially on the untapped segments such as females, Youth, clients with special needs and senior citizens.

On the other hand, an **ATM expansion** plan was applied, to spread our services through all governates with significant increase in cash acceptance machines(CDM).

QNB ALAHLI has actively participated in the Financial Inclusion Initiatives **"POS"** under Central Bank of Egypt supervision, by offering all eligible customers with **POS**, **QR Code** *and* several digital services to expand their market presence, alternatively provides individual customers with various solutions to transform from our cash society to a **cashless society**.

Our **QNB First plus** (top-notch) customers base continues to grow with ambitions and lifestyles of many of our most valued customers. Providing them with seamless, high-quality banking services is one of our core strengths.

QNB ALAHLI's ultimate objective is to meet our customers' expectations in terms of service quality rendered and range of products and services offered, we constantly enhance our **commercial offering** and services to ensure that we will always be our clients' first bank choice and remain one of the leading banks in the Egyptian market.

Our commitment is to develop innovative **digital solutions** by introducing the latest disruptive digital services and products offered with the highest levels of security.

Intensive online campaigns/offers through social media, Contact Center and website to urge customers to register and utilize **QNB ALAHLI Digital Services** (e-wallet, m-visa ...etc.)

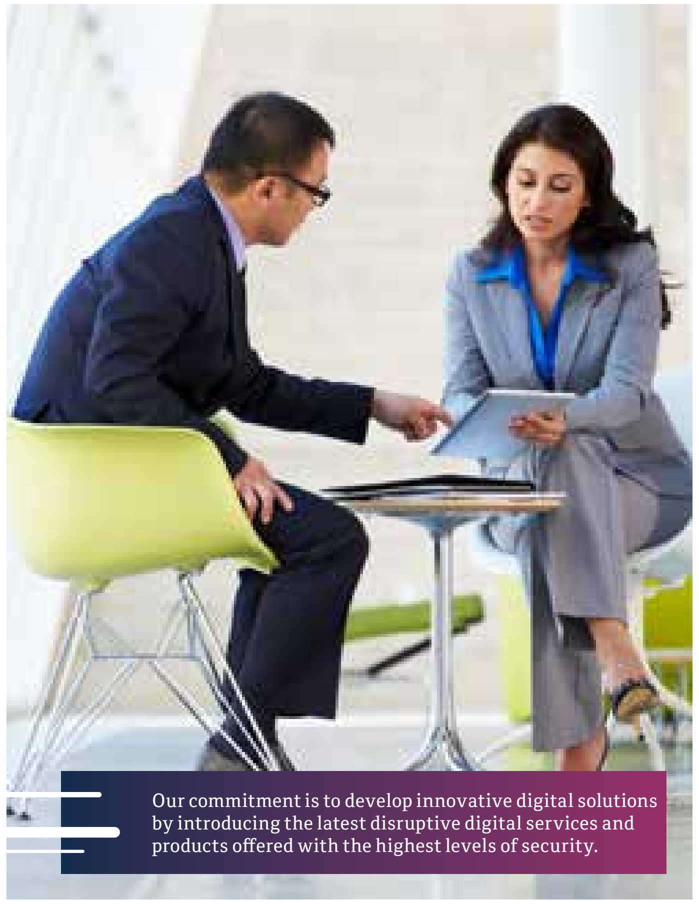
QNB ALAHLI added numerous enhancements to our **Internet Banking Service,** allowing clients to apply for supplementary credit cards or wearable wristbands, install credit cards purchases and issue new CDs / TDs. Also, our **mobile banking application** has been enhanced with new features such as biometric authentication.

QNB ALAHLI recently launched **Visa Signature Card** with a **Unique Value Proposition,** offered for **QNB First Depositors Customers,** with an array of prestigious benefits which designed to meet their elite lifestyle.

QNB ALAHLI introduced **MasterCard Titanium Debit Card** provides the target segment with a bundle of privilege and the possibility paying their purchases domestically and internationally, without the need to carry cash and can be used in cash withdrawals from ATMs in addition to easy shopping with contactless shopping.

Awards

- Best Retail Bank – by Global Banking and Finance
- Best Digital Banking Products and Services- by Global Banking and Finance
- Best E-banking product – Mobile Banking Egypt by International Finance Magazine
- Best Retail Bank Egypt – by International Finance Magazine
- Best Retail Bank – Egypt – by Capital Finance Magazine



Our commitment is to develop innovative digital solutions by introducing the latest disruptive digital services and products offered with the highest levels of security.

Retail Banking
continued

Moreover, QNB ALAHLI has enhanced its mortgage facilities categorizations & has actively participated in the Central Bank of Egypt initiative for **Mortgage Finance** by providing low and middle-income clients; granting subsidized loans with extended durations to purchase residential units as part of its social responsibility to benefit the society and individual clients.

Also, QNB ALAHLI has focused on **Youth clients "Yo Package"** aiming at encouraging them to start dealing with banks and offering some suitable products and payment solutions for such segment and enjoying easy and secure shopping through the POS, E-commerce and any ATM.

QNB ALAHLI continued to enhance the **services provided to clients with special needs** as well, additional services have been launched such as Priority in branches queuing system and Chat service through Mobile banking services. Moreover, additional ramps have been installed in selected branches to facilitate the entry and exit to the branch and accessibility to the ATM.

QNB ALAHLI also introduced **Mother donation account;** allowing mothers to donate to their children through saving accounts, TD and CD without obtaining the consent of the legal guardian.

QNB ALAHLI has launched new **CDs against CONIA** (Cairo Overnight Index Average) with competitive interest rates to be one of the pioneer banks in Egypt, CONIA benchmark is an EGP risk-free rate based on the average real overnight money markets transactions. CONIA rates is calculated daily based on weighted average interbank transactions. It is published on each business day based on transactions conducted and settled on the previous business day.

QNB ALAHLI participated in the initiative of the Central Bank of Egypt to **Substitute Cars to Work with Dual Fuel,** the bank provided payment facilities and special interest rate for the customers intending to buy the **Go-Green cars.**

QNB ALAHLI added numerous enhancements to our Internet Banking Service.

SME's Banking

QNB ALAHLI continues to support the SME's market in Egypt.

- QNB ALAHLI is continuing its SME's success stories while accomplishing the second challenge set by the Central Bank of Egypt of committing Egyptian banks to realize and achieve 25% target ratio of their total bank's portfolio & 10% set for the small enterprises one year ahead of Central Bank of Egypt set date, as usual QNB ALAHLI was the first private bank to achieve this challenging milestone
- SME's business was also crowned as "Best SME's Bank" in Egypt/Middle East receiving several awards from strong reputable entities such as Global Finance Magazine, Global Banking & Finance review, Capital Finance Magazine & EMEA Finance
- These awards certify the strong footsteps of QNB ALAHLI penetrating this important segment and helping SME's market in Egypt to grow in a healthy manner

Nilepreneurs Initiative under the auspices of the Central Bank of Egypt:

- Following the strong achievement conducted on the financial level QNB ALAHLI also captured same top rank when moving to the non-financial services side
- QNB ALAHLI Business Development Centers have been recognized by the Central Bank of Egypt for achieving:

QNB ALAHLI is continuing its SMEs success stories

Awards

> Best SME's Bank - by Global Banking and Finance
> Best SME's Bank – Egypt - by Capital Finance Magazine
> Best SME's Bank in Egypt - by Global Finance Magazine
> Best bank for SME's - Pan Africa - by EMEA Finance

A- 1st bank among the participated banks in Nilepreneurs initiative in terms of services rendered and clients served since the kick off of the initiative and till date , in which series of articles highlighting the success stories and the provided support given by the Business Development Centers were published in the social media

B- QNB ALAHLI continue complying with the Central bank of Egypt direction by participating in financial inclusion events throughout the year via financial literacy sessions about SME's activities, products and how to start your own business for entrepreneurs via the Business Development Service (BDS) Centers aiming to transform them from unbanked to bankable clients.

C- QNB ALAHLI Creative Design Incubator hub at Nile University under Central Bank of Egypt NilePreneurs initiative, finalized both Cycle one & two successfully with 20 startups in the field of Furniture Design & Creative products, in which cycle 3 has started following last year theme with scope expansion under the theme of Reviving Heritage & Culture, in which 10 entrepreneurs have been selected aiming to support more creative entrepreneurs and introducing more success stories.

- Early this year, QNB ALHLI launched short term loan with "fixed monthly installments" to finance working capital requirements with the aim to match the needs and nature of microfinance enterprises mindset
- Building on the constant attention provided to human capital by investing in the training and capacity building, QNB ALAHLI started in 2021 in coordination with the Egyptian banking institute "EBI" and Frankfurt business school to certify all the SME's RMs in Certified Expert in SME's Finance ensuring all SME's clients are served professionally

Corporate Social Responsibility

Corporate Social Responsibility - Human Resources

QNB ALAHLI firmly believes in the effectiveness and importance of supporting communities in which we operate to promote social and economic development. Through the bank's Corporate Social Responsibility (CSR) arm, QNB ALAHLI worked throughout this year to improve the livelihoods of all groups, especially the unprivileged people. Our Corporate Social Responsibility agenda has built on the core pillars of education, health, social development, financial capacity development, financial education and disaster recovery, in addition to implementing many initiatives to support our communities in line with the pillars of corporate social responsibility. We are pleased to present QNB ALAHLI's Social Responsibility Report for 2021, which includes many social achievements that accompanied the business achievements of our bank. QNB ALAHLI participated in many projects aimed at supporting the unprivileged sectors of society, in fulfillment of its societal commitments in various fields throughout Egypt.

During 2021, QNB ALAHLI continued to affirm its position as one of the largest entities in the banking sector in supporting the Egyptian society in facing the impact of Corona virus by participating in the initiative launched by the Federation of Egyptian Banks to support and provide vaccination for the eligible categories with advanced priority to the elderly categories. This is in addition to participating in raising the efficiency and doubling the capacity of the production lines at the main factory in the Holding Company for Biological Products and Vaccines (Vacsera), and to the production line at the 6th of October factory. On the other hand, the bank's support of the Central Bank's initiative to honor the martyrs, victims, missing and injured of war and security operations and terror attacks and their families. In addition to the previous mentioned initiatives, QNB ALAHLI supported in different areas of social responsibility activities, as follows:

In The Medical Care Field:
QNB ALAHLI has supported health facilities in the country as an essential pillar for the development of our communities by filling the shortage of medical equipment. Hence, QNB ALAHLI continued to donate important medical devices to hospitals that provide free services to eliminate waiting lists and provide the best medical services to the neediest groups, among these medical institutions: Baheya Zayed Hospital for Breast Cancer Treatment, Al-Hayat Hospital in Al-Manashee Village in Assiut Governorate, Qasr Al-Aini Hospital - Cairo University - Department of Orthopedics, Ibrahim Ahmed Badran Foundation for Medical Convoys, Ahl Masr Hospital for Burns Treatment, Josab Foundation for Social Development, the National Institute of Diabetes and Endocrinology, and Shefa El Orman Hospital in Luxor Governorate and 57357 Children's Cancer Hospital Foundation. In addition, QNB ALAHLI cooperated with Misr El Kheir Foundation by providing two convoys: a comprehensive medical convoy and a veterinary convoy, to provide medical and veterinary services to the residents of Al Marashda village in Qena Governorate, one of the village of "Hayah Karima initiative" decent life.

In the social welfare field:
QNB ALAHLI contributed to many development projects to improve the living conditions of poor families. For the third year, QNB ALAHLI continued its participation in the national initiative "Hayah Karima" to improve the housing environment for the most deserving families in the villages targeted by the initiative. Several projects have been implemented, including: a project to develop Al Hammam village in Assiut governorate, water connection to 124 homes in 24 villages in 5 governorates, namely: Minya, Assiut, Sohag, Qena and Menoufia, and a project to develop Bani Shukair village in Assiut governorate in cooperation with the Orman Association.

On the other hand, QNB ALAHLI cooperated with Misr El Kheir Foundation to improve the quality of drinking water through 223 household connections in 16 villages in Menia, Assiut and Qena, the bank settled the debt of 40 defaulted ladies, including 12 cases from Hayah Karima villages aiming to reducing the number of defaulted ladies in Menia, Behera, Assuit, and Sohag Governorates. QNB ALAHLI also, celebrated the orphan's day by donating to one of the charitable organization that takes care of orphans.

In The Educational Field:
To which the Bank pays special attention aiming to prepare a distinguished generation, QNB ALAHLI granted scholarships to a number of distinguished students at Nile National University and at Zewail University of Science and Technology, to complement the bank's leading role in supporting the educational system and scientific research. Also, the bank continued to support educational institutions through the development project of Nagaa Makki Primary School in Al-Marashda village in Qena Governorate in cooperation with Misr El-Kheir Foundation, and the development of 9 schools in Beni Suef in cooperation with Orman Association, as follows: Al-Sa'ida Primary School, Ali Bin Abi Talib Primary School, Manshaat Assem Preparatory School, Hassan Sayed Zeidan Primary School, Al-Sha'ab Elementary School for boys, Al-Ghayada Al-Gharbiyah Primary School for girls, Al-Ghayada Al-Gharbiyah Primary School for boys, Bani Haroun Preparatory School and Al-Baranqah Elementary School for girls.


QNB ALAHLI supported health facilities by donating important medical devices and providing the best medical services


QNB ALAHLI granted scholarships to a number of distinguished students to complement the Bank's leading role in supporting the educational system and scientific research

On the other hand, QNB ALAHLI organized financial literacy sessions to the beneficiaries of the CSR projects to spread the concept of financial inclusion, focusing on the concept of financial inclusion and its importance, and introducing the different retail banking products and services. This comes with the aim of increasing financial awareness, moving towards a cashless society and working to provide banking services to all members of society.

Youth development and support:
QNB ALAHLI continues to support youth through the participation in NilePreneur Initiative for the third 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.

In addition, QNB ALAHLI participated in several projects within hayah karima Initiative in cooperation with Misr El Kheir Foundation, such as:

» (40) micro income generating projects to improve the standard of living in Al-Shamiya and Al-Ghareeb villages in Assiut Governorate, in addition to providing financial literacy sessions to 40 representatives of NGOs in the targeted villages.

» " Small and micro projects for women and youth" for 25 beneficiaries in Alexandria Governorate with the aim of providing a permanent source of income to enable them to raise the economic level of their families and reduce the unemployment rate, in addition to providing financial literacy sessions to the beneficiaries.

» " Training for Employment Project" for (60) young men and women from Assiut Governorate.

» " Economic empowerment opportunities" for (45) income-generating projects for youth to raise their standard of living in Qena Governorate.

Support for People with special needs:
As part of our bank's keenness to provide support to people with special needs, QNB ALAHLI donated a number of prosthetic devices to people with special needs in Sawahaga village in Menia Governorate, in cooperation with Misr El Kheir Foundation, as part of the implementation of the state's plan to empower and integrate them into society, in the light of Hayah Karima initiative for every member of society.

In the sponsorship field:
QNB ALAHLI sponsored "The Annual Science Festival in Zewail City for Science and Technology" in its sixth edition under the title "Back to the Future", by traversing different eras that had an impact on the present, using scientific and historical evidence to predict the future. The bank also participated in "the annual winter campaign", in cooperation with Misr El Kheir Foundation, by financing the construction of 40 rooftops for houses in Giza and Beheira governorates, as part of the Egyptian Rural Development Project, within hayah karima initiative.

Human Resources:
The way that the COVID-19 pandemic has impacted how humans are behaving and reacting has been unlike any other crisis that happened in modern history. It forced businesses to speed up their digital transformation with paces never thought possible.

The Human Resources Division in QNB ALAHLI continued its journey in adapting to the new world model to better serve our clients and staff with a spirit of reinvention by accelerating the transformation and implementing agile operations. We continued enhancing our policies & procedures to cater for the different changes that we meet on daily basis to ensure the safety of our staff and the continuity of our business operations.

We altered our learning & development model to further invest in our staff with going completely to virtual & online trainings to ensure that the staff stays updated with different technical skills needed to perform their jobs efficiently and effectively. We maintained having open channels with our staff, hearing their concerns & aspirations via online tools to ensure social distancing and business continuity.

We continued to provide superior medical support to our staff and their dependents including having a dedicated hotline for COVID-19 cases medical advice, approvals or even medications may be sent straight to their homes. There is no specific date for when this pandemic crisis will end but the sure thing is that the Human Resources Division in QNB ALAHLI will always remain tailoring special solutions & processes that will ensure the safety and well-being of its employees as well as the continuity of the business operations in a way that reflects the true brand essence of QNB ALAHLI.

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.

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 ALAHLI is committed to implementing these pillars through the following:

First 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 notifying 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 31/12/2021	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
The current composition of the board of directors comprises of Ten members, in accordance with Statutes of the bank, it 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 most two of the executive members and the majority of the board members must be non-executives.

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	Non-Executive	Chairman
2	Mr. Ali Rashid Ali Al-Mohannadi	Non-Executive	Vice Chairman
3	Mr. Mohamed Mahmoud Ali Bedeir	Executive	CEO and Board Member
4	Ms. Heba Ali Ghaith Al-Tamimi	Non-Executive	Board Member
5	Mr. Tarek Abdel Raouf Magdy Fayed	Executive	Board Member
6	Mr. Adel Ali Mohamed Al-Malki	Non-Executive	Board Member
7	Mr. Abdullah Nasser Salem Al-Khalifa	Non-Executive	Board Member
8	Ms. Shikha Salem Abdullah Al-Dosari	Non-Executive	Board Member
9	Mr. Khaled Ahmed Khalifa Al-Sada	Non-Executive	Board Member
10	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

- 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 10 times during the year 2021 in the presence and presidency of the bank's Chairman and also the presence of the bank Chief Executive Officer since his appointment on 15th September 2021, 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 in 2020, causing disruption to commercial and economic activities. QNB ALAHLI 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 of Egypt 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 ALAHLI 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 clarified 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 four members of the Board of Directors with a majority of non-executive members, Committee meetings are held at least quarterly 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- Strategy Committee
The committee is composed of Four non-executive board members having adequate expertise, and it is responsible for reviewing and follow up tender's approval, bank's business plan, budget, and strategy.

The committee meets once per year and upon request.

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

2.1- Senior Committee
The Executive Committee had been changed to one of the management committees under name of Senior Committee as per BOD number 8/2021 dated 27/09/2021.

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 divisions and departments.

The Committee is composed of executive members of the BOD and the Senior Executive Management, Committee meetings are held upon needed.

2.2- 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 monthly and upon needed.

2.3- 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.

2.4- 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 quarterly.

2.5- 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.

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

2.7- Communication Committee
The committee approves the strategic framework and the proposed advertising campaigns, the committee meets on semiannually basis and upon needed.

2.8- 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.

2.9- 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.

2.10- 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 Bi weekly basis.

2.11- 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.

2.12- 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, the committee meets on annually basis.

2.13- 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, the committee meets on a quarterly basis and upon needed.

2.14- 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, the committee meets on a quarterly basis.

2.15- HR Committee
Review changes on human resources policies on an annual basis, Review and Approve the Annual Compensation review; (salary increase, profit sharing, staff promotions and complaints). Periodic Functional promotions upgrades, the committee meets on a semi-annual basis or upon needed.

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 QNB ALAHLI, 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 Chief Internal Auditor 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 Division
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 Division 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 Chief 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 Audit and Compliance 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.

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.

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 Board of Directors 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 2021, 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.

"We continue to improve our frameworks for risk identification to ensure timely early-warning indicators and decision making"

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 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.

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.

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

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 Board of Directors to the bank's ALCO Committee.

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.

We aim to 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 analyzed 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 (pregnant & chronic disease cases) and activating remote access protocol while applying all Information security aspects.

Also, under the initiative of Central Bank of Egypt & Federation of Egyptian Banks, QNB ALAHLI & Ministry of Health have organized many vaccination campaigns.

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 2021 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 has achieved PCI-DSS certification. 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.

QNB ALAHLI continually invests in its defenses to protect the bank from constantly evolving and increasingly sophisticated cyber attacks.

Overview
Strategic Report
Operational Performance
Corporate Social Responsibility
Corporate Governance and Risk Management
Separate Financial Statements
Consolidated Financial Statements
Branches Network

QNB ALAHLI Compliance Division Structure

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.

Independent Compliance division has been set on structure depending on three main arms which's Financial crime compliance (AML/CTF and sanctions), regulatory compliance and Central Bank of Egypt relations review and corporate governance, 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 it is monitored by and reported to the Audit & Compliance Committee, that has been delegated by the Board of Directors to monitor compliance risks.

QNB ALAHLI Compliance Division Strategy
QNB ALAHLI is committed to high ethical standards that produce long-term value for customers, shareholders, employees and the community, besides focusing towards implementing more effective and dynamic compliance measures across the bank to ensure enhanced compliance monitoring and awareness aiming to disseminate a strong compliance culture through various initiatives. Therefore, we will ensure that the practices, activities and staff are operating within the regulatory framework within the bank's policies and procedures.

The Compliance Framework
QNB ALAHLI compliance division is a multi- dimensional function with strong practices which's protect the bank from the risk of non-compliance with the regulations in frame of the AML/CTF law and related instructions issued by the Central Bank of Egypt.

QNB ALAHLI compliance framework has ensured the review and updating of impacted policies and procedures to ensure compliance with the legislative changes. Furthermore, the compliance 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 regarding the following:

> 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.

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.

> 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 their concerns about the wrongdoings or violations they aware of or have suspicions in -based on justified reasons- to minimize the bank's exposure to the risks like reputational, financial damage or noncompliance.

Whistleblowing Policy and Procedures were prepared 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.

The Financial Crime Compliance Framework
QNB ALAHLI, through its Compliance Division, maintains an Anti-Money Laundering and Combating Terrorism Financing (AML/CTF) framework to fend off financial crimes and related corruption in its many forms. The framework outlines all the proper detection systems and controls designed to deter illicit funds from flowing into the bank's system.

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 compliance division is highly committed towards the implementation of training programs during 2021, to ensure the spread of a compliance culture and awareness of key risks and risk mitigation actions

> 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.

The Sanctions Compliance Framework
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.

An integrated sanctions compliance system includes effective controls that satisfy the needs of both regulators and customers and ensures effective prevention and timely detection of business risk exposure to terrorism and proliferation financing.

Roles and Responsibilities
Ongoing follow up to ensure proper implementation of Central Bank of Egypt new regulations and international laws:

QNB ALAHLI's compliance implemented 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 Central Bank of Egypt 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:
QNB ALAHLI compliance division is highly committed towards the implementation of training programs to help employees stay abreast of latest requirements and increases their productivity with less supervision, whilst ensuring that they are aware of their roles and responsibilities taking into account all the relevant laws, regulations and internal policies adopting with 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.

Also, in light of COVID-19, QNB ALAHLI fostered a top-down compliance culture, by providing diverse learning options to employees by using a variety of training methods.

QNB ALAHLI Compliance Division Plans and Continuous Enhancement

> 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.

Internal Audit

Our robust internal audit capabilities protect and strengthen the bank, underpinning the confidence stakeholders have in our processes and controls.

The Internal Audit Division (IAD) plays a vital role in evaluating the effectiveness of risks, controls, and governance frameworks, by performing a comprehensive and systematic program of independent audits. Our work supports the proper functioning of the bank, ensuring efficiency and effectiveness across our internal processes. It goes beyond financial risks and statements to consider wider issues such as reputation, risk awareness, growth, the environment, and employees' development.

We do this by providing our stakeholders with a mix of assurance and advisory services, reviewing our systems and processes by offering insight to support ongoing improvement. We have full and unrestricted access to all the bank's records, documentation, systems, properties, and personnel.

Our philosophy is to partner with the business, objectively influencing and challenging to facilitate the best results for the bank and its stakeholders. Our audit staff are professionally qualified and hold globally recognized certifications. Our team is composed of individuals with experience from leading financial institutions and audit firms.

Our experience and ongoing professional development provide us with the required competencies to tackle the growing sophistication and challenges of 21st century banking. It is vital that the audit team possesses a level of understanding that is equal to the business. The Internal Audit Division adheres to the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), as well as Basel Committee recommendations and other leading standards. Under the IPPF framework, a qualified, independent assessor must conduct an external quality assessment of an internal audit activity at least once every five years.

This assurance was provided in 2018 when a leading independent audit firm conducted a comprehensive external quality assessment. This certified that we generally conform with the Standards and the IIA Code of Ethics.

Assurance to key stakeholders and regulators
The Internal Audit division is headed by the Chief Internal Auditor (CIA), who reports to the Board of Directors, through the QNB ALAHLI Audit & Compliance Committee (QACC), thus ensuring the independence of the audit function. The CIA is nominated by the QACC and the remuneration of the division is also determined on the basis of the QACC's evaluation of the division's performance.

The Internal Audit function is responsible for audit and independent assurance covering all of the bank's divisions, branches, and subsidiaries.

Our purpose is to provide:

- An independent assurance service to the Board of Directors and the QACC on the effectiveness of the bank's governance, risk management and control processes.
- Advice to management on governance, risks and controls.
- Coverage and assurance to key regulatory authorities.

We maintain and promote the confidence of all our stakeholders – including the Board of Directors, regulators, and senior management – by executing all our tasks with consistent objectivity, rigor, and discipline, backed by a process of continuous improvement.

We give special concerns to the financial crime reviews in our audit processes to address growing concerns from regulators about financial crime. This has ensured that sound controls are in place and operating effectively, and all applicable regulatory requirements are adequately incorporated in our policy and procedures and implemented accordingly. We have devoted increased resources to this area and enhanced the depth of controls testing carried out as well as the scope of coverage.

In line with relevant regulations, we provide support for QNB ALAHLI subsidiaries.

In addition to sharing knowledge and best practice, we deliver training programs to raise control awareness and enhance risk culture and provide policy advice.

Tracking of audit items and ensuring management implementation of agreed action plans to address audit issues is facilitated using our Audit Management System. Dashboards provide the QACC, QNB ALAHLI CEO, and Group Internal Audit Division (GIAD) with real-time information on open and overdue issues and highlight our follow-up activities. This information also apprises senior management, QACC on the implementation status of pending audit issues and is used as part of the bank-wide key performance indicators measures on the control environment. In addition, we report on total observations classified by risk category to senior management, QACC on a quarterly basis.

We continued to prioritize reviews required by regulators. This includes Financial Crime reviews (AML/CTF and Sanctions Risks) and user access management, IFRS9, treasury activities...etc.

We also enhanced our information technology and information security audit methodology. This is an integral part of our internal audit methodology and aims at ensuring the alignment of audit practices in the assessment of information and communication technology as well as information security risk. The methodology encompasses concepts and guidelines from global and regional stakeholders, such as ISACA, an international professional association focused on IT governance.

Advisory services, insight, and analysis
The valuable insights we gain through our unbiased and objective analysis of our operations enables us to help the bank improve its systems and processes.

The services we provide in internal auditing are vital, and we add value to the organization by helping to build an informed risk culture

As an independent reviewer, we participate in the review of new and updated policies in an advisory capacity. The main objectives of the review are to ensure that the policies address and mitigate key business, IT, and regulatory risk factors. By utilizing the combined technical knowledge of the business and our seasoned IT auditors, our policies can be effectively benchmarked against industry best-practice.

We also supported the rollout of major IT projects by advising on key risks and controls. We continue to provide IT and information security with regular feedback and insight on the Business Continuity Management (BCM) process.

Enhance the bank's governance framework
We continued to enhance the bank's governance framework related to internal audit function, as we optimized our internal audit processes, in line with the Basel Committee and the Committee of Sponsoring Organizations of the Treadway Commission (COSO) recommendations. The audit team also ensured the effective implementation of the QNB Group international governance framework, with regards to the development and implementation of the annual audit plan including the audit universe and risk assessments.

Audit programs and techniques
We prioritized the emerging, higher risk areas and analytical processes focusing on key risks that were implemented.

Other enhancements included:

- Enhancing our audit programs and audit implementation scripts to cover gaps and inadequacy of system-level controls.
- Reviewing the adoption of IFRS 9.

Promoting control awareness and risk culture
The services we provide in internal auditing are vital, and we add value to the organization by helping to build an informed risk culture, raising control awareness of the issues we face across the business daily. We ensure continuous improvement of QNB ALAHLI's risk management framework by highlighting emerging risks and placing emphasis on systemic issues related to the various processes that we audit.

To support this initiative, we expanded our awareness program on key risks and controls for the newcomers and bank's managers across the bank. The training includes:

- Basel Committee Three Lines of Control approach.
- Overview of the key banking risks and the internal control framework and assurance structure.
- Common and repeated audit findings covering respective functions and key processes.

Promoting transparency
We believe that greater transparency brings more accountability and improved stakeholder confidence. For that reason, we continue to improve communication on our activities throughout the business. Final audit reports incorporating audit issues, management action plans and target dates for implementation are regularly issued to the management, the QNB ALAHLI CEO and the QACC. In addition, a quarterly report summarizing activities and outcomes is also issued and discussed with the QACC, and GIAD.

Looking ahead
The accelerated use of digital channels by customers, increased transaction volumes, cyber security, and privacy, and focus on customer experience has resulted in the rapid evolution and growth of the QNB ALAHLI's IT infrastructure. To remain relevant and continue adding value we have adapted and evolved our internal assurance approach in response to the major technology changes that are reshaping the demands on internal auditors.

In addition, we will continue to deepen and harmonize the coverage of financial crime risks across the bank to align with regulatory expectations.

We will continue to keep a watchful eye on all emerging and systemic risks that have the potential to affect the performance of the bank, ensuring the board and senior management are apprised of the details in a timely manner. As part of our ongoing commitment to developing our workforce, we will continue upgrading teammate plus audit tool.

Separate Financial Statements

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co.
Public Accountants & Advisers

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 ALAHLI Bank (S.A.E.) which comprise the separate financial position as at December 31, 2021 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 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 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 procedures 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, 2021, 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, 2021 no contravention of the Central Bank and Banking Sector Law No. 194 of 2020.

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

Ehab Mohamed Fouad Abouelmagd
Financial Regulatory Authority No.(378)
KPMG Hazem Hassan
Public Accountants & Consultants

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

Cairo, 11 January 2022

QNB ALAHLI S.A.E
Separate Statement of Financial Position
As at 31 December 2021
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2021	December 31, 2020
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	22,641,702,434	17,166,854,367
Due from banks	(17)	16,162,820,220	5,223,798,459
Treasury bills	(18)	39,358,600,416	41,990,573,212
Loans and credit facilities to customers	(19)	174,640,546,661	164,962,066,483
Financial derivatives	(20)	36,542,265	106,092,208
Financial Investments:			
- Fair value through other comprehensive income	(21)	15,123,771,188	2,474,382,352
- Amortized cost	(21)	75,291,377,974	46,068,820,147
- Fair value through profit or loss	(21)	92,549,632	71,688,942
Investments in subsidiaries and associates	(22)	540,261,839	542,109,089
Intangible assets	(23)	275,574,773	188,123,187
Other assets	(24)	7,245,969,779	4,117,223,362
Deferred tax assets	(31)	17,536,340	43,274,395
Property and equipment	(25)	2,767,837,797	2,520,938,962
Total assets		**354,195,091,318**	**285,475,945,165**
Liabilities and equity			
Liabilities			
Due to banks	(26)	3,458,687,747	4,138,835,958
Customer deposits	(27)	296,239,871,183	233,892,109,030
Financial derivatives	(20)	47,683,515	54,698,875
Other loans	(28)	2,436,745,862	3,251,740,567
Other liabilities	(29)	4,206,302,232	3,297,177,299
Other provisions	(30)	507,669,021	586,820,076
Current income tax payable		1,702,880,760	1,288,010,783
Defined benefits obligation	(32)	543,536,132	513,228,220
Total liabilities		**309,143,376,452**	**247,022,620,808**
Equity			
Issued and paid-up capital	(33)	10,774,114,830	10,774,114,830
Reserves	(34)	22,548,130,220	17,614,978,484
Profit for the year and retained earnings	(34)	11,729,469,816	10,064,231,043
Total equity		**45,051,714,866**	**38,453,324,357**
Total liabilities and equity		**354,195,091,318**	**285,475,945,165**

Mohamed Bedeir
Chief Executive Officer

Mohamed Osman El-Dib
Chairman of the Board of Directors

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 2021
(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2021 To December 31, 2021	From January 01, 2020 To December 31, 2020
Interest on loans and similar income	(6)	31,736,719,240	30,466,796,512
Cost of deposits and similar expense	(6)	(16,814,289,851)	(16,113,253,167)
Net interest income		**14,922,429,389**	**14,353,543,345**
Fee and commission income	(7)	3,058,021,640	2,337,288,072
Fee and commission expense	(7)	(976,126,129)	(489,650,227)
Net interest, fee and commission income		**17,004,324,900**	**16,201,181,190**
Dividend income	(8)	246,341,199	35,584,250
Net trading income	(9)	104,624,137	98,761,017
Gain on financial investments	(21)	8,921,312	6,483,172
Impairment credit losses	(12)	(2,218,276,368)	(2,104,233,392)
Administrative expenses	(10)	(4,072,001,185)	(3,618,588,799)
Other operating revenues (expenses)	(11)	(221,666,650)	(215,992,811)
Profit before income tax		**10,852,267,345**	**10,403,194,627**
Income tax expense	(13)	(3,400,229,701)	(3,004,683,987)
Net profit for the Year		**7,452,037,644**	**7,398,510,640**
Earnings per share	(14)	3.10	3.08

Mohamed Bedeir
Chief Executive Officer

Mohamed Osman El-Dib
Chairman of the Board of Directors

QNB ALAHLI S.A.E
Separate Statement of Comprehensive Income
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

	From January 01, 2021 To December 31, 2021	From January 01, 2020 To December 31, 2020
Net profit for the Year	7,452,037,644	7,398,510,640
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	53,991,848	(208,254,732)
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	4,425,067	43,859,644
Amount transferred to retained earning, net of tax	(319,163)	-
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	(94,920,057)	57,751,351
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	11,848,243	(12,994,054)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	(10,502)	29,548
Total other comprehensive income items for the year, net of tax	**(24,984,564)**	**(119,608,243)**
Total comprehensive income for the year, net of tax	**7,427,053,080**	**7,278,902,397**

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 2021
(All amounts are shown in Egyptian Pounds)

QNB ALAHLI S.A.E
Separate Statement of Changes in Equity
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

	Issued and Paid Up Capital	Legal Reserve	General Reserve	Special Reserve	Capital Reserve	Fair Value Reserve	General Banking Risk Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Year	Total
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**	**1,169,066**	**21,453,923**	**432,517,204**	**8,321,530,798**	**34,178,207,106**
Transfer to reserves and retained earnings	-	415,932,039	2,665,720,403	-	2,890,011	-	-	-	2,233,203,199	(5,317,745,652)	-
Dividend distributions for year 2019	-	-	-	-	-	-	-	-	-	(3,003,785,146)	(3,003,785,146)
Transfer from general reserve to capital increase	979,464,980	-	(979,464,980)	-	-	-	-	-	-	-	-
Net change in other comprehensive income	-	-	-	-	-	(119,608,243)	-	-	-	-	(119,608,243)
Net profit for the year	-	-	-	-	-	-	-	-	-	7,398,510,640	7,398,510,640
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**	**1,169,066**	**21,453,923**	**2,665,720,403**	**7,398,510,640**	**38,453,324,357**
December 31, 2021											
Balance at 1 January 2021	**10,774,114,830**	**2,049,233,783**	**15,104,078,670**	**12,856,666**	**21,379,530**	**404,806,846**	**1,169,066**	**21,453,923**	**2,665,720,403**	**7,398,510,640**	**38,453,324,357**
Transfer to reserves and retained earnings	-	369,537,152	4,428,972,276	-	7,767,605	-	-	-	1,763,251,873	(6,569,528,906)	-
Dividend distributions for year 2020	-	-	-	-	-	-	-	-	-	(828,981,734)	(828,981,734)
Net change in other comprehensive income	-	-	-	-	-	(24,665,401)	-	-	-	-	(24,665,401)
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	-	-	-	(319,163)	-	-	319,163	-	-
Net profit for the year	-	-	-	-	-	-	-	-	-	7,452,037,644	7,452,037,644
Transfer to general banking risk reserve	-	-	-	-	-	-	151,859,267	-	-	(151,859,267)	-
Balance at 31 December 2021	**10,774,114,830**	**2,418,770,935**	**19,533,050,946**	**12,856,666**	**29,147,135**	**379,822,282**	**153,028,333**	**21,453,923**	**4,429,291,439**	**7,300,178,377**	**45,051,714,866**

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

QNB ALAHLI S.A.E
Separate Statement of Cash Flow
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2021	December 31, 2020
Cash flows from operating activities			
Profit before tax		10,852,267,345	10,403,194,627
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	391,600,827	331,969,579
Impairment credit losses	(12)	2,218,276,368	2,104,233,392
Loans written off during the year		(1,302,082,413)	(284,114,917)
Recovery from loans previously written off		34,144,222	18,569,861
Net formed / (reversed) other provisions		(76,937,110)	(127,565,295)
Utilized provisions other than loans provision		(2,123,054)	(2,477,510)
Translation differences of other provisions in foreign currencies		(90,891)	(685,711)
Translation differences resulting from monetary foreign currency investments		4,229,085	45,587,902
Amortization of premium / discount for bonds		(196,088,959)	(61,463,650)
(Gain) on sale of Property and Equipment		(13,124,486)	(7,767,605)
Dividend income	(8)	(246,341,199)	(35,584,250)
Gain on financial investments	(21)	(8,921,312)	(6,483,172)
Operating profits before changes in assets and liabilities resulting from operating activities		**11,654,808,423**	**12,377,413,251**
Net decrease / increase in assets and liabilities			
Due from banks		(8,142,981,539)	(5,162,602,627)
Treasury bills		2,546,739,741	3,570,437,326
Loans and credit facilities to customers		(10,640,197,867)	(12,022,688,650)
Financial derivatives		62,534,583	(12,646,376)
Financial investement recognized at fair value through profit or loss		(20,860,690)	(10,010,469)
Other assets		(2,925,652,308)	(654,051,759)
Due to banks		(680,148,211)	(11,891,829,424)
Customer deposits		62,347,762,153	24,826,743,533
Other liabilities		909,124,933	507,822,967
Defined benefits obligation		30,307,912	30,939,836
Income tax paid		(2,943,348,359)	(2,712,269,225)
Net cash flows resulting from operating activities (1)		**52,198,088,771**	**8,847,258,383**
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(725,976,810)	(381,165,148)
Proceeds from sale of Property and Equipment		13,150,048	8,046,155
Proceeds from financial investments other than held for trading investments		8,183,133,041	6,931,884,188
Acquisition of financial investments other than held for trading investments		(49,898,588,933)	(13,154,736,875)
Proceeds from sale of investments in associates		2,539,977	-
Dividends received		45,431,599	35,584,250
Net cash flows used in investing activities (2)		**(42,380,311,078)**	**(6,560,387,430)**
Cash flows from financing activities			
Other loans		(814,994,705)	(1,322,991,810)
Dividends paid		(828,981,734)	(3,003,785,146)
Net cash flows used in financing activities (3)		**(1,643,976,439)**	**(4,326,776,956)**
Net increase/ decrease in cash and cash equivalents during the year (1+2+3)		**8,173,801,254**	**(2,039,906,003)**
Cash and cash equivalents at the beginning of the year		9,184,861,489	11,224,767,492
Cash and cash equivalents at the end of the year	(35)	**17,358,662,743**	**9,184,861,489**
Cash and cash equivalents at end of the year are represented in :			
Cash and due from Central Bank of Egypt	(16)	22,641,702,434	17,166,854,367
Due from banks	(17)	16,167,980,101	5,234,406,137
Treasury bills		39,370,132,880	42,008,511,859
Balances with Central Bank of Egypt (mandatory reserve)		(18,775,713,523)	(13,325,733,984)
Due from banks with maturities more than 3 months		(2,693,002,000)	-
Treasury bills with maturity more than 3 months		(39,352,437,149)	(41,899,176,890)
Cash and cash equivalents at end of the year		**17,358,662,743**	**9,184,861,489**

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 2021
(All amounts are shown in Egyptian Pounds)

	December 31, 2021	December 31, 2020
Net year's profits (from income statements)	7,452,037,644	7,398,510,640
Deduct/Add		
Profits of sale fixed assets transferred to capital reserve	(13,124,486)	(7,767,605)
Change in General Banking Risk Reserve	(151,859,267)	-
Item transferred to retrained earrings	319,163	-
Distributable years net profits	**7,287,373,054**	**7,390,743,035**
Add		
Beginning balance of retained earnings	4,428,972,276	2,665,720,403
Total	**11,716,345,330**	**10,056,463,438**
To be distributed as follows		
Statutory reserve	371,945,658	369,537,152
General reserve	3,853,548,859	4,428,972,276
shareholders' Dividends	2,801,269,856	-
Employees' profit share	747,158,368	739,074,304
Remuneration for board members	16,000,000	16,000,000
Banking System Support and Development Fund*	72,873,731	73,907,430
Retained earnings carried forward	3,853,548,858	4,428,972,276
Total	**11,716,345,330**	**10,056,463,438**

*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.

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 6,829 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 11, 2022.

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, 2021 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 year 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.

QNB ALAHLI S.A.E
Notes to the Separate Financial Statement
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

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".

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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.

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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,(180 days for SME's according to CBE Circular dated 14 December 2021 regarding the temporary amendments of SME's NPL treatment in IFRS9 regulation). 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.

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 Bank'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:

(All amounts are shown in Egyptian Pounds)

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.

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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.

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(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, 2021		December 31, 2020	
	Loans and credit facilities	Allowance for impairment loss	Loans and credit facilities	Allowance for impairment loss
Good debts	86.71%	10.40%	87.68%	14.11%
Normal watch-list	4.52%	9.09%	6.68%	15.76%
Special watch-list	5.10%	28.89%	2.91%	27.53%
Non performing loans	3.67%	51.62%	2.73%	42.60%
	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 Central Bank of Egypt; 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

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

Financial position items exposed to credit risks	December 31, 2021	December 31, 2020
Treasury bills	39,358,600,416	41,990,573,212
Loans and credit facilities to customers		
Retail loans		
Overdrafts	3,108,670,785	3,444,193,377
Credit cards	1,255,853,285	1,056,199,108
Personal loans	28,326,139,916	25,174,858,319
Real estate loans	2,745,769,706	2,114,526,363
Corporate loans		
Overdrafts	70,471,561,366	65,738,632,301
Direct loans	50,094,074,496	45,557,308,735
Syndicated Loans and facilities	15,852,896,168	19,064,953,752
Other loans	2,922,894,074	2,908,740,897
Segregated interest , unearned discount & deferred income	(137,313,135)	(97,346,369)
Financial derivatives	36,542,265	106,092,208
Financial investments		
Debt instrument	89,742,129,487	47,923,406,672
Other Financial assets	5,288,056,214	2,889,443,277
Total	**309,065,875,043**	**257,871,581,852**

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

	December 31, 2021			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	1,227,864,174	151,877,694	-	**1,379,741,868**
Normal watch-list	12,087,611,100	2,700,627,133	-	**14,788,238,233**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	13,315,475,274	**2,852,504,827**	**-**	**16,167,980,101**
Allowance for impairment losses	(3,246,515)	(1,913,366)	-	**(5,159,881)**
Carrying amount	**13,312,228,759**	**2,850,591,461**	**-**	**16,162,820,220**

	December 31, 2020			
Due from banks	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	845,339,886	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, 2021			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	39,370,132,880	-	-	**39,370,132,880**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	39,370,132,880	**-**	**-**	**39,370,132,880**
Allowance for impairment losses	(11,532,464)	-	-	**(11,532,464)**
Carrying amount	**39,358,600,416**	**-**	**-**	**39,358,600,416**

	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	42,008,511,859	-	-	**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**

	December 31, 2021			
Retail loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Credit rating				
Good debts	33,360,820,542	-	-	**33,360,820,542**
Normal watch-list	1,402,372,504	-	-	**1,402,372,504**
Special watch-list	-	711,397,628	-	**711,397,628**
Non performing loan	-	-	828,992,081	**828,992,081**
	34,763,193,046	**711,397,628**	**828,992,081**	**36,303,582,755**
Allowance for impairment losses	(177,646,277)	(95,458,695)	(594,044,091)	**(867,149,063)**
Carrying amount	**34,585,546,769**	**615,938,933**	**234,947,990**	**35,436,433,692**

	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, 2021

Corporate loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	125,118,731,161	1,741,337,413	-	126,860,068,574
Normal watch-list	172,535,209	6,772,192,821	-	6,944,728,030
Special watch-list	-	8,721,939,199	-	8,721,939,199
Non performing loan	-	-	5,958,865,850	5,958,865,850
	125,291,266,370	17,235,469,433	5,958,865,850	148,485,601,653
Allowance for impairment losses	(886,925,221)	(3,683,232,793)	(4,574,017,535)	(9,144,175,549)
Carrying amount	124,404,341,149	13,552,236,640	1,384,848,315	139,341,426,104

December 31, 2020

Corporate loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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, 2021

Debt instruments at fair value through other comprehensive income	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	1,795,856,758	-	-	1,795,856,758
Normal watch-list	12,654,894,755	-	-	12,654,894,755
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	14,450,751,513	-	-	14,450,751,513
Allowance for impairment losses	(105,685)	-	-	(105,685)
Carrying amount - fair value	14,450,751,513	-	-	14,450,751,513

December 31, 2020

Debt instruments at fair value through other comprehensive income	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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

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Debt instruments at amortized cost	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	-	-	-	-
Normal watch-list	75,296,835,413	-	-	75,296,835,413
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	75,296,835,413	-	-	75,296,835,413
Allowance for impairment losses	(5,457,439)	-	-	(5,457,439)
Carrying amount	75,291,377,974	-	-	75,291,377,974

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Debt instruments at amortized cost	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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

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, 2021

Due from banks	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	10,607,678	-	-	10,607,678
New financial assets purchased or issued	3,246,515	1,913,366	-	5,159,881
Financial assets have been matured or derecognised	(10,607,678)	-	-	(10,607,678)
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	3,246,515	1,913,366	-	5,159,881

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, 2021

Treasury bills	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2021	17,938,647	-	-	**17,938,647**
New financial assets purchased or issued	11,532,464	-	-	**11,532,464**
Financial assets have been matured or derecognised	(17,938,647)	-	-	**(17,938,647)**
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	**11,532,464**	**-**	**-**	**11,532,464**

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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, 2021

Retail loans	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2021	**232,464,951**	**100,481,753**	**331,541,542**	**664,488,246**
Net impairment loss recognized during the year	(54,818,674)	(15,786,793)	333,772,998	**263,167,531**
Loans written-off during the year	-	-	(71,270,436)	**(71,270,436)**
Collections of loans previously written-off	-	10,763,735	-	10,763,735
Foreign exchange translation differences	-	-	(13)	**(13)**
Balance at the end of the year	**177,646,277**	**95,458,695**	**594,044,091**	**867,149,063**

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, 2021			
Corporate loans	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
Allowance for impairment losses at January 01, 2021	**1,326,847,640**	**3,545,247,660**	**3,532,123,866**	**8,404,219,166**
New financial assets purchased or issued	231,692,527	286,728,604	-	**518,421,131**
Financial assets have been matured or derecognised	(176,652,168)	(1,234,934,281)	(246,188,998)	**(1,657,775,447)**
Transfer to stage 1	33,895,798	(33,895,798)	-	**-**
Transfer to stage 2	(270,928,652)	299,163,620	(28,234,968)	**-**
Transfer to stage 3	(1,991,951)	(214,724,704)	216,716,655	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(255,883,588)	1,012,418,848	2,349,307,405	**3,105,842,665**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(6,330)	(1,230,805,647)	**(1,230,811,977)**
Collections of loans previously written-off	-	23,380,487	-	23,380,487
Foreign exchange translation differences	(54,385)	(145,313)	(18,900,778)	**(19,100,476)**
Balance at the end of the year	**886,925,221**	**3,683,232,793**	**4,574,017,535**	**9,144,175,549**

	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**

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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, 2021	**116,187**	**-**	**-**	**116,187**
New financial assets purchased or issued	27,836	-	-	**27,836**
Financial assets have been matured or derecognised	(3,975)	-	-	**(3,975)**
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	(34,363)	-	-	**(34,363)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	-
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**105,685**	**-**	**-**	**105,685**

	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**

Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
December 31, 2021	12-Months	Life time	Life time	
Allowance for impairment losses at January 01, 2021	2,787,960	-	-	2,787,960
New financial assets purchased or issued	5,457,439	-	-	5,457,439
Financial assets have been matured or derecognised	(2,787,960)	-	-	(2,787,960)
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	5,457,439	-	-	5,457,439

Debt instruments at amortized cost	Stage 1	Stage 2	Stage 3	Total
December 31, 2020	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

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Off balance sheet items exposed to credit risks	December 31, 2021	December 31, 2020
Financial guarantees	255,000	317,500
L/Cs	4,579,589,654	2,225,958,932
Accepted papers	3,146,172,197	1,797,703,754
L/Gs	43,455,458,358	40,570,756,871
Other contingent liabilities	-	19,632,824
Total	51,181,475,209	44,614,369,881

Commitments for credit facilities have a carrying amount of 28,833,545,274 at the end of current reporting year against EGP 32,855,532,909 in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of December 2021 and December, 2020 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 57% 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 64% at the end of the prior year, investments in debt instruments constitute 29% against 19% at the end of the prior year and treasury bills constitute 13% against 16% 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:

91% 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 94% at the end of the prior year.

95% 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 6,787,857,931 . Impairment on these loans and credit facilities represents 76% 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 4,760,606,057 and their impairment represents 81% 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, 2021.

99% 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, 2021		December 31, 2020	
	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	175,348,138,269	-	167,127,005,315	-
Have arrears but not impaired	2,653,188,208	-	2,240,508,892	-
Impaired	6,787,857,931	-	4,760,606,057	-
Total	**184,789,184,408**	**-**	**174,128,120,264**	**-**
Less: Allowance for impairment losses	(10,011,324,612)	-	(9,068,707,412)	-
Less: Segregated interest	(205,721)	-	(330,085)	-
Less: Unearned discount & deferred income	(137,107,414)	-	(97,016,284)	-
Net	**174,640,546,661**	**-**	**164,962,066,483**	**-**

Total Total credit allowance for loans and credit facilities at the end of the current reporting year amounted to EGP 10,011,324,612 (EGP 9,068,707,412 at the end of the prior year) of which EGP 5,168,061,626 represent impairment in stage three (EGP 3,863,665,408 at the end of the prior year) and EGP 4,843,262,986 represent impairment for stage one and stage two in the credit portfolio (EGP 5,205,042,004 at the end of the prior year).

Note (19-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 6% 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, 2021					
		Retail			
Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,109,308,277	1,115,171,874	26,536,346,212	2,599,994,179	**33,360,820,542**
Normal watch-list	123,554	-	-	-	**123,554**
Special watch-list	44,346	-	-	-	**44,346**
Total	**3,109,476,177**	**1,115,171,874**	**26,536,346,212**	**2,599,994,179**	**33,360,988,442**

	Corporate				
	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Good debts	66,227,871,625	42,222,879,092	15,331,684,965	2,933,837,004	**126,716,272,686**
Normal watch-list	3,714,341,560	2,513,925,961	633,498,692	2,700,000	**6,864,466,213**
Special watch-list	2,114,487,155	6,289,884,567	2,039,206	-	**8,406,410,928**
Total	**72,056,700,340**	**51,026,689,620**	**15,967,222,863**	**2,936,537,004**	**141,987,149,827**

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

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.

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, 2021					
		Retail			
	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	138,164,653	1,139,522,765	103,589,729	**1,381,277,147**
More than 30 – 60 days	-	20,971,803	355,669,588	28,158,778	**404,800,169**
More than 60 – 90 days	-	8,125,451	290,816,138	28,583,327	**327,524,916**
Total	**-**	**167,261,907**	**1,786,008,491**	**160,331,834**	**2,113,602,232**

		Corporate			
Up to 30 days	-	78,716,286	-	-	**78,716,286**
More than 30 – 60 days	-	41,710,510	-	-	**41,710,510**
More than 60 – 90 days	-	69,016,452	-	-	**69,016,452**
More than 90 days	-	350,142,728	-	-	**350,142,728**
Total	**-**	**539,585,976**	**-**	**-**	**539,585,976**

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**

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.

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 6,787,857,931 against EGP 4,760,606,057 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, 2021

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	7,411,576	30,724,452	705,123,935	85,732,118	**828,992,081**
Fair value of collaterals	-	7,118,275	164,471,071	8,673,950	**180,263,296**

Corporate	Overdrafts	Direct loans	Syndicated Loans and facilities	Other loans	Total
Loans which are individually impaired	200,496,821	5,757,859,693	509,336	-	**5,958,865,850**
Fair value of collaterals	-	28,353,237	-	-	**28,353,237**

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	-	-	-	-	**-**

Restructured loans and facilities:

The 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 1,766,944,402 at the end of the current reporting year against EGP 1,821,876,913 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, 2021	December 31, 2020
Overdrafts	36,050,326	53,456,549
Direct loans	1,730,894,076	1,768,420,364
Total	**1,766,944,402**	**1,821,876,913**

(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, 2021	December 31, 2020
Egyptian Treasury Bills	B	39,370,132,880	42,008,511,859
Fair value through other comprehensive income			
Other debt instruments	Unrated	383,442,606	400,000,000
Egyptian debt instruments	B	12,654,894,755	-
US Treasury Bonds	AA+	1,412,414,152	1,454,586,525
Amortized cost			
Egyptian Treasury Bonds	B	75,296,835,413	46,071,608,107
Total		**129,117,719,806**	**89,934,706,491**

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(A/8) Acquisition of collaterals

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

Nature of the asset	Book Value
Building	109,367,000

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	39,370,132,880	-	-	-	**39,370,132,880**	-	**39,370,132,880**
Loans and credit facilities to customers							
Retail loans							
Overdrafts	1,985,990,736	934,775,268	127,219,833	68,901,916	**3,116,887,753**	-	**3,116,887,753**
Credit cards	977,850,639	154,852,843	127,360,799	53,093,952	**1,313,158,233**	-	**1,313,158,233**
Personal loans	20,430,797,640	3,016,005,446	4,383,484,478	1,197,191,074	**29,027,478,638**	-	**29,027,478,638**
Real estate loans	2,081,344,064	151,093,493	236,011,797	377,608,777	**2,846,058,131**	-	**2,846,058,131**
Corporate loans							
Overdrafts	53,088,873,386	9,764,716,784	5,892,108,726	3,511,498,265	**72,257,197,161**	-	**72,257,197,161**
Direct loans	38,674,342,168	7,959,949,280	8,156,396,024	2,533,447,817	**57,324,135,289**	-	**57,324,135,289**
Syndicated loans and facilities	14,856,636,151	241,436,474	718,067,294	151,592,280	**15,967,732,199**	-	**15,967,732,199**
Other loans	2,919,734,268	2,098,257	-	14,704,479	**2,936,537,004**	-	**2,936,537,004**
Financial derivatives	-	-	-	-	**-**	36,542,265	**36,542,265**
Financial investments							
Debt instruments	88,335,172,774	-	-	-	**88,335,172,774**	1,412,414,152	**89,747,586,926**
Other financial assets	5,082,423,791	83,004,768	76,422,585	26,174,005	**5,268,025,149**	21,748,980	**5,289,774,129**
Total at the end of the current year	**267,803,298,497**	**22,307,932,613**	**19,717,071,536**	**7,934,212,565**	**317,762,515,211**	**1,470,705,397**	**319,233,220,608**
Total at the end of the comparative 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**

(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 Gov-ernments	"Other activities"	Individuals	Total
Treasury bills	-	-	-	-	39,370,132,880	-	-	-	**39,370,132,880**
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	3,116,887,753	**3,116,887,753**
Credit cards	-	-	-	-	-	-	-	1,313,158,233	**1,313,158,233**
Personal loans	-	-	-	-	-	-	-	29,027,478,638	**29,027,478,638**
Real estate loans	-	-	-	-	-	-	-	2,846,058,131	**2,846,058,131**
Corporate loans									
Overdrafts	1,487,690,000	29,008,845,291	14,719,079,366	27,041,582,504	-	-	-	-	**72,257,197,161**
Direct loans	847,141,592	33,947,622,823	11,012,402,963	11,516,967,911	-	-	-	-	**57,324,135,289**
Syndicated loans and facilities	98,797,484	4,784,936,213	619,147,885	10,464,850,617	-	-	-	-	**15,967,732,199**
Other loans	-	1,323,636,109	218,029,279	493,569,606	-	-	901,302,010	-	**2,936,537,004**
Financial deriv-atives	-	-	-	-	-	-	36,542,265	-	**36,542,265**
Financial investments									
Debt instru-ments	-	-	-	383,442,606	87,951,730,168	1,412,414,152	-	-	**89,747,586,926**
Other financial assets	20,039,813	568,718,748	218,780,655	427,126,321	3,734,416,356	19,854,508	1,894,471	298,943,257	**5,289,774,129**
Total at the end of current year	**2,453,668,889**	**69,633,759,184**	**26,787,440,148**	**50,327,539,565**	**131,056,279,404**	**1,432,268,660**	**939,738,746**	**36,602,526,012**	**319,233,220,608**
Total at the end of the compar-ative 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**

(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	46,071,692	-	46,071,692	4,607,169
EUR	1,366,037	-	1,366,037	136,604
GBP	179,084	-	179,084	17,908
JPY	20,014	-	20,014	2,001
CHF	64,089	-	64,089	6,409
DKK	1,266	-	1,266	127
NOK	4,014	-	4,014	401
SEK	34,884	-	34,884	3,488
CAD	48,414	-	48,414	4,841
AUD	44,011	-	44,011	4,401
AED	214,200	-	214,200	21,420
BHD	22,832	-	22,832	2,283
KWD	(153,146)	(153,146)	-	(15,315)
OMR	80,892	-	80,892	8,089
QAR	158,682	-	158,682	15,868
SAR	144,473	-	144,473	14,447
CNY	2,317	-	2,317	232
EGP	(48,303,755)	(48,303,755)	-	-
Maximum expected loss at December 31, 2021				**4,830,373**
Maximum expected loss at December 31, 2020				**9,614,427**

(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 current reporting year. This table includes the carrying amounts of the financial instruments in terms of their relevant currencies and in EGP equivalent.

	EGP	USD	EUR	GBP	Other currencies	Total
Financial assets						
Cash and due from Central Bank of Egypt (CBE)	21,951,047,247	534,360,114	127,686,253	11,442,096	17,166,724	**22,641,702,434**
Due from banks	9,049,902,747	6,823,556,302	76,813,237	47,897,822	164,650,112	**16,162,820,220**
Treasury bills	33,987,230,544	5,371,369,872	-	-	-	**39,358,600,416**
Loans and credit facilities to customers	146,533,857,867	25,800,958,575	2,275,385,601	12,754,502	17,590,116	**174,640,546,661**
Financial derivatives	-	36,542,265	-	-	-	**36,542,265**
Financial investments						
Fair value through other comprehensive income	**13,461,358,756**	**1,661,270,510**	**1,141,922**	**-**	**-**	**15,123,771,188**
Amortized cost	74,556,433,232	734,944,742	-	-	-	**75,291,377,974**
Fair value through profit or loss	92,549,632	-	-	-	-	**92,549,632**
Other financial assets	5,240,117,121	44,345,194	3,499,188	4,112	90,599	**5,288,056,214**
Total financial assets	304,872,497,146	41,007,347,574	2,484,526,201	72,098,532	199,497,551	348,635,967,004
Financial liabilities						
Due to banks	**3,135,440,076**	**255,893,394**	**40,924,524**	**25,308,616**	**1,121,137**	**3,458,687,747**
Customer deposits	**258,266,632,682**	**32,840,072,421**	**4,506,568,858**	**439,537,704**	**187,059,518**	**296,239,871,183**
Financial derivatives	**47,683,515**	**-**	**-**	**-**	**-**	**47,683,515**
Other loans	**96,886,289**	**2,296,267,143**	**43,592,430**	**-**	**-**	**2,436,745,862**
Other financial liabilities	**926,734,700**	**49,269,337**	**755,547**	**47,942**	**617**	**976,808,143**
Total financial liabilities	**262,473,377,262**	**35,441,502,295**	**4,591,841,359**	**464,894,262**	**188,181,272**	**303,159,796,450**
Net financial position	**42,399,119,884**	**5,565,845,279**	**(2,107,315,158)**	**(392,795,730)**	**11,316,279**	**45,476,170,554**
At the end of the comparative year						
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**
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**

(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 Chief Executive officer 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.

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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)	-	-	-	-	-	22,641,702,434	**22,641,702,434**
Due from banks	11,015,984,653	4,682,743,632	-	-	-	464,091,935	**16,162,820,220**
Treasury bills	4,563,976,379	14,438,775,982	20,355,848,055	-	-	-	**39,358,600,416**
Loans and credit facilities to customers	138,008,766,543	3,898,731,757	8,323,691,530	19,045,720,559	5,363,636,272	-	**174,640,546,661**
Financial derivatives	-	-	-	-	-	36,542,265	**36,542,265**
Financial investments							
Fair value through other comprehensive income	383,442,599	94,506,482	-	12,946,156,875	1,026,645,557	673,019,675	15,123,771,188
Amortized cost	-	393,378,819	7,566,408,253	59,011,494,953	8,320,095,949	-	**75,291,377,974**
Fair value through profit or loss	-	-	-	-	-	92,549,632	**92,549,632**
Other financial assets	-	-	-	-	-	5,288,056,214	**5,288,056,214**
Total financial assets	**153,972,170,174**	**23,508,136,672**	**36,245,947,838**	**91,003,372,387**	**14,710,377,778**	**29,195,962,155**	**348,635,967,004**
IRS (notional amount)	**550,084,493**	**243,608,851**	**243,608,851**	**1,165,000,393**	**-**	**-**	**2,202,302,588**
Financial liabilities							
Due to banks	3,157,028,827	-	-	-	-	301,658,920	**3,458,687,747**
Customer deposits	133,580,213,686	16,260,798,422	28,820,929,776	80,296,971,296	57,060,579	37,223,897,424	**296,239,871,183**
Financial derivatives	-	-	-	-	-	47,683,515	**47,683,515**
Other loans	**2,339,859,572**	**1,003,889**	**28,921,667**	**66,960,734**	**-**	**-**	**2,436,745,862**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**	**976,808,143**	**976,808,143**
Total financial liabilities	**139,077,102,085**	**16,261,802,311**	**28,849,851,443**	**80,363,932,030**	**57,060,579**	**38,550,048,002**	**303,159,796,450**
IRS (notional amount)	**2,202,302,588**	**-**	**-**	**-**	**-**	**-**	**2,202,302,588**
Re-pricing gap	**13,242,849,994**	**7,489,943,212**	**7,639,705,246**	**11,804,440,750**	**14,653,317,199**	**(9,354,085,847)**	**45,476,170,554**
At the end of the comparative year							
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**
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**

(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 Chief Executive officer 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.

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December 31, 2021

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	3,472,310,344	-	-	-	-	**3,472,310,344**
Customer deposits	174,519,903,616	16,427,092,647	34,812,463,580	89,512,282,434	74,394,602	**315,346,136,879**
Other loans	323,218,206	6,770,874	790,342,586	1,361,629,953	-	**2,481,961,619**
Total financial liabilities	**178,315,432,166**	**16,433,863,521**	**35,602,806,166**	**90,873,912,387**	**74,394,602**	**321,300,408,842**

- 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, 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.

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.

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, 2021

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	2,116,904,744	738,213,868	721,454,666	-	-	**3,576,573,278**
Cash inflows	2,120,594,800	711,063,808	672,759,069	-	-	**3,504,417,677**

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**

Cash flow for Off-balance sheet items

December 31, 2021

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	255,000	-	-	**255,000**
Operating lease commitments	131,665,156	310,148,730	66,550,198	**508,364,084**
Capital commitments resulting from acquisition of property and equipment	945,038,280	-	-	**945,038,280**
Total	**1,076,958,436**	**310,148,730**	**66,550,198**	**1,453,657,364**

	Less than one year	More than one year and less than 5 years	More than 5 years	Total
Commitments for credit facilities	26,597,826,643	2,220,758,697	14,959,934	**28,833,545,274**

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**

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(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, 2021

Financial Assets	Level 1	Level 2	Level 3	Total
US Treasury Bonds	1,412,414,152	-	-	**1,412,414,152**
Other debt instruments	-	383,442,606	-	**383,442,606**
Egyptian debt instruments	12,654,894,755	-	-	**12,654,894,755**
Funds at fair value through other comprehensive income	47,163,250	-	-	**47,163,250**
Funds at fair value through profit or loss	92,549,632	-	-	**92,549,632**
Equity Instruments	151,884,836	-	473,971,589	**625,856,425**
Financial derivatives	-	36,542,265	-	**36,542,265**

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**

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(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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Financial assets				
Due from banks	16,162,820,220	5,223,798,459	16,162,820,220	**5,223,798,459**
Loans and credit facilities to customers	174,640,546,661	164,962,066,483	173,604,900,973	**165,136,737,660**
Financial investments at amortized Cost				
Debt instruments	75,291,377,974	46,068,820,147	76,215,365,266	**47,931,822,710**
Financial liabilities:				
Due to banks	3,458,687,747	4,138,835,958	3,458,687,747	**4,138,835,958**
Customer deposits	296,239,871,183	233,892,109,030	284,048,136,402	**230,952,933,996**
Other loans	2,436,745,862	3,251,740,567	2,436,745,862	**3,251,740,567**

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 5 Billion 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 12.5% during current year, The Bank's capital adequacy ratio reached 22.79% at the end of the current year (December 31, 2020: 21.46%) according to Basel II.

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, 2021	December 31, 2020 Restated**
Tier 1 capital		
Share capital	10,774,114,830	10,774,114,830
General reserve	19,533,050,946	19,533,050,946
Legal reserve	2,418,770,935	2,418,770,935
Other reserves	29,147,135	29,147,135
Retained earnings	4,894,488,751	4,894,169,588
Interim profit	7,422,837,470	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	379,716,597	404,690,659
Total deductions from capital invested	(652,525,342)	(596,771,221)
Total tier 1 capital	**44,821,055,245**	**37,478,626,795**
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*	956,108,641	1,506,781,410
Total tier 2 capital	**972,869,791**	**1,523,542,560**
Total capital	**45,793,925,036**	**39,002,169,355**
Risk weighted assets and contingent liabilities:		
Credit Risk	175,788,843,909	158,727,240,641
Market Risk	695,549	15,363,994
Operational Risk	25,178,733,307	22,983,763,606
Total risk weighted assets and contingent liabilities	**200,968,272,765**	**181,726,368,241**
Capital adequacy ratio for Tier 1	**22.30%**	**20.62%**
Capital adequacy ratio	**22.79%**	**21.46%**

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

** After 2020 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, 2021	"December 31, 2020 Restated*"
Tier 1 capital after exclusions	44,821,055,245	37,478,626,795
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	355,899,552,716	287,795,705,007
Total exposures off-balance sheet	30,116,574,094	27,144,100,711
Total exposures on-balance sheet and off-balance sheet	386,016,126,810	314,939,805,718
Leverage financial ratio	11.61%	11.90%

* After 2020 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 next 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-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 Bank 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 918,529,853 to reach the fair value with a corresponding increase in the fair value through other comprehensive income.

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, 2021)	Corporate	Investments	Individual	Other businesses	Total
Net interest income	5,915,618,143	2,198,830,673	4,138,783,275	2,669,197,298	14,922,429,389
Net fee and commission income	1,226,075,411	110,628	727,411,257	128,298,215	2,081,895,511
Dividend income	-	246,341,199	-	-	246,341,199
Net trading income	346,187,060	-	40,551,867	(282,114,790)	104,624,137
Gain on financial investments	-	8,921,312	-	-	8,921,312
Impairment credit losses	(1,966,488,349)	3,747,206	(263,167,531)	7,632,306	(2,218,276,368)
Administrative expenses	(1,702,048,193)	(4,171,171)	(2,409,758,495)	43,976,674	(4,072,001,185)
Other operating revenues (expenses)	(27,378,083)	42,216,816	(232,936,281)	(3,569,102)	(221,666,650)
Profit before income tax	3,791,965,989	2,495,996,663	2,000,884,092	2,563,420,601	10,852,267,345
Income tax expense	(1,188,097,839)	(782,045,053)	(626,916,505)	(803,170,304)	(3,400,229,701)
Net profit for the current year	2,603,868,150	1,713,951,610	1,373,967,587	1,760,250,297	7,452,037,644

Assets and liabilities according to segmental activities (December 31, 2021)	Corporate	Investments	Individual	Other businesses	Total
Segment activity assets	139,205,577,250	130,406,561,049	35,434,969,414	34,975,076,005	340,022,183,718
Unclassified assets	-	-	-	-	14,172,907,600
Total assets	139,205,577,250	130,406,561,049	35,434,969,414	34,975,076,005	354,195,091,318
Segment activity liabilities	171,177,934,680	-	125,126,195,108	5,878,858,519	302,182,988,307
Unclassified liabilities	-	-	-	-	6,960,388,145
Total liabilities	171,177,934,680	-	125,126,195,108	5,878,858,519	309,143,376,452

At the end of comparative year Income and expenses according to segmental activities (December 31, 2020)	Corporate	Investments	Individuals	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 comparative year	2,858,519,972	955,665,462	1,360,831,107	2,223,494,099	7,398,510,640

At the end of comparative year Assets and liabilities according to segmental activities (December 31, 2020)	Corporate	Investments	Individuals	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

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

Income and expenses according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	7,144,244,822	1,229,180,140	1,069,446,271	438,357,338	5,041,200,818	**14,922,429,389**
Net fee and commission income	1,145,015,826	195,273,214	189,019,722	94,237,216	458,349,533	**2,081,895,511**
Dividend income	-	-	-	-	246,341,199	**246,341,199**
Net trading income	286,524,545	56,489,754	60,000,677	7,327,432	(305,718,271)	**104,624,137**
Gain on financial investments	-	-	-	-	8,921,312	**8,921,312**
Impairment credit losses	(1,511,810,947)	(127,543,058)	(437,171,897)	(146,363,813)	4,613,347	**(2,218,276,368)**
Administrative expenses	(2,848,989,478)	(530,982,300)	(499,789,000)	(241,885,715)	49,645,308	**(4,072,001,185)**
Other operating revenues (expenses)	(211,711,498)	(42,385,036)	(44,891,926)	(13,286,596)	90,608,406	**(221,666,650)**
Profit before income tax	**4,003,273,270**	**780,032,714**	**336,613,847**	**138,385,862**	**5,593,961,652**	**10,852,267,345**
Income tax expense	(1,254,304,584)	(244,399,655)	(105,467,767)	(43,359,024)	(1,752,698,671)	**(3,400,229,701)**
Net profit for the current year	**2,748,968,686**	**535,633,059**	**231,146,080**	**95,026,838**	**3,841,262,981**	**7,452,037,644**

Assets and liabilities according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea/ Upper Egypt	Head office	Total
Assets of geographical segments	130,728,574,792	21,663,698,999	18,325,091,040	7,539,403,867	175,645,211,507	**353,901,980,205**
Unclassified assets	-	-	-	-	-	**293,111,113**
Total assets	**130,728,574,792**	**21,663,698,999**	**18,325,091,040**	**7,539,403,867**	**175,645,211,507**	**354,195,091,318**
Liabilities of geographical segments	239,225,001,832	31,555,461,603	21,889,339,220	6,775,751,277	6,943,736,607	**306,389,290,539**
Unclassified liabilities	-	-	-	-	-	**2,754,085,913**
Total liabilities	**239,225,001,832**	**31,555,461,603**	**21,889,339,220**	**6,775,751,277**	**6,943,736,607**	**309,143,376,452**

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 comparative year	**2,910,571,893**	**465,041,222**	**320,794,284**	**126,523,291**	**3,575,579,950**	**7,398,510,640**

At the end of comparative year 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**

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

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6- Net interest income	December 31, 2021	December 31, 2020
Interest from loans and similar income:		
Loans and credit facilities:		
Customers	16,924,654,807	17,472,896,784
Total	**16,924,654,807**	**17,472,896,784**
Treasury bills and bonds	14,364,338,884	12,780,322,575
Other debt instruments	43,309,078	19,877,699
Deposits and current accounts	343,841,398	105,872,965
Net interest differential on hedging instruments (IRS contracts)	60,575,073	87,826,489
Total	**31,736,719,240**	**30,466,796,512**
Cost of deposits and similar expense :		
Deposits and current accounts:		
Banks	(181,057,765)	(669,827,351)
Customers	(16,550,136,020)	(15,115,975,749)
Total	**(16,731,193,785)**	**(15,785,803,100)**
Repo arrangements	(33,564,290)	(239,185,725)
Other loans	(49,531,776)	(88,264,342)
Total	**(16,814,289,851)**	**(16,113,253,167)**
Net	**14,922,429,389**	**14,353,543,345**

7 - Net fee and commission income:	December 31, 2021	December 31, 2020
Fee and commission income:		
Credit fees and commission	1,695,674,967	1,460,301,331
Custody fees	30,058,265	28,535,783
Investment commission	26,859,174	22,500,009
Other fees	1,305,429,234	825,950,949
Total	**3,058,021,640**	**2,337,288,072**
Fee and commission expense:		
Brokerage fees	(5,543,867)	(5,281,698)
Other fees	(970,582,262)	(484,368,529)
Total	**(976,126,129)**	**(489,650,227)**
Net	**2,081,895,511**	**1,847,637,845**

8 - Dividend income	December 31, 2021	December 31, 2020
Associates and subsidiaries	199,963,600	393,060
Equity instruments at fair value through other comprehensive income	46,377,599	35,191,190
Total	**246,341,199**	**35,584,250**

9 - Net trading income:	December 31, 2021	December 31, 2020
Forex operations:		
Foreign exchange trading gains (loss)	94,871,616	114,581,674
Changes in fair value of currency forward contracts	(3,449,383)	(7,559,832)
Changes in fair value of currency swap contracts	10,464,743	(2,427,141)
Changes in fair value IRS contracts	2,737,161	(5,833,684)
Total	**104,624,137**	**98,761,017**

10 - Administrative expenses	December 31, 2021	December 31, 2020
Staff cost:		
Salaries and wages	1,667,668,375	1,545,444,849
Social insurance	96,481,129	77,759,299
Pension cost:		
Defined contribution scheme	88,521,908	89,695,376
Other retirement benefits (Defined benefit scheme)	64,057,912	64,340,167
	1,916,729,324	**1,777,239,691**
Depreciation and amortization	391,600,827	331,969,579
Other administrative expenses	1,763,671,034	1,509,379,529
Total	**4,072,001,185**	**3,618,588,799**

(All amounts are shown in Egyptian Pounds)

11 - Other operating revenues (expenses)	December 31, 2021	December 31, 2020
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	(3,047,829)	(63,257,967)
Gain on sale of property and equipment	13,124,486	7,767,605
Software cost	(204,000,633)	(182,053,571)
Operating lease rental expense	(146,570,366)	(127,824,094)
Other provisions (net of reversed amounts)	76,937,110	127,565,295
Other income (expense)	41,890,582	21,809,921
Total	**(221,666,650)**	**(215,992,811)**

12 - Impairment credit losses	December 31, 2021	December 31, 2020
Loans and credit facilities to customers	(2,229,655,880)	(2,110,180,596)
Due from banks	5,447,797	(1,482,317)
Treasury bills	6,406,183	(3,499,848)
Debt instruments at fair value through other comprehensive income	10,502	(29,548)
Debt instruments at amortized cost	(2,669,479)	10,712,656
Other assets	2,184,509	246,261
Total	**(2,218,276,368)**	**(2,104,233,392)**

13 - Income tax expense	December 31, 2021	December 31, 2020
Current tax	(3,358,125,676)	(2,962,191,587)
Deferred tax	(42,104,025)	(42,492,400)
Total	**(3,400,229,701)**	**(3,004,683,987)**

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	10,852,267,345	10,403,194,627
Income tax calculated at 22.5 % tax rate	2,441,760,153	2,340,718,791
Tax impact for:		
Non-taxable income	(67,095,245)	(48,287,748)
Non-deductible expenses for tax purposes	899,315,278	650,050,225
Prior-years' tax settlements	(784,927)	(11,290,352)
Use of deferred tax assets	(22,713,867)	(45,937,464)
Provision and segregated interest	93,143,832	73,422,345
Tax deductible (10% on dividend income)	14,500,452	3,515,790
Effective income tax expense	**3,358,125,676**	**2,962,191,587**

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 2019 have been inspected, and the due tax was paid.
- Year 2020 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 2018.
- Year 2019 under inspection from the tax authority.
- Year 2020 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.
- Years 2006 till 2019 have been inspected, and the due tax was paid.
- Year 2020 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, 2021	December 31, 2020
Net Profit for the year	7,452,037,644	7,398,510,640
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)*	**(747,158,368)**	**(739,074,304)**
Profit available to shareholders	6,688,879,276	6,643,436,336
Weighted average number of the shares outstanding during the year	2,154,822,966	2,154,822,966
Earning Per Share	**3.10**	**3.08**

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

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, 2021	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)	22,641,702,434	-	-	-	22,641,702,434
Due from banks	16,167,980,101	-	-	-	16,167,980,101
Treasury bills	39,370,132,880	-	-	-	39,370,132,880
Loans and credit facilities to customers	184,789,184,408	-	-	-	184,789,184,408
Financial derivatives	-	-	-	36,542,265	36,542,265
Fair value through other comprehensive income	-	14,450,751,513	673,019,675	-	15,123,771,188
Amortized cost	75,296,835,413	-	-	-	75,296,835,413
Fair value through profit or loss	-	-	-	92,549,632	92,549,632
Other financial assets	5,289,774,129	-	-	-	5,289,774,129
Total financial assets	**343,555,609,365**	**14,450,751,513**	**673,019,675**	**129,091,897**	**358,808,472,450**
Due to banks	3,458,687,747	-	-	-	3,458,687,747
Customer deposits	296,239,871,183	-	-	-	296,239,871,183
Financial derivatives	-	-	-	47,683,515	47,683,515
Other loans	2,436,745,862	-	-	-	2,436,745,862
Other financial liabilities	976,808,143	-	-	-	976,808,143
Total financial liabilities	**303,112,112,935**	**-**	**-**	**47,683,515**	**303,159,796,450**

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**

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16 - Cash and due from Central Bank of Egypt (CBE)	December 31, 2021	December 31, 2020
Cash	3,865,988,911	3,841,120,383
Balances with CBE (mandatory reserve)	18,775,713,523	13,325,733,984
Total	**22,641,702,434**	**17,166,854,367**
Interest free balances	22,641,702,434	17,166,854,367
Total	**22,641,702,434**	**17,166,854,367**

17 - Due from Banks	December 31, 2021	December 31, 2020
Current accounts	800,699,686	649,883,412
Deposits	15,367,280,415	4,584,522,725
	16,167,980,101	**5,234,406,137**
Less : Allowance for impairment losses	(5,159,881)	(10,607,678)
Total	**16,162,820,220**	**5,223,798,459**
Balances at CBE other than those under the mandatory reserve	12,087,611,100	3,737,172,763
Local banks	2,794,927,333	534,408,719
Foreign Banks	1,285,441,668	962,824,655
Less : Allowance for impairment losses	(5,159,881)	(10,607,678)
Total	**16,162,820,220**	**5,223,798,459**
Interest free balances	464,091,935	499,599,239
Balances at floating interest rates	336,607,751	150,284,173
Balances at fixed interest rates	15,367,280,415	4,584,522,725
Less : Allowance for impairment losses	(5,159,881)	(10,607,678)
Total	16,162,820,220	5,223,798,459
Current balances	16,162,820,220	5,223,798,459
Total	**16,162,820,220**	**5,223,798,459**

18 - Treasury bills	December 31, 2021	December 31, 2020
91 days maturity	18,000,000	110,025,000
182 days maturity	6,177,900,000	5,006,875,000
More than 182 days maturity	34,923,496,490	38,924,546,770
Less : Unearned interest	(1,749,263,610)	(2,032,934,911)
	39,370,132,880	**42,008,511,859**
Less : Allowance for impairment losses	(11,532,464)	(17,938,647)
Total	**39,358,600,416**	**41,990,573,212**

19 - Loans and credit facilities to customers	December 31, 2021			December 31, 2020		
	Total	Allowance for impairment losses	Net	Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	3,116,887,753	(8,216,968)	3,108,670,785	3,499,137,263	(54,943,886)	**3,444,193,377**
Credit cards	1,313,158,233	(57,304,948)	1,255,853,285	1,115,783,185	(59,584,077)	**1,056,199,108**
Personal loans	29,027,478,638	(701,338,722)	28,326,139,916	25,679,340,323	(504,482,004)	**25,174,858,319**
Real estate loans	2,846,058,131	(100,288,425)	2,745,769,706	2,160,004,642	(45,478,279)	**2,114,526,363**
Total (1)	**36,303,582,755**	**(867,149,063)**	**35,436,433,692**	**32,454,265,413**	**(664,488,246)**	**31,789,777,167**
Corporate including small loans for businesses						
Overdrafts	72,257,197,161	(1,785,635,795)	70,471,561,366	67,834,583,398	(2,095,951,097)	**65,738,632,301**
Direct loans	57,324,135,289	(7,230,060,793)	50,094,074,496	51,219,853,404	(5,662,544,669)	**45,557,308,735**
Syndicated loans and facilities	15,967,732,199	(114,836,031)	15,852,896,168	19,689,353,268	(624,399,516)	**19,064,953,752**
Other loans	2,936,537,004	(13,642,930)	2,922,894,074	2,930,064,781	(21,323,884)	**2,908,740,897**
Total (2)	**148,485,601,653**	**(9,144,175,549)**	**139,341,426,104**	**141,673,854,851**	**(8,404,219,166)**	**133,269,635,685**
Total loans and credit facilities to customers (1+2)	**184,789,184,408**	**(10,011,324,612)**	**174,777,859,796**	**174,128,120,264**	**(9,068,707,412)**	**165,059,412,852**
Less: Segregated interest			(205,721)			**(330,085)**
Less: Unearned discount and deferred income			(137,107,414)			**(97,016,284)**
Net Loans and credit facilities to customers distributed as follows:			**174,640,546,661**			**164,962,066,483**
Current balances			124,443,977,114			**116,421,913,243**
Non-current balances			50,196,569,547			**48,540,153,240**
Net Loans and credit facilities to customers			**174,640,546,661**			**164,962,066,483**

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19-A - Allowance for impairment losses

December 31, 2021

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	54,943,886	59,584,077	504,482,004	45,478,279	**664,488,246**
Net impairment loss recognized during the year	(27,855,801)	11,039,128	223,804,101	56,180,103	**263,167,531**
Loans written-off during the year	**(18,871,117)**	**(13,318,257)**	**(37,711,105)**	**(1,369,957)**	**(71,270,436)**
Collection of loans previously written-off	-	-	10,763,735	-	**10,763,735**
Foreign exchange translation differences	-	-	(13)	-	**(13)**
Balance at end of the year	**8,216,968**	**57,304,948**	**701,338,722**	**100,288,425**	**867,149,063**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	2,095,951,097	5,662,544,669	624,399,516	21,323,884	**8,404,219,166**
Net impairment loss recognized during the year	(305,551,782)	2,787,817,019	(508,144,397)	(7,632,491)	**1,966,488,349**
Loans written-off during the year	**-**	**(1,230,811,977)**	**-**	**-**	**(1,230,811,977)**
Collection of loans previously written-off	-	23,380,487	-	-	**23,380,487**
Foreign exchange translation differences	(4,763,520)	(12,869,405)	(1,419,088)	(48,463)	**(19,100,476)**
Balance at end of the year	**1,785,635,795**	**7,230,060,793**	**114,836,031**	**13,642,930**	**9,144,175,549**
Total					**10,011,324,612**

December 31, 2020

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of comparitive 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 comparitive 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**

(All amounts are shown in Egyptian Pounds)

20- Financial derivatives

	December 31, 2021		
(A) Held for trading	**Notional amount**	**Assets**	**Liabilities**
- Forward foreign exchange contracts	1,761,699,526	-	**58,660,407**
- Swap foreign exchange contracts	1,814,873,752	-	(10,976,892)
Total	**3,576,573,278**	**-**	**47,683,515**
(B) Fair value hedge			
Interest rate swap contracts	2,202,302,588	36,542,265	**-**
Total	**2,202,302,588**	**36,542,265**	**-**
Total	**5,778,875,866**	**36,542,265**	**47,683,515**

	December 31, 2020		
	Notional amount	**Assets**	**Liabilities**
(A) Held for trading			
- Forward foreign exchange contracts	1,929,860,563	-	**55,211,024**
- Swap foreign exchange contracts	1,329,333,503	-	(512,149)
Total	**3,259,194,066**	**-**	**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**

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 36,542,265 as of December 31, 2021 (EGP 106,092,208 in the prior year). Loss resulting from hedging instruments amounted to EGP 69,549,943 (Gain of EGP 22,633,349 in the prior year) and gain arose from the hedged items reached EGP 72,287,104 (Loss of EGP 28,467,034 in the prior year).

21- Financial investments

Fair value through other comprehensive income (FVTOCI)	**December 31, 2021**	**December 31, 2020**
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	13,038,337,361	400,000,000
Listed instruments in foreign stock exchange market	1,412,414,152	1,454,586,525
Total debt instruments measured at fair value through other comprehensive income	**14,450,751,513**	**1,854,586,525**
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	151,884,836	83,418,622
Unlisted instruments in stock exchange market	473,971,589	494,406,555
Total equity instruments measured at fair value through other comprehensive income	**625,856,425**	**577,825,177**
(C) Money market funds and balanced funds:		
Unlisted instruments in stock exchange market	47,163,250	41,970,650
Total financial investments measured at Fair value through other comprehensive income (1)	**15,123,771,188**	**2,474,382,352**
Amortized cost		
(A) Debt instruments:		
Listed instruments in stock exchange market	74,561,890,671	45,312,836,951
Unlisted instruments in stock exchange market	734,944,742	758,771,156
Less : Allowance for impairment losses	(5,457,439)	(2,787,960)
Total Debt instruments measured at amortized cost (2)	**75,291,377,974**	**46,068,820,147**
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
*Unlisted instruments in stock exchange market	92,549,632	71,688,942
Total equity instruments measured at fair value through profit or loss (3)	**92,549,632**	**71,688,942**
(Total Financial investments (1+2+3	**90,507,698,794**	**48,614,891,441**
Current balances	8,054,293,547	8,020,364,005
Non-current balances	82,453,405,247	40,594,527,436
Total financial investment	**90,507,698,794**	**48,614,891,441**
Fixed interest debt instruments	89,358,686,881	47,523,406,672
Variable interest debt instruments	383,442,606	400,000,000
Total debt instruments	**89,742,129,487**	**47,923,406,672**

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	**2,474,382,352**	**46,068,820,147**
Additions	13,569,506,433	36,329,082,500
Amortization of premium / discount	(42,275,391)	238,364,350
Disposals (sale/redemption)	(833,106,833)	(7,341,385,800)
Translation differences resulting from monetary foreign currency denominated assets	(3,395,341)	(833,744)
Changes in fair value reserve	(40,928,209)	-
Transferred to Retained Earnings	(411,823)	-
Change in Allowance for impairment during the year	-	(2,669,479)
Balance at the end of the current year	**15,123,771,188**	**75,291,377,974**

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	**2,463,888,129**	**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 comparative year	**2,474,382,352**	**46,068,820,147**

Gain on financial investments	**December 31, 2021**	**December 31, 2020**
Gain on financial investments at fair value through profit or loss	7,306,886	6,483,172
Gain on selling financial investments at fair value through other comprehensive income	921,699	-
Gain from selling associate companies	692,727	-
Total	**8,921,312**	**6,483,172**

* 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.

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22 - Investments in subsidiaries and associates

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

December 31, 2021	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	3,435,441,132	2,956,211,511	387,552,296	121,551,744	144,915,453	**99.98%**
QNBALAHLI Life Insurance company (Subsidiary)	Egypt	5,268,024,050	4,491,512,744	332,710,028	252,789,162	69,179,676	**99.98%**
QNB ALAHLI Asset Management Egypt (Subsidiary)	Egypt	14,709,660	554,772	1,746,259	1,088,790	1,176,710	**97.48%**
QNB ALAHLI Factoring Company (Subsidiary)	Egypt	1,204,266,570	873,426,389	131,439,267	2,278,606	324,990,000	**99.997%**
Total		**9,922,441,412**	**8,321,705,416**	**853,447,850**	**377,708,302**	**540,261,839**	

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**	

*Senouhi Company for Construction Materials have been sold during a current reprting year.

23 - Intangible assets	**December 31, 2021**	**December 31, 2020**
Software		
Net book value at the beginning of the year	188,123,187	202,344,647
Additions	165,002,121	53,415,565
Amortization	(77,550,535)	(67,637,025)
Net book value at the end of the year	**275,574,773**	**188,123,187**

24 - Other assets	**December 31, 2021**	**December 31, 2020**
Accrued revenues	5,289,774,129	2,893,345,701
Pre-paid expenses	117,037,475	106,310,600
Advance payments for acquisition of property and equipment	1,019,135,045	709,180,654
Foreclosed assets reverted to the bank in settlement of debts	117,586,072	11,469,072
Deposits held with others and custody	20,402,641	18,682,494
Advance payments to tax authority	14,109,284	12,573,164
Others	669,643,048	369,564,101
	7,247,687,694	**4,121,125,786**
Less : Expected credit loss (ECL)	(1,717,915)	(3,902,424)
Total	**7,245,969,779**	**4,117,223,362**

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25 - Property and Equipment	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
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**
January 1, 2021					
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**
December 31, 2021					
Net book value at the beginning of the year	1,873,012,108	154,565,723	362,654,472	130,706,659	2,520,938,962
Additions	200,808,316	25,687,450	314,804,092	19,674,831	560,974,689
Disposals from property and equipment	(1,690,079)	(1,035,452)	(8,236,795)	(17,303,395)	(28,265,721)
Disposals from accumulated depreciation	1,690,079	1,035,452	8,218,071	17,296,557	28,240,159
Depreciation for the year	(119,558,539)	(20,427,692)	(149,605,914)	(24,458,147)	(314,050,292)
Net book value	**1,954,261,885**	**159,825,481**	**527,833,926**	**125,916,505**	**2,767,837,797**
Balances at December 31, 2021					
Cost	2,929,518,028	329,616,275	1,418,642,850	292,664,495	4,970,441,648
Accumulated depreciation	(975,256,143)	(169,790,794)	(890,808,924)	(166,747,990)	(2,202,603,851)
Net book value	**1,954,261,885**	**159,825,481**	**527,833,926**	**125,916,505**	**2,767,837,797**

26 - Due to banks	December 31, 2021	December 31, 2020
Current accounts	340,454,143	273,078,309
Deposits	1,944,051,013	2,317,092,762
Repos transactions	1,174,182,591	1,548,664,887
Total	**3,458,687,747**	**4,138,835,958**
Central banks	1,174,182,591	1,548,664,887
Local banks	14,803	300,012,410
Foreign banks	2,284,490,353	2,290,158,661
Total	**3,458,687,747**	**4,138,835,958**
Non-interest bearing balances	301,658,920	240,642,492
Variable interest rate balances	38,795,223	32,435,817
Fixed interest rate balances	3,118,233,604	3,865,757,649
Total	**3,458,687,747**	**4,138,835,958**
Current balances	3,458,687,747	4,138,835,958
Total	**3,458,687,747**	**4,138,835,958**

27 - Customer deposits	December 31, 2021	December 31, 2020
Demand deposits	94,662,172,764	51,542,070,580
Time deposits and call accounts	95,186,967,277	90,108,436,654
Term saving certificates	70,380,509,275	59,469,456,107
Saving deposits	29,555,115,455	25,588,901,501
Other deposits*	6,455,106,412	7,183,244,188
Total	**296,239,871,183**	**233,892,109,030**
Corporate deposits	171,113,676,075	123,017,559,881
Retail deposits	125,126,195,108	110,874,549,149
Total	**296,239,871,183**	**233,892,109,030**
Non-interest bearing balances	37,223,897,424	35,350,633,323
Variable interest rate balances	98,036,978,427	62,980,131,001
Fixed interest rate balances	160,978,995,332	135,561,344,706
Total	**296,239,871,183**	**233,892,109,030**
Current balances	215,044,505,622	189,559,288,122
Non-current balances	81,195,365,561	44,332,820,908
Total	**296,239,871,183**	**233,892,109,030**

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 435,355,323 as of December 31, 2021 (December 31, 2020 EGP 354,045,886). The fair value of these deposits approximates its carrying amount.

28 - Other loans	December 31, 2021	December 31, 2020
National Bank of Egypt (Epap & Eco)	2,440,983	910,904
Commercial International Bank	8,394,444	33,905,556
European Investment Bank	-	156,602,702
European Bank for Reconstruction and Development	2,337,596,368	2,947,872,338
The Micro, Small and Medium Enterprises Development Agency	88,314,067	112,449,067
Total	2,436,745,862	3,251,740,567
Current balances	1,091,768,300	631,889,538
Non-current balances	1,344,977,562	2,619,851,029
Total	**2,436,745,862**	**3,251,740,567**

29 - Other liabilities	December 31, 2021	December 31, 2020
Accrued interest	976,808,143	1,042,415,286
Unearned revenues	94,456,624	80,482,374
Accrued expenses	979,539,512	788,666,107
Sundry credit balances	2,155,497,953	1,385,613,532
Total	**4,206,302,232**	**3,297,177,299**

30 - Other provisions

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	38,880,823	-	-	-	-	38,880,823
Provision for legal claims	17,369,196	2,738,139	-	(42,360)	(1,296,564)	18,768,411
Provision for contingent liabilities	498,614,756	-	(85,116,915)	(18,459)	-	413,479,382
Provision for fidelity	31,241,399	5,437,828	-	(30,072)	(523,750)	36,125,405
Provision for operational risk	713,902	3,838	-	-	(302,740)	415,000
Total	**586,820,076**	**8,179,805**	**(85,116,915)**	**(90,891)**	**(2,123,054)**	**507,669,021**

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**

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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, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Property and equipment	-	-	(128,767,291)	(102,769,160)
Provisions (other than the provision for loan impairment)	219,539,161	231,923,862	-	-
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(83,270,222)	**(99,636,192)**
Others	10,034,692	13,755,885	-	-
Deferred tax assets (liabilities)	**229,573,853**	**245,679,747**	**(212,037,513)**	**(202,405,352)**
Net balance of DTA (DTL)	**17,536,340**	**43,274,395**		

Movement of deferred tax assets and liabilities:	Deferred tax assets		Deferred tax liabilities	
	December 31, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Beginning balance	245,679,747	276,916,762	(202,405,352)	(222,015,557)
DT recognized / utilized during the year	(16,105,894)	(31,237,015)	(9,632,161)	19,610,205
Closing balance	**229,573,853**	**245,679,747**	**(212,037,513)**	**(202,405,352)**

Balances of deferred tax assets (liabilities) recognized directly in equity	December 31, 2021	December 31, 2020
Differences in fair value of financial investments at fair value through other comprehensive income	(83,270,222)	(99,636,192)

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32 - Defined benefits obligation	December 31, 2021	December 31, 2020
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	543,536,132	513,228,220
Amounts recognized in the income statement:		
Post-retirement medical benefits	64,057,912	64,340,167
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	391,514,233	365,975,012
Unrecognized actuarial gain	152,021,899	147,253,208
	543,536,132	**513,228,220**
Liability movements during the year are represented as follows:		
Balance at the beginning of the financial year	513,228,220	482,288,384
Current service cost	4,390,533	11,498,593
Interest cost	48,846,999	55,233,903
Actuarial gain/losses	10,820,380	(2,392,329)
Benefits paid	(33,750,000)	(33,400,331)
	543,536,132	**513,228,220**
Amounts recognized in the income statement are shown below:		
Current service cost	4,390,533	11,498,593
Interest cost	48,846,999	55,233,903
Actuarial gain/losses recognized during the year	10,820,380	(2,392,329)
	64,057,912	**64,340,167**

The main actuarial assumptions used by the Bank are outlined below:	December 31, 2021	December 31, 2020
Discount rate (two plans):		
A- QNB ALAHLI current employees plan	14.70%	14.50%
B-Ex-MIBank retirees plan	14.70%	14.50%
QNB ALAHLI -long term increase in the cost of medical care (on top of inflation)	7.60%	8.00%
Ex-MIBank - long term increase in the cost of medical care (on top of inflation)	7.60%	8.00%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost	DBO
Post-retirement medical benefits	11.33%	9.67%

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 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, and 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, 2021 representing 2,154,822,966 shares with a nominal value of EGP 5 each, of which 1,904,176,966 shares were paid in Egyptian pound and 250,646,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

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34 - Reserves and retained earnings

(1) Reserves	December 31, 2021	December 31, 2020
General reserve (a)	19,533,050,946	15,104,078,670
General banking risk reserve (b)	153,028,333	1,169,066
Legal reserve (c)	2,418,770,935	2,049,233,783
Fair value reserve (d)	379,822,282	404,806,846
Special reserve (e)	12,856,666	12,856,666
Capital reserve	29,147,135	21,379,530
General risk reserve	21,453,923	21,453,923
Total reserves at the end of the year	**22,548,130,220**	**17,614,978,484**

Reserve movements are as follows:

(a) General reserve	December 31, 2021	December 31, 2020
Balance at the beginning of the financial year	15,104,078,670	13,417,823,247
Transferred from retained earnings	4,428,972,276	2,665,720,403
Transferred to capital increase	-	(979,464,980)
Balance at the end of the year	**19,533,050,946**	**15,104,078,670**
(b) General banking risk reserve		
Balance at the beginning of the year	1,169,066	1,169,066
Transferred from distributable net profits	151,859,267	-
Balance at the end of the year	**153,028,333**	**1,169,066**

General bank risk reserve represent the difference between the allowance required for impairment losses as per CBE credit worthiness rules and the allowance as required by the expected credit loss which recognized in financial statements .

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, 2021	December 31, 2020
(c) Legal Reserve		
Balance at the beginning of the year	2,049,233,783	1,633,301,744
Transferred from the net profit of the prior year	369,537,152	415,932,039
Balance at the end of the year	**2,418,770,935**	**2,049,233,783**

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, 2021	December 31, 2020
Balance at the beginning of the year	404,806,846	524,415,089
Net change in fair value (Note 21)	(40,928,209)	(150,503,381)
Impairment losses on debt instruments at fair value through other comprehensive income	(10,502)	29,548
Transferred to retained earnings	(411,823)	-
Deferred tax recognized during the year (Note 31)	16,365,970	30,865,590
Balance at the end of the year	**379,822,282**	**404,806,846**

(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, 2021	December 31, 2020
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, 2021	December 31, 2020
Movements on retained earnings:		
Balance at the beginning of the year	10,064,231,043	8,754,048,002
Net profit of the financial year	7,452,037,644	7,398,510,640
Previous year's profit distribution	-	(2,154,822,966)
Employees' profit share	(739,074,304)	(832,962,180)
Board of directors' remuneration	(16,000,000)	(16,000,000)
Banking System Support and Development Fund	(73,907,430)	-
Transferred to capital reserve	(7,767,605)	(2,890,011)
Transferred to general reserve	(4,428,972,276)	(2,665,720,403)
Transferred to legal reserve	(369,537,152)	(415,932,039)
Transferred from fair value reserve, net of tax	319,163	-
Transferred to general banking risk reserve	(151,859,267)	-
Balance at the end of the year	**11,729,469,816**	**10,064,231,043**

35 - 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, 2021	December 31, 2020
Cash and balances with central banks	3,865,988,911	3,841,120,383
Due from banks in less than 3 months	13,474,978,101	5,234,406,137
Treasury bills and other governmental notes (91 days)	17,695,731	109,334,969
Total	**17,358,662,743**	**9,184,861,489**

36 - Contingent liabilities and other commitments

(a) Legal claims (litigation)

Several lawsuits were brought against the Bank and are still outstanding as of December 31, 2021. 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 945,038,280 as of December 31, 2021 (EGP 997,688,233 on December 31, 2020). 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, 2021	December 31, 2020
Financial guarantees	255,000	317,500
Accepted papers	3,146,172,197	1,797,703,754
L/Gs	43,455,458,358	40,570,756,871
Import L/Cs	4,075,491,328	1,999,824,168
Export L/Cs	504,098,326	226,134,764
Other contingent liabilities	-	19,632,824
Total	**51,181,475,209**	**44,614,369,881**

(d) Commitments for credit facilities	December 31, 2021	December 31, 2020
Commitments for credit facilities	28,833,545,274	32,855,532,909

(e) Commitments under operating lease contracts

Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	December 31, 2021	December 31, 2020
Not more than one year	131,665,156	127,355,381
More than one year and less than 5 years	310,148,730	393,504,249
More than 5 years	66,550,198	100,460,794
Total	**508,364,084**	**621,320,424**

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, 2021	December 31, 2020
Due from banks	4,101,286	419,726
Due to banks	2,197,806,671	2,130,717,038
Export LC	25,497,885	2,513,234
LGs for banks	5,760,343,308	6,856,553,603
Foreign exchange derivative	1,814,873,752	1,329,333,503
Interest rate swap	2,202,302,588	4,548,543,413
Administrative expenses	169,133,060	-

A - Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Outstanding loans at the beginning of the financial year	111	111	2,575,167,881	2,502,746,385
Loans issued during the financial year	-	-	1,584,498,614	879,777,165
Loans repayment during the financial year	-	-	(884,143,423)	(807,355,669)
Loans outstanding at the end of the financial year	**111**	**111**	**3,275,523,072**	**2,575,167,881**
Interest income on loans	-	15	238,474,138	274,911,933

* 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Overdrafts	111	111	76	-
Revolving term loan	-	-	3,161,467,063	2,575,167,878
Visa card	-	-	15,338	3
Direct loans	-	-	114,040,595	-
Total	**111**	**111**	**3,275,523,072**	**2,575,167,881**

B - Deposits from related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deposits outstanding at the beginning of the financial year	73,059,484	62,923,605	575,404,995	949,461,066
Deposits for sold associates compaines	-	-	(5,054,948)	-
Deposits placed during the year	21,111,391	11,381,135	244,223,241	231,207,968
Deposits repaid during the year	(9,148,473)	(1,245,256)	(66,664,223)	(605,264,039)
Deposits outstanding at the end of the financial year	**85,022,402**	**73,059,484**	**747,909,065**	**575,404,995**
Interest expense on deposits	2,112,388	2,174,975	22,006,011	27,499,712

Deposits from related parties can be analyzed below	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Demand Deposits	29,551,187	10,310,095	25,691,674	23,635,648
Saving account	511,608	91,110	-	-
Certificates of deposits	7,276,000	6,000,000	422,354,879	224,969,030
Time Deposits	47,683,607	56,658,279	299,862,512	326,800,317
Total	**85,022,402**	**73,059,484**	**747,909,065**	**575,404,995**

C - Other transactions with related parties

	Directors and other key management personnel (and close family members)		Associates and Subsidiaries	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Fee and commission income	875	566	9,288,485	11,588,424
Guarantees issued by the bank	-	-	76,816,070	42,352,262
The above guarantees comprise:				
LGs	-	-	3	22,932
LCs	-	-	76,816,067	42,329,330
Total	**-**	**-**	**76,816,070**	**42,352,262**

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 8,447,857) 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, 2021 reached 12,935,293 at a total value of EGP 5,736,091,004 The Bank currently holds 258,706 certificates worth of EGP 114,721,882 of which EGP 22,172,250 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 92,549,632 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 26,602,343 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, 2021 reached 62,427 at a total value of EGP 14,785,785 The Bank currently holds 50,000 certificates worth of EGP 11,482,460 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 88,526 have been reported in the "fees and commission income" line item in the 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, 2021 reached 93,104 at a total value of EGP 24,483,633 The Bank currently holds 50,000 certificates worth of EGP 13,148,540 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 168,305 have been reported in the "fees and commission income" line item in the income statement.

39- Important Events

The coronavirus ("COVID-19") pandemic is continuing across the various geographies globally, causing disruption to business and economic activities. Albeit to a lesser degree, by strengthening vaccinations and succeeding to vaccinate citizens in many countries, including Egypt. However, the continued spread of the Corona virus COVID-19 and the emergence of mutated strains, led to the continuing uncertainty in the global economic environment . 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 constantly following and applying its internal protective action started since Q1 2020 by monitoring and reviewing 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.

QNB ALAHLI S.A.E
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

Consolidated Financial Statements

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co.
Public Accountants & Advisers

AUDITORS' REPORT
To the Shareholders of QNB A1 Ahli Bank (S.AJE.)

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, 2021 and the related consolidated statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the 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 the 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, 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 auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk 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. 2021. 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 the 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

Ehab Mohamed Fouad Abouelmagd
Financial Regulatory Authority No.(378)
KPMG Hazem Hassan
Public Accountants & Consultants

Cairo, 11 January 2022

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

QNB ALAHLI S.A.E
Consolidated Statement of Financial Position
As at 31 December 2021
(All amounts are shown in Egyptian Pounds)

	Note	December 31, 2021	December 31, 2020
Assets:			
Cash and due from Central Bank of Egypt (CBE)	(16)	22,641,706,445	17,166,858,582
Due from banks	(17)	17,311,427,927	7,068,235,715
Treasury bills	(18)	40,037,854,401	42,003,990,606
Trading investments	(19)	409,760,928	61,102,261
Loans and credit facilities to customers	(20)	172,828,554,467	163,635,801,748
Financial derivatives	(21)	36,542,265	106,092,208
Financial Investments:			
• Fair value through other comprehensive income	(22)	15,123,771,188	2,474,382,352
• Amortized cost	(22)	77,380,468,113	47,609,791,535
• Fair value through profit or loss	(22)	92,563,379	71,759,603
Investments in associates	(23)	-	2,572,487
Intangible assets	(24)	282,189,711	195,249,569
Other assets	(25)	7,217,604,583	4,228,605,764
Deferred tax assets	(33)	70,602,319	115,151,685
Finance lease		3,298,372,384	2,828,561,308
Property and equipment	(26)	2,837,249,783	2,594,818,588
Total assets		**359,568,667,893**	**290,162,974,011**
Liabilities and equity:			
Liabilities:			
Due to banks	(27)	3,458,687,747	4,138,835,958
Customer deposits	(28)	295,491,962,118	233,321,758,983
Financial derivatives	(21)	47,683,515	55,504,635
Other loans	(29)	2,882,244,636	3,804,636,750
Other liabilities	(30)	4,434,170,818	3,502,117,507
Other provisions	(31)	526,745,974	599,639,123
Insurance policyholders' rights	(32)	4,034,207,132	3,247,335,626
Current income tax payable		1,773,988,334	1,343,178,136
Defined benefits obligation	(34)	543,536,132	513,228,220
Total liabilities		**313,193,226,406**	**250,526,234,938**
Equity:			
Issued and paid-up capital	(35)	10,774,114,830	10,774,114,830
Reserves	(36)	22,578,768,494	17,645,616,759
Profit for the year and retained earnings	(36)	13,022,516,998	11,216,966,389
Total equity attributable to equity holders of the bank		**46,375,400,322**	**39,636,697,978**
Non-controlling interests		41,165	41,095
Total equity		**46,375,441,487**	**39,636,739,073**
Total liabilities and equity		**359,568,667,893**	**290,162,974,011**

Mohamed Bedeir
Chief Executive Officer

Mohamed Osman El-Dib
Chairman of the Board of Directors

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 2021
(All amounts are shown in Egyptian Pounds)

	Note	From January 01, 2021 To December 31, 2021	From January 01, 2020 To December 31, 2020
Interest on loans and similar income	(6)	32,133,183,101	30,738,143,195
Cost of deposits and similar expense	(6)	(16,793,233,474)	(16,100,796,190)
Net interest income		**15,339,949,627**	**14,637,347,005**
Fee and commission income	(7)	3,006,450,773	2,292,274,875
Fee and commission expense	(7)	(976,522,061)	(489,681,576)
Net interest, fee and commission income		**17,369,878,339**	**16,439,940,304**
Dividend income	(8)	46,377,599	35,191,190
Net trading income	(9)	118,866,108	111,936,859
Gain on financial investments	(22)	8,340,418	6,487,229
Impairment credit losses	(12)	(2,272,999,951)	(2,136,900,764)
Administrative expenses	(10)	(4,171,937,548)	(3,707,305,018)
Other operating revenues (expenses)	(11)	36,525,948	(181,369,781)
Share of results of associates		(141,309)	156,535
Profit before income tax		**11,134,909,604**	**10,568,136,554**
Income tax expense	(13)	(3,508,353,179)	(3,076,626,112)
Net profit for the year		**7,626,556,425**	**7,491,510,442**
Attributable to:			
Equity holders of the Bank		7,626,556,355	7,491,517,830
Non-controlling interests		70	(7,388)
Net profit for the year		**7,626,556,425**	**7,491,510,442**
Earnings per share	(14)	3.10	3.08

Mohamed Bedeir
Chief Executive Officer

Mohamed Osman El-Dib
Chairman of the Board of Directors

QNB ALAHLI S.A.E
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

	From January 01, 2021 To December 31, 2021	From January 01, 2020 To December 31, 2020
Net profit for the year	7,626,556,425	7,491,510,442
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	53,991,850	(208,254,732)
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	4,425,067	43,859,645
Amount transferred to retained earning, net of tax	(319,163)	-
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	(94,920,057)	57,751,351
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	11,848,243	(12,994,054)
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	(10,502)	29,548
Total other comprehensive income items for the year net of tax	**(24,984,562)**	**(119,608,242)**
Total comprehensive income for the year, net of tax	**7,601,571,863**	**7,371,902,200**
Attributable to:		
Equity holders of the Bank	7,601,571,793	7,371,909,588
Non-controlling interests	70	(7,388)
Total comprehensive income for the year, net of tax	**7,601,571,863**	**7,371,902,200**

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 2021
(All amounts are shown in Egyptian Pounds)

QNB ALAHLI S.A.E
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2021
(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	General Banking Risk Reserve	General Risk Reserve	Retained Earnings	Net Profit for the Year	Equity Attributable to Equity Holders of the Bank	Non-Controlling Interests	Total
balance at 1 January 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	1,169,067	21,453,923	1,326,100,620	8,522,091,359	35,302,989,357	48,483	**35,303,037,840**
Transfer to reserves and retained earnings	-	415,932,039	2,665,720,403	-	2,890,011	-	-	-	-	2,399,347,939	(5,483,890,392)	-	-	**-**
Dividend distributions	-	-	-	-	-	-	-	-	-	-	(3,038,200,967)	(3,038,200,967)	-	**(3,038,200,967)**
Transfer from general reserve to capital increase	979,464,980	-	(979,464,980)	-	-	-	-	-	-	-	-	-	-	**-**
Net Change in Other Comprehensive Income	-	-	-	-	-	-	(119,608,242)	-	-	-	-	(119,608,242)	-	**(119,608,242)**
Net profit for the year	-	-	-	-	-	-	-	-	-	-	7,491,517,830	7,491,517,830	(7,388)	**7,491,510,442**
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**	**1,169,067**	**21,453,923**	**3,725,448,559**	**7,491,517,830**	**39,636,697,978**	**41,095**	**39,636,739,073**
1 January 2021	**10,774,114,830**	**2,049,233,783**	**15,104,078,670**	**39,494,455**	**21,379,530**	**4,000,483**	**404,806,848**	**1,169,067**	**21,453,923**	**3,725,448,559**	**7,491,517,830**	**39,636,697,978**	**41,095**	**39,636,739,073**
Transfer to reserves and retained earnings	-	369,537,152	4,428,972,276	-	7,767,605	-	-	-	-	1,822,052,185	(6,628,329,218)	-	-	**-**
Dividend distributions	-	-	-	-	-	-	-	-	-	-	(863,188,612)	(863,188,612)	-	**(863,188,612)**
Net Change in Other Comprehensive Income	-	-	-	-	-	-	(24,665,399)	-	-	-	-	(24,665,399)	-	**(24,665,399)**
Reclassification of the net change in fair value of equity instruments upon derecognition	-	-	-	-	-	-	(319,163)	-	-	319,163	-	-	-	**-**
Net profit for the year	-	-	-	-	-	-	-	-	-	-	7,626,556,355	7,626,556,355	70	**7,626,556,425**
Transfer from general banking risk reserve	-	-	-	-	-	-	-	151,859,264	-	-	(151,859,264)	-	-	**-**
Balance at 31 December 2021	**10,774,114,830**	**2,418,770,935**	**19,533,050,946**	**39,494,455**	**29,147,135**	**4,000,483**	**379,822,286**	**153,028,331**	**21,453,923**	**5,547,819,907**	**7,474,697,091**	**46,375,400,322**	**41,165**	**46,375,441,487**

The accompanying notes from (1) to (41) are an integral part of these Consolidated Financial Statements.

QNB ALAHLI S.A.E
Consolidated Statement Of Cash Flows
For the Year Ended 31 December 2021

(All amounts are shown in Egyptian Pounds)	Note	December 31, 2021	December 31, 2020
Cash flows from operating activities			
Profit before tax		11,134,909,604	10,568,136,554
Adjusted by:			
Property and Equipment depreciation and Intangible assets amortization	(10)	398,981,392	335,245,619
Impairment credit losses	(12)	2,272,999,951	2,136,900,764
Loans written off during the year		(1,536,669,915)	(295,240,203)
Recovery from loans previously written off		34,144,222	18,569,861
Net formed / (reversed) other provisions		(69,835,320)	(133,599,966)
Utilized provisions other than loans provision		(2,966,917)	(9,844,986)
Translation differences of other provisions in foreign currencies		(90,912)	(765,043)
Translation differences resulting from monetary foreign currency investments		4,229,087	45,587,903
Amortization of premium / discount for bonds		(180,745,709)	(83,804,926)
Formed insurance policyholders' rights provisions during the year		786,871,506	657,854,697
(Gain) on sale of Property and Equipment		(13,124,486)	(8,164,022)
Dividend income	(8)	(46,377,599)	(35,191,190)
Share of results of associates applying the equity method		141,309	(156,535)
Gain on financial investments	(22)	(8,340,418)	(6,487,229)
Operating profits before changes in assets and liabilities resulting from operating activities		**12,774,125,795**	**13,189,041,298**
Net decrease / increase in assets and liabilities			
Due from banks		(7,448,151,539)	(5,243,272,627)
Treasury bills		2,069,250,920	3,569,539,115
Trading investments		(348,658,667)	23,199,412
Loans and credit facilities to customers		(9,973,659,053)	(11,974,787,356)
Financial derivatives		61,728,823	(12,980,267)
Financial investement recognized at fair value through profit or loss		(20,803,776)	(10,064,737)
Other assets		(2,985,887,641)	(757,524,077)
Due to banks		(680,148,211)	(11,891,829,424)
Customer deposits		62,170,203,135	25,195,171,302
Other liabilities		932,053,311	534,025,487
Defined benefits obligation		30,307,912	30,939,836
Net change Leased assets		(469,811,076)	30,275,598
Income tax paid		(3,016,720,305)	(2,787,899,665)
Net cash flows resulting from operating activities (1)		**53,093,829,628**	**9,893,833,895**
Cash flows from investing activities			
Acquisition of Property and Equipment and Intangible assets		(728,380,713)	(402,859,180)
Proceeds from sale of Property and Equipment		13,152,470	8,495,135
Proceeds from financial investments other than held for trading investments		8,353,934,074	7,009,034,245
Acquisition of financial investments other than held for trading investments		(50,632,848,933)	(13,786,778,875)
Proceeds from sale of investments in associates		2,539,977	-
Dividends received		45,431,599	35,191,189
Cash dividends received from investments in associates		-	393,061
Net cash flows used in investing activities (2)		**(42,946,171,526)**	**(7,136,524,425)**
Cash flows from financing activities			
Other loans		(922,392,114)	(1,820,380,438)
Dividends paid		(863,188,612)	(3,038,200,967)
Net cash flows used in financing activities (3)		**(1,785,580,726)**	**(4,858,581,405)**
Net increase (decrease) in cash and cash equivalents during the year (1+2+3)		**8,362,077,376**	**(2,101,271,935)**
Cash and cash equivalents at the beginning of the year		9,185,112,960	11,286,384,895
Cash and cash equivalents at the end of the year	(37)	**17,547,190,336**	**9,185,112,960**
Cash and cash equivalents at end of the year are represented in :			
Cash and due from Central Bank of Egypt	(16)	22,641,706,445	17,166,858,582
Due from banks	(17)	17,317,515,913	7,078,843,393
Treasury bills		40,049,386,865	42,021,929,253
Balances with Central Bank of Egypt (mandatory reserve)		(18,775,713,523)	(13,325,733,984)
Balances Due from banks with maturities more than 3 months		(3,842,362,000)	(1,844,190,000)
Treasury bills with maturity more than 3 months		(39,843,343,364)	(41,912,594,284)
Cash and cash equivalents at end of the year		**17,547,190,336**	**9,185,112,960**

QNB ALAHLI S.A.E
Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2021

(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 6,970 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 11, 2022.

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.

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 retranslated 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.

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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:

- 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.
- 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,(180 days for SME's according to CBE Circular dated 14 December 2021 regarding the temporary amendments of SME's NPL treatment in IFRS9 regulation) 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).

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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.

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.

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.

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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 formerly 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).

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(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.

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(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, 2021		December 31, 2020	
	Loans and credit facilities	Allowance for impairment loss	Loans and credit facilities	Allowance for impairment loss
Good debts	86.22%	7.87%	87.20%	11.18%
Normal watch-list	4.60%	9.18%	6.78%	15.65%
Special watch-list	5.37%	29.26%	3.02%	27.47%
Non performing loans	3.81%	53.69%	3.00%	45.70%
	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 from distributable net profits 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 Central Bank of Egypt; 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

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

Financial position items exposed to credit risks	December 31, 2021	December 31, 2020
Treasury bills	40,037,854,401	42,003,990,606
Loans and credit facilities to customers		
Retail loans		
- Overdrafts	3,108,670,785	3,444,193,377
- Credit cards	1,255,853,285	1,056,199,108
- Personal loans	28,326,139,916	25,174,858,319
- Real estate loans	2,745,769,706	2,114,526,363
Corporate loans		
- Overdrafts	67,564,096,264	63,420,178,536
- Direct loans	49,986,443,321	45,557,308,731
- Syndicated loans and facilities	15,852,896,168	19,064,953,752
- Other loans	4,126,248,437	3,901,049,525
Segregated interest , unearned discount and deferred income	(137,563,415)	(97,465,963)
Financial derivatives	36,542,265	106,092,208
Financial investments		
Debt instrument	91,831,219,626	49,464,378,060
Other Financial assets	5,186,597,136	2,971,309,301
Total	**309,920,767,895**	**258,181,571,923**

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

December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Due from banks	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	1,227,864,174	151,877,694	-	**1,379,741,868**
Normal watch-list	12,087,611,100	3,850,162,945	-	**15,937,774,045**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	13,315,475,274	**4,002,040,639**	**-**	**17,317,515,913**
Allowance for impairment losses	(3,246,515)	(2,841,471)	-	**(6,087,986)**
Carrying amount	**13,312,228,759**	**3,999,199,168**	**-**	**17,311,427,927**

December 31, 2020	Stage 1	Stage 2	Stage 3	Total
Due from banks	**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, 2021	Stage 1	Stage 2	Stage 3	Total
Treasury bills	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	**-**
Normal watch-list	40,049,386,865	-	-	**40,049,386,865**
Special watch-list	-	-	-	**-**
Non performing loan	-	-	-	**-**
	40,049,386,865	**-**	**-**	**40,049,386,865**
Allowance for impairment losses	(11,532,464)	-	-	**(11,532,464)**
Carrying amount	**40,037,854,401**	**-**	**-**	**40,037,854,401**

December 31, 2020	Stage 1	Stage 2	Stage 3	Total
Treasury bills	**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, 2021	Stage 1	Stage 2	Stage 3	Total
Retail loans	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	33,360,820,542	-	-	**33,360,820,542**
Normal watch-list	1,402,372,504	-	-	**1,402,372,504**
Special watch-list	-	711,397,628	-	**711,397,628**
Non performing loan	-	-	828,992,081	**828,992,081**
	34,763,193,046	**711,397,628**	**828,992,081**	**36,303,582,755**
Allowance for impairment losses	(177,646,277)	(95,458,695)	(594,044,091)	**(867,149,063)**
Carrying amount	**34,585,546,769**	**615,938,933**	**234,947,990**	**35,436,433,692**

December 31, 2020	Stage 1	Stage 2	Stage 3	Total
Retail loans	**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, 2021	Stage 1	Stage 2	Stage 3	Total
Corporate loans	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	122,581,696,259	1,766,382,227	-	**124,348,078,486**
Normal watch-list	193,288,721	6,812,318,055	-	**7,005,606,776**
Special watch-list	-	9,107,352,199	-	**9,107,352,199**
Non performing loan	-	-	6,148,609,221	**6,148,609,221**
	122,774,984,980	**17,686,052,481**	**6,148,609,221**	**146,609,646,682**
Allowance for impairment losses	(629,885,652)	(3,703,514,422)	(4,746,562,418)	**(9,079,962,492)**
Carrying amount	**122,145,099,328**	**13,982,538,059**	**1,402,046,803**	**137,529,684,190**

December 31, 2020	Stage 1	Stage 2	Stage 3	Total
Corporate loans	**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**

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December 31, 2021	Stage 1	Stage 2	Stage 3	Total
Debt instruments at fair value through other comprehensive income	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	1,795,856,758	-	-	**1,795,856,758**
Normal watch-list	12,654,894,755	-	-	**12,654,894,755**
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	14,450,751,513	**-**	**-**	**14,450,751,513**
Allowance for impairment losses	(105,685)	-	-	**(105,685)**
Carrying amount - fair value	**14,450,751,513**	**-**	**-**	**14,450,751,513**

December 31, 2020	Stage 1	Stage 2	Stage 3	Total
Debt instruments at fair value through other comprehensive income	**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, 2021	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortized cost	**12-Months**	**Life time**	**Life time**	
Credit rating				
Good debts	-	-	-	-
Normal watch-list	77,385,925,552	-	-	**77,385,925,552**
Special watch-list	-	-	-	-
Non performing loan	-	-	-	-
	77,385,925,552	**-**	**-**	**77,385,925,552**
Allowance for impairment losses	(5,457,439)	-	-	**(5,457,439)**
Carrying amount	**77,380,468,113**	**-**	**-**	**77,380,468,113**

December 31, 2020	Stage 1	Stage 2	Stage 3	Total
Debt instruments at amortized cost	**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**

(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, 2021 Due from banks	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	10,607,678	-	-	**10,607,678**
New financial assets purchased or issued	3,246,515	2,841,471	-	**6,087,986**
Financial assets have been matured or derecognised	(10,607,678)	-	-	**(10,607,678)**
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	**3,246,515**	**2,841,471**	**-**	**6,087,986**

December 31, 2020 Due from banks	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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, 2021 Treasury bills	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	17,938,647	-	-	**17,938,647**
New financial assets purchased or issued	11,532,464	-	-	**11,532,464**
Financial assets have been matured or derecognised	(17,938,647)	-	-	**(17,938,647)**
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	**11,532,464**	**-**	**-**	**11,532,464**

December 31, 2020 Treasury bills	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**

December 31, 2021 Retail loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	**232,464,951**	**100,481,753**	**331,541,542**	**664,488,246**
Net impairment loss recognized during the year	(54,818,674)	(15,786,793)	333,772,998	**263,167,531**
Loans written-off during the year	-	-	(71,270,436)	**(71,270,436)**
Collections of loans previously written-off	-	10,763,735	-	**10,763,735**
Foreign exchange translation differences	-	-	(13)	**(13)**
Balance at the end of the year	**177,646,277**	**95,458,695**	**594,044,091**	**867,149,063**

December 31, 2020 Retail loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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**

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December 31, 2021 Corporate loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	1,076,434,961	3,578,274,450	3,866,108,053	**8,520,817,464**
New financial assets purchased or issued	233,170,589	295,335,133	-	**528,505,722**
Financial assets have been matured or derecognised	(182,624,631)	(1,256,103,821)	(263,660,626)	**(1,702,389,078)**
Transfer to stage 1	34,479,364	(34,479,364)	-	**-**
Transfer to stage 2	(273,158,800)	301,393,768	(28,234,968)	**-**
Transfer to stage 3	(1,991,951)	(216,604,985)	218,596,936	**-**
Changes in the probability of failure and loss in the event of failure and the balance exposed to failure	(256,369,495)	1,012,470,396	2,438,046,951	**3,194,147,852**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	(6,330)	(1,465,393,149)	**(1,465,399,479)**
Collections of loans previously written-off	-	23,380,487	-	**23,380,487**
Foreign exchange translation differences	(54,385)	(145,312)	(18,900,779)	(19,100,476)
Balance at the end of the year	**629,885,652**	**3,703,514,422**	**4,746,562,418**	**9,079,962,492**

December 31, 2020 Corporate loans	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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, 2021 Debt instruments at fair value through other comprehensive income	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	116,187	-	-	**116,187**
New financial assets purchased or issued	27,836	-	-	**27,836**
Financial assets have been matured or derecognised	(3,975)	-	-	**(3,975)**
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	(34,363)	-	-	**(34,363)**
Changes on model assumptions and methodology	-	-	-	**-**
Loans written-off during the year	-	-	-	**-**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**105,685**	**-**	**-**	**105,685**

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December 31, 2020 Debt instruments at fair value through other comprehensive income	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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, 2021 Debt instruments at amortized cost	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Allowance for impairment losses at January 01, 2021	2,787,960	-	-	**2,787,960**
New financial assets purchased or issued	5,457,439	-	-	**5,457,439**
Financial assets have been matured or derecognised	(2,787,960)	-	-	**(2,787,960)**
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	**5,457,439**	**-**	**-**	**5,457,439**

December 31, 2020 Debt instruments at amortized cost	Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
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**

Off balance sheet items exposed to credit risks	December 31, 2021	December 31, 2020
Financial guarantees	255,000	317,500
L/Cs	4,502,773,587	2,183,629,602
Accepted papers	3,146,172,197	1,797,703,754
L/Gs	43,455,458,358	40,570,756,871
Other contingent liabilities	-	19,632,824
Total	51,104,659,142	44,572,040,551

Commitments for credit facilities have a carrying amount of EGP 30,249,820,775 at the end of current reporting year against EGP 31,497,891,864 in the prior year.

The preceding table shows the maximum limit exposure to risks at the end of December, 2021 and December, 2020 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 56% 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 30% against 19% at the end of the prior year and treasury bills constitute 13% against 16% 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:

- 91% 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 94% at the end of the prior year.
- 95% 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 6,977,601,302 Impairment on these loans and credit facilities represents 77% 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 5,340,606,509 and their impairment represents 81% 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, 2021.
- 99% 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.

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

	December 31, 2021		December 31, 2020	
	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	173,087,975,439	-	165,212,583,679	-
Have arrears but not impaired	2,847,652,696	-	2,519,321,576	-
Impaired	6,977,601,302	-	5,186,668,166	-
Total	**182,913,229,437**	**-**	**172,918,573,421**	**-**
Less: Allowance for impairment losses	(9,947,111,555)	-	(9,185,305,710)	-
Less: Segregated interest	(205,721)	-	(330,084)	-
Less: Unearned discount & deferred income	(137,357,694)	-	(97,135,879)	-
Net	**172,828,554,467**	**-**	**163,635,801,748**	**-**

Total credit allowance for loans and credit facilities at the end of the current reporting year amounted to EGP 9,947,111,555 (EGP 9,185,305,710 at the end of the prior year) of which EGP 5,340,606,509 represent impairment in stage three (EGP 4,197,649,595 at the end of the prior year) and EGP 4,606,505,046 represent impairment for stage one and stage two in the credit portfolio (EGP 4,987,656,115 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 6% 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, 2021

	Retail				
Rating	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Good debts	3,109,308,277	1,115,171,874	26,536,346,212	2,599,994,179	**33,360,820,542**
Normal watch-list	123,554	-	-	-	**123,554**
Special watch-list	44,346	-	-	-	**44,346**
Total	**3,109,476,177**	**1,115,171,874**	**26,536,346,212**	**2,599,994,179**	**33,360,988,442**

	Corporate				
	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Good debts	63,066,404,486	42,108,823,159	15,331,684,965	3,624,043,068	**124,130,955,678**
Normal watch-list	3,714,341,560	2,513,925,961	633,498,692	63,578,746	**6,925,344,959**
Special watch-list	2,114,487,155	6,289,884,567	2,039,206	264,275,432	**8,670,686,360**
Total	**68,895,233,201**	**50,912,633,687**	**15,967,222,863**	**3,951,897,246**	**139,726,986,997**

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

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.

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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, 2021

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Up to 30 days	-	138,164,653	1,139,522,765	103,589,729	**1,381,277,147**
More than 30 – 60 days	-	20,971,803	355,669,588	28,158,778	**404,800,169**
More than 60 – 90 days	-	8,125,451	290,816,138	28,583,327	**327,524,916**
Total	**-**	**167,261,907**	**1,786,008,491**	**160,331,834**	**2,113,602,232**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Up to 30 days	-	78,716,286	-	50,383,713	**129,099,999**
More than 30 – 60 days	-	41,710,510	-	348,454	**42,058,964**
More than 60 – 90 days	-	69,016,452	-	21,964,975	**90,981,427**
More than 90 days	-	350,142,728	-	121,767,346	**471,910,074**
Total	**-**	**539,585,976**	**-**	**194,464,488**	**734,050,464**

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**

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.

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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 6,977,601,302 against EGP 5,186,668,166 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, 2021

Retail	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Loans which are individually impaired	7,411,576	30,724,452	705,123,935	85,732,118	**828,992,081**
Fair value of collaterals	-	7,118,275	164,471,071	8,673,950	**180,263,296**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Loans which are individually impaired	200,496,821	5,757,859,693	509,336	189,743,371	**6,148,609,221**
Fair value of collaterals	-	28,353,237	-	-	**28,353,237**

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	-	-	-	-	**-**

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 1,766,944,402 at the end of the current reporting year against EGP 1,821,876,913 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, 2021	December 31, 2020
Overdrafts	36,050,326	53,456,549
Direct loans	1,730,894,076	1,768,420,364
Total	**1,766,944,402**	**1,821,876,913**

(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, 2021	December 31, 2020
Egyptian Treasury Bills	B	40,049,386,865	42,021,929,253
Fair value through other comprehensive income			
Other debt instruments	unrated	383,442,606	400,000,000
Egyptian Treasury Bonds	B	12,654,894,755	-
US Treasury Bonds	AA+	1,412,414,152	1,454,586,525
Amortized cost			
Egyptian Treasury Bonds	B	77,385,925,552	47,612,579,495
Total		**131,886,063,930**	**91,489,095,273**

(A/8) Acquisition of collaterals
During the current reporting year, the Bank acquire foreclosed asset as acquisition of guarantees as following:

Nature of the asset	Book Value
Building	109,367,000

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	40,049,386,865	-	-	-	**40,049,386,865**	-	**40,049,386,865**
Loans and credit facilities to customers							
Retail loans							
Overdrafts	1,985,990,736	934,775,268	127,219,833	68,901,916	**3,116,887,753**	-	**3,116,887,753**
Credit cards	977,850,639	154,852,843	127,360,799	53,093,952	**1,313,158,233**	-	**1,313,158,233**
Personal loans	20,430,797,640	3,016,005,446	4,383,484,478	1,197,191,074	**29,027,478,638**	-	**29,027,478,638**
Real estate loans	2,081,344,064	151,093,493	236,011,797	377,608,777	**2,846,058,131**	-	**2,846,058,131**
Corporate loans							
Overdrafts	49,927,406,247	9,764,716,784	5,892,108,726	3,511,498,265	**69,095,730,022**	-	**69,095,730,022**
Direct loans	38,560,286,235	7,959,949,280	8,156,396,024	2,533,447,817	**57,210,079,356**	-	**57,210,079,356**
Syndicated loans and facilities	14,856,636,151	241,436,474	718,067,294	151,592,280	**15,967,732,199**	-	**15,967,732,199**
Other loans	4,319,302,369	2,098,257	-	14,704,479	**4,336,105,105**	-	**4,336,105,105**
Financial derivatives	-	-	-	-	-	36,542,265	**36,542,265**
Financial Investments							
Debt instruments	90,424,262,913	-	-	-	**90,424,262,913**	1,412,414,152	**91,836,677,065**
Other financial assets	4,980,984,044	83,004,768	76,422,585	26,174,005	**5,166,585,402**	21,748,980	**5,188,334,382**
Total at the end of the current year	**268,594,247,903**	**22,307,932,613**	**19,717,071,536**	**7,934,212,565**	**318,553,464,617**	**1,470,705,397**	**320,024,170,014**
Total at the end of the comparative 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**

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(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	-	-	-	-	40,049,386,865				**40,049,386,865**
Loans and credit facilities to customers									
Retail loans									
Overdrafts	-	-	-	-	-	-	-	3,116,887,753	**3,116,887,753**
Credit cards	-	-	-	-	-	-	-	1,313,158,233	**1,313,158,233**
Personal loans	-	-	-	-	-	-	-	29,027,478,638	**29,027,478,638**
Real estate loans	-	-	-	-	-	-	-	2,846,058,131	**2,846,058,131**
Corporate loans									
Overdrafts	1,487,690,000	29,008,845,291	14,719,079,366	23,880,115,365	-	-	-	-	**69,095,730,022**
Direct loans	847,141,592	33,947,622,823	11,012,402,963	11,402,911,978				-	**57,210,079,356**
Syndicated loans and facilities	98,797,484	4,784,936,213	619,147,885	10,464,850,617				-	**15,967,732,199**
Other loans	-	1,936,136,101	977,681,098	520,985,896			901,302,010	-	**4,336,105,105**
Financial derivatives	-	-	-	-	-	-	36,542,265	-	**36,542,265**
Financial Investments									
Debt instruments	-	-	-	383,442,606	90,040,820,307	1,412,414,152	-	-	**91,836,677,065**
Other financial assets	20,039,812	568,718,748	218,780,655	243,904,900	3,816,198,031	19,854,508	1,894,471	298,943,257	**5,188,334,382**
Total at the end of the current	**2,453,668,888**	**70,246,259,176**	**27,547,091,967**	**46,896,211,362**	**133,906,405,203**	**1,432,268,660**	**939,738,746**	**36,602,526,012**	**320,024,170,014**
Total at the end of the comparative 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**

Notes to the Consolidated Financial Statement

For the Year Ended 31 December 2021

(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 rule.

(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	68,821,990	-	68,821,990	6,882,199
EUR	1,984,725	-	1,984,725	198,473
GBP	179,084	-	179,084	17,908
JPY	20,014	-	20,014	2,001
CHF	64,089	-	64,089	6,409
DKK	1,266	-	1,266	127
NOK	4,014	-	4,014	401
SEK	34,884	-	34,884	3,488
CAD	48,414	-	48,414	4,841
AUD	44,011	-	44,011	4,401
AED	214,200	-	214,200	21,420
BHD	22,832	-	22,832	2,283
KWD	(153,146)	(153,146)	-	(15,315)
OMR	80,892	-	80,892	8,089
QAR	158,682	-	158,682	15,868
SAR	144,473	-	144,473	14,447
CNY	2,317	-	2,317	232
EGP	(71,672,741)	(71,672,741)	-	-
Maximum expected loss at December 31, 2021				**7,167,272**
Maximum expected loss at December 31, 2020				**12,993,220**

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Notes to the Consolidated Financial Statement
For the Year Ended 31 December 2021
(All amounts are shown in Egyptian Pounds)

(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 Central Bank of Egypt (CBE)	21,951,051,258	534,360,114	127,686,253	11,442,096	17,166,724	**22,641,706,445**
Due from banks	9,994,145,583	7,027,921,173	76,813,237	47,897,822	164,650,112	**17,311,427,927**
Treasury bills	34,666,484,529	5,371,369,872	-	-	-	**40,037,854,401**
Trading investments	409,760,928	-	-	-	-	**409,760,928**
Loans and credit facilities to customers	144,990,595,161	25,557,484,040	2,250,130,648	12,754,502	17,590,116	**172,828,554,467**
Financial derivatives	-	36,542,265	-	-	-	**36,542,265**
Financial investments						
Fair value through other comprehensive income	13,461,358,756	1,661,270,510	1,141,922	-	-	**15,123,771,188**
Amortized cost	76,645,523,371	734,944,742	-	-	-	**77,380,468,113**
Fair value through profit or loss	92,563,379	-	-	-	-	**92,563,379**
Other financial assets	5,138,692,110	44,311,127	3,499,188	4,112	90,599	**5,186,597,136**
Total financial assets	**307,350,175,075**	**40,968,203,843**	**2,459,271,248**	**72,098,532**	**199,497,551**	**351,049,246,249**
Financial liabilities						
Due to banks	3,135,440,076	255,893,394	40,924,524	25,308,616	1,121,137	**3,458,687,747**
Customer deposits	258,215,586,295	32,144,431,941	4,505,346,660	439,537,704	187,059,518	**295,491,962,118**
Financial derivatives	47,683,515	-	-	-	-	**47,683,515**
Other loans	355,356,333	2,483,295,873	43,592,430	-	-	**2,882,244,636**
Other financial liabilities	926,719,567	47,206,814	755,547	47,942	617	**974,730,487**
Total financial liabilities	**262,680,785,786**	**34,930,828,022**	**4,590,619,161**	**464,894,262**	**188,181,272**	**302,855,308,503**
Net financial position	**44,669,389,289**	**6,037,375,821**	**(2,131,347,913)**	**(392,795,730)**	**11,316,279**	**48,193,937,746**
At the end of the comparative year						
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**
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**

(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 chief executive officer 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.

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)	-	-	-	-	-	22,641,706,445	**22,641,706,445**
Due from banks	11,020,056,548	4,857,743,632	435,000,000	534,360,000	-	464,267,747	**17,311,427,927**
Treasury bills	4,841,110,421	14,835,347,334	20,361,396,646	-	-	-	**40,037,854,401**
Trading investments	-	-	-	-	-	409,760,928	**409,760,928**
Loans and credit facilities to customers	135,224,998,912	4,446,324,848	8,693,987,480	19,102,150,875	5,361,092,352	-	**172,828,554,467**
Financial derivatives	-	-	-	-	-	36,542,265	**36,542,265**
Financial investments							
Fair value through other comprehensive income	383,442,600	94,506,481	-	12,946,156,875	1,026,645,557	673,019,675	**15,123,771,188**
Amortized cost	11,089,221	408,352,530	7,636,012,936	59,822,182,851	9,502,830,575	-	**77,380,468,113**
Fair value through profit or loss	-	-	-	-	-	92,563,379	**92,563,379**
Other financial assets	-	-	-	-	-	5,186,597,136	**5,186,597,136**
Total financial assets	**151,480,697,702**	**24,642,274,825**	**37,126,397,062**	**92,404,850,601**	**15,890,568,484**	**29,504,457,575**	**351,049,246,249**
IRS (notional amount)	**550,084,493**	**243,608,851**	**243,608,851**	**1,165,000,393**	**-**	**-**	**2,202,302,588**
Financial liabilities							
Due to banks	3,157,028,827	-	-	-	-	301,658,920	**3,458,687,747**
Customer deposits	133,484,673,311	16,150,640,201	28,775,576,019	79,825,806,258	57,060,579	37,198,205,750	**295,491,962,118**
Financial derivatives	-	-	-	-	-	47,683,515	**47,683,515**
Other loans	2,602,469,026	11,394,065	201,420,708	66,960,837	-	-	**2,882,244,636**
Other financial liabilities	-	-	-	-	-	974,730,487	**974,730,487**
Total financial liabilities	**139,244,171,164**	**16,162,034,266**	**28,976,996,727**	**79,892,767,095**	**57,060,579**	**38,522,278,672**	**302,855,308,503**
IRS (notional amount)	**2,202,302,588**	**-**	**-**	**-**	**-**	**-**	**2,202,302,588**
Re-pricing gap	**10,584,308,443**	**8,723,849,410**	**8,393,009,186**	**13,677,083,899**	**15,833,507,905**	**(9,017,821,097)**	**48,193,937,746**
At the end of the comparative year							
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**
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**

(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 chief executive officer 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, 2021			
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	3,472,310,344	-	-	-	-	**3,472,310,344**
Customer deposits	174,398,671,566	16,316,934,426	34,767,109,823	89,041,117,397	74,394,602	**314,598,227,814**
Other loans	335,212,696	34,130,864	1,040,804,114	1,517,312,716	-	**2,927,460,390**
Total financial liabilities	**178,206,194,606**	**16,351,065,290**	**35,807,913,937**	**90,558,430,113**	**74,394,602**	**320,997,998,548**

- 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, 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.

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.

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, 2021			
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	2,116,904,744	738,213,868	721,454,666	-	-	**3,576,573,278**
Cash inflows	2,120,594,800	711,063,808	672,759,069	-	-	**3,504,417,677**

			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**

Cash flow for Off-balance sheet items

		December 31, 2021		
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	255,000	-	-	**255,000**
Operating lease commitments	131,665,156	310,148,730	66,550,198	**508,364,084**
Capital commitments resulting from acquisition of property and equipment	945,038,280	-	-	**945,038,280**
Total	**1,076,958,436**	**310,148,730**	**66,550,198**	**1,453,657,364**

	Less than one year	**More than one year and less than 5 years**	**More than 5 years**	**Total**
Commitments for credit facilities	28,530,632,278	1,704,228,563	14,959,934	**30,249,820,775**

		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**

(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, 2021			
Financial Assets	**Level 1**	**Level 2**	**Level 3**	**Total**
US Treasury bonds	1,412,414,152	-	-	**1,412,414,152**
Other debt instruments	-	383,442,606	-	**383,442,606**
Egyptian Treasury Bonds	12,654,894,755	-	-	**12,654,894,755**
Funds at fair value through other comprehensive income	47,163,250	-	-	**47,163,250**
Funds at fair value through profit or loss	92,563,379	-	-	**92,563,379**
Equity Instruments	151,884,836	-	473,971,589	**625,856,425**
Trading investments	409,760,928	-	-	**409,760,928**
Financial derivatives	-	36,542,265	-	**36,542,265**

	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**

(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, 2021	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Financial assets				
Due from banks	17,311,427,927	7,068,235,715	17,311,427,927	**7,068,235,715**
Loans and credit facilities to customers	172,828,554,467	163,635,801,748	171,792,908,779	**163,810,472,925**
Financial investments at amortized Cost				
Debt instruments	77,380,468,113	47,609,791,535	78,299,246,579	**49,501,996,206**
Financial liabilities:				
Due to banks	3,458,687,747	4,138,835,958	3,458,687,747	**4,138,835,958**
Customer deposits	295,491,962,118	233,321,758,983	283,300,227,337	**230,382,583,949**
Other loans	2,882,244,636	3,804,636,750	2,882,244,636	**3,804,636,750**

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 5 Billion 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 12.50% during current year. The Bank's capital adequacy ratio reached 22.79% at the end of the current year (December 31, 2020 : 21.46%) according to Basel II.

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 comprehensive 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

According to Basel II	December 31, 2021	December 31, 2020 Restated**
Tier 1 capital		
Share capital	10,774,114,830	10,774,114,830
General reserve	19,533,050,946	19,533,050,946
Legal reserve	2,418,770,935	2,418,770,935
Other reserves	29,147,135	29,147,135
Retained earnings	4,894,488,751	4,894,169,588
Interim profit	7,422,837,470	-
General risk reserve	21,453,923	21,453,923
Other comprehensive income	379,716,597	404,690,659
Total deductions from capital invested	(652,525,342)	(596,771,221)
Total tier 1 capital	**44,821,055,245**	**37,478,626,795**
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*	956,108,641	1,506,781,410
Total tier 2 capital	**972,869,791**	**1,523,542,560**
Total capital	**45,793,925,036**	**39,002,169,355**
Risk weighted assets and contingent liabilities:		
Credit Risk	175,788,843,909	158,727,240,641
Market Risk	695,549	15,363,994
Operational Risk	25,178,733,307	22,983,763,606
Total risk weighted assets and contingent liabilities	**200,968,272,765**	**181,726,368,241**
Capital adequacy ratio for Tier 1	**22.30%**	**20.62%**
Capital adequacy ratio	**22.79%**	**21.46%**

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

** After 2020 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.

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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, 2021	December 31, 2020 Restated*
Tier 1 capital after exclusions	**44,821,055,245**	37,478,626,795
Total on-balance sheet exposures, derivatives contracts and financial papers operations.	355,899,552,716	287,795,705,007
Total exposures off-balance sheet	30,116,574,094	27,144,100,711
Total exposures on-balance sheet and off-balance sheet	**386,016,126,810**	**314,939,805,718**
Leverage financial ratio	**11.61%**	**11.90%**

* After 2020 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 913,321,027 to reach the fair value with a corresponding increase in the fair value through other comprehensive income.

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, 2021)	Corporate	Investments	Individuals	Other businesses	Total
Net interest income	5,775,736,058	2,198,830,673	4,138,783,275	3,226,599,621	**15,339,949,627**
Net fee and commission income	1,231,778,750	110,628	727,411,257	70,628,077	**2,029,928,712**
Dividend income	-	46,377,599	-	-	**46,377,599**
Net trading income	346,497,812	-	40,551,867	(268,183,571)	**118,866,108**
Gain on financial investments	-	8,340,418	-	-	**8,340,418**
Impairment credit losses	(2,020,264,496)	3,747,206	(263,167,531)	6,684,870	**(2,272,999,951)**
Administrative expenses	(1,741,133,033)	(4,171,171)	(2,409,758,495)	(16,874,849)	**(4,171,937,548)**
Other operating revenues (expenses)	358,802,535	42,216,816	(232,936,281)	(131,557,122)	**36,525,948**
Share of profits of associates	-	(141,309)	-	-	**(141,309)**
Profit before income tax	**3,951,417,626**	**2,295,310,860**	**2,000,884,092**	**2,887,297,026**	**11,134,909,604**
Income tax expense	(1,228,692,931)	(782,045,053)	(626,916,505)	(870,698,690)	**(3,508,353,179)**
Net profit for the current year	**2,722,724,695**	**1,513,265,807**	**1,373,967,587**	**2,016,598,336**	**7,626,556,425**

Assets and liabilities according to segmental activities (December 31, 2021)	Corporate	Investments	Individuals	Other businesses	Total
Segment activity assets	140,706,070,391	129,866,299,211	35,434,969,414	39,287,689,559	**345,295,028,575**
Unclassified assets	-	-	-	-	**14,273,639,318**
Total assets	**140,706,070,391**	**129,866,299,211**	**35,434,969,414**	**39,287,689,559**	**359,568,667,893**
Segment activity liabilities	171,609,489,928	-	125,126,195,108	9,179,100,112	**305,914,785,148**
Unclassified liabilities	-	-	-	-	**7,278,441,258**
Total liabilities	**171,609,489,928**	**-**	**125,126,195,108**	**9,179,100,112**	**313,193,226,406**

At the end of comparative 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 comparative year	**2,756,296,651**	**955,431,193**	**1,360,831,107**	**2,418,951,491**	**7,491,510,442**

At the end of comparative year 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**

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

Income and expenses according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Net interest income	7,561,765,060	1,229,180,140	1,069,446,271	438,357,338	5,041,200,818	**15,339,949,627**
Net fee and commission income	1,093,049,027	195,273,214	189,019,722	94,237,216	458,349,533	**2,029,928,712**
Dividend income	-	-	-	-	46,377,599	**46,377,599**
Net trading income	300,766,516	56,489,754	60,000,677	7,327,432	(305,718,271)	**118,866,108**
Gain on financial investments	3,034	-	-	-	8,337,384	**8,340,418**
Impairment credit losses	(1,566,534,530)	(127,543,058)	(437,171,897)	(146,363,813)	4,613,347	**(2,272,999,951)**
Administrative expenses	(2,948,925,841)	(530,982,300)	(499,789,000)	(241,885,715)	49,645,308	**(4,171,937,548)**
Other operating revenues (expenses)	46,481,100	(42,385,036)	(44,891,926)	(13,286,596)	90,608,406	**36,525,948**
Share of profits of associates	-	-	-	-	(141,309)	**(141,309)**
Profit before income tax	**4,486,604,366**	**780,032,714**	**336,613,847**	**138,385,862**	**5,393,272,815**	**11,134,909,604**
Income tax expense	(1,362,428,062)	(244,399,655)	(105,467,767)	(43,359,024)	(1,752,698,671)	**(3,508,353,179)**
Net profit for the current year	**3,124,176,304**	**535,633,059**	**231,146,080**	**95,026,838**	**3,640,574,144**	**7,626,556,425**

Assets and liabilities according to geographical segments (December 31, 2021)	Great Cairo	Alex	Delta	Red Sea / Upper Egypt	Head office	Total
Assets of geographical segments	136,772,697,708	21,663,698,999	18,325,091,040	7,539,403,867	174,914,984,249	**359,215,875,863**
Unclassified assets	-	-	-	-	-	**352,792,030**
Total assets	**136,772,697,708**	**21,663,698,999**	**18,325,091,040**	**7,539,403,867**	**174,914,984,249**	**359,568,667,893**
Liabilities of geographical segments	243,184,667,259	31,555,461,603	21,889,339,220	6,775,751,277	6,943,736,607	**310,348,955,966**
Unclassified liabilities	-	-	-	-	-	**2,844,270,440**
Total liabilities	**243,184,667,259**	**31,555,461,603**	**21,889,339,220**	**6,775,751,277**	**6,943,736,607**	**313,193,226,406**

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 comparative 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**

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

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6 - Net interest income	December 31, 2021	December 31, 2020
Interest from loans and similar income:		
Loans and credit facilities:		
- Customers	16,806,486,764	17,320,290,614
Total	**16,806,486,764**	**17,320,290,614**
Treasury bills and bonds	14,694,899,154	12,951,229,694
Other debt instruments	43,309,078	19,877,699
Deposits and current accounts	527,913,032	358,918,699
Net interest differential on hedging instruments (IRS contracts)	60,575,073	87,826,489
Total	**32,133,183,101**	**30,738,143,195**
Cost of deposits and similar expense :		
Deposits and current accounts:		
- Banks	(181,057,765)	(669,827,351)
- Customers	(16,505,603,419)	(15,068,289,563)
Total	**(16,686,661,184)**	**(15,738,116,914)**
Repo arrangements	(33,564,290)	(239,185,725)
Other loans	(73,008,000)	(123,493,551)
Total	**(16,793,233,474)**	**(16,100,796,190)**
Net	**15,339,949,627**	**14,637,347,005**

7 - Net fee and commission income:	December 31, 2021	December 31, 2020
Fee and commission income :		
Credit fees and commission	1,694,002,212	1,458,990,438
Custody fees	30,058,265	28,535,784
Investment commission	26,859,174	22,500,009
Other fees	1,255,531,122	782,248,644
Total	**3,006,450,773**	**2,292,274,875**
Fee and commission expense:		
Brokerage fees	(5,921,489)	(5,295,462)
Other fees	(970,600,572)	(484,386,114)
Total	**(976,522,061)**	**(489,681,576)**
Net	**2,029,928,712**	**1,802,593,299**

8 - Dividend income	December 31, 2021	December 31, 2020
Equity instruments at fair value through other comprehensive income	46,377,599	35,191,190
Total	**46,377,599**	**35,191,190**

9 - Net trading income:	December 31, 2021	December 31, 2020
Forex operations:		
Foreign exchange trading gains (loss)	94,376,608	115,051,882
Investment funds held for trading	13,931,219	12,371,744
Changes in fair value of currency forward contracts	(2,643,623)	(7,225,941)
Changes in fair value of currency swap contracts	10,464,743	(2,427,141)
Changes in fair value IRS contracts	2,737,161	(5,833,685)
Total	**118,866,108**	**111,936,859**

10 - Administrative expenses	December 31, 2021	December 31, 2020
Staff cost:		
Salaries and wages	1,711,561,323	1,589,823,456
Social insurance	99,345,619	80,389,549
Pension cost:		
Defined contribution scheme	89,851,078	91,035,825
Other retirement benefits (Defined benefit scheme)	64,057,912	64,340,167
	1,964,815,932	**1,825,588,997**
Depreciation and amortization	398,981,392	335,245,619
Other administrative expenses	1,808,140,224	1,546,470,402
Total	**4,171,937,548**	**3,707,305,018**

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11 - Other operating revenues (expenses)	December 31, 2021	December 31, 2020
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	(3,318,000)	(76,580,897)
Gain on sale of property and equipment	13,124,486	8,164,022
Software cost	(205,291,732)	(182,777,831)
Operating lease rental expense	(147,884,940)	(130,265,866)
Other provisions (net of reversed amounts)	69,835,320	133,599,966
Finance leases revenue ,net	356,667,068	398,197,756
Other leasing revenues	25,557,655	30,797,674
Impairment loss on leased assets	9,987,163	(247,104,064)
Net return received from insurance activity*	(124,041,655)	(137,208,664)
Other income (expense)	41,890,583	21,808,123
Total	**36,525,948**	**(181,369,781)**

* The following table summarise the net return received from insurance activity:	December 31, 2021	December 31, 2020
Direct premium	1,036,664,934	786,530,114
Re-insurance premium ceded	(107,177,784)	(89,268,966)
Technical reserve during the year	(791,453,181)	(644,819,253)
Outgoing re-insurance commissions	864,122	896,595
Other revenues	41,576,633	24,030,253
Claims paid	(334,134,357)	(207,301,042)
Re-insurance pay-back claim	56,710,009	28,982,116
Change in Provision for Outstanding Claims Balance	4,581,675	(13,035,444)
Impairment on receivable arising from insurance contracts	(31,673,706)	(23,223,037)
Total	**(124,041,655)**	**(137,208,664)**

12 - Impairment credit losses	December 31, 2021	December 31, 2020
Loans and credit facilities to customers	(2,283,432,027)	(2,142,847,969)
Due from banks	4,519,692	(1,482,317)
Treasury bills	6,406,183	(3,499,848)
Debt instruments at fair value through other comprehensive income	10,502	(29,548)
Debt instruments at amortized cost	(2,669,479)	10,712,656
Other assets	2,165,178	246,262
Total	**(2,272,999,951)**	**(2,136,900,764)**

13 - Income tax expense	December 31, 2021	December 31, 2020
Current tax	(3,447,437,843)	(3,032,145,899)
Deferred tax	(60,915,336)	(44,480,213)
Total	**(3,508,353,179)**	**(3,076,626,112)**

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	11,134,909,604	10,568,136,554
Income tax calculated at 22.5 % tax rate	2,505,354,661	2,377,830,725
Tax impact for:		
Non-taxable income	(63,292,137)	(104,160,235)
Non-deductible expenses for tax purposes	876,157,829	656,319,111
Recognize of deferred tax assets	(19,054,205)	(13,785,518)
Prior-years' tax settlements	56,477,471	(4,938,137)
Provision and segregated interest	77,293,772	117,364,163
Tax deductible (10% on dividend income)	14,500,452	3,515,790
Effective income tax expense	**3,447,437,843**	**3,032,145,899**

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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 2019 have been inspected, and the due tax was paid.
- Year 2020 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 2018.
- Year 2019 under inspection with the tax authority.
- Year 2020 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 August 01 ,2006 till December 31, 2019 have been inspected, and the due tax was paid.
- Year 2020 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 till 2016 ,the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2017 to 2020, the company submitted its tax return on the due date and the books have not been inspected yet.

C-2) Salary tax
- Years from start of activity till 2016 ,the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2017 to 2019,under inspection with the tax authority.
- Year 2020, the company submitted its tax return on the due date and the books have not been inspected yet.

C-3) Stamp duties
- Years from start of activity till 2017 ,the Company was tax inspected and the tax assessment was carried out and the payment thereof was made.
- Years from 2018 to 2020 , 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.
- Year from 2012 till 2020 the company submitted its tax return on the due date.
- Year 2012 till 2016 under inspection with tax authority.

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.

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(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 2021, 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 2017.

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 2020, 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 and 2020 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 2020, the Company submitted its tax return in the due date and the books have not been inspected yet.

14 - Earnings per share	December 31, 2021	December 31, 2020
Net profit for the year**	7,452,037,644	7,398,510,640
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)*	(747,158,368)	(739,074,304)
Profit available to shareholders	**6,688,879,276**	**6,643,436,336**
Weighted average number of the shares outstanding during the year	2,154,822,966	2,154,822,966
Earning Per Share	**3.10**	**3.08**

* Based on Profits distribution proposal. The actual amounts 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, 2021	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)	22,641,706,445	-	-	-	**22,641,706,445**
Due from banks	17,317,515,913	-	-	-	**17,317,515,913**
Treasury bills	40,049,386,865	-	-	-	**40,049,386,865**
Trading investments	-	-	-	409,760,928	**409,760,928**
Loans and credit facilities to customers	182,913,229,437	-	-	-	**182,913,229,437**
Financial derivatives	-	-	-	36,542,265	**36,542,265**
Fair value through other comprehensive income	-	14,450,751,513	673,019,675	-	**15,123,771,188**
Amortized cost	77,385,925,552	-	-	-	**77,385,925,552**
Fair value through profit or loss	-	-	-	92,563,379	**92,563,379**
Other financial assets	5,188,334,382	-	-	-	**5,188,334,382**
Total financial assets	**345,496,098,594**	**14,450,751,513**	**673,019,675**	**538,866,572**	**361,158,736,354**
Due to banks	3,458,687,747	-	-	-	**3,458,687,747**
Customer deposits	295,491,962,118	-	-	-	**295,491,962,118**
Financial derivatives	-	-	-	47,683,515	**47,683,515**
Other loans	2,882,244,636	-	-	-	**2,882,244,636**
Other financial liabilities	974,730,487	-	-	-	**974,730,487**
Total financial liabilities	**302,807,624,988**	**-**	**-**	**47,683,515**	**302,855,308,503**

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**

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16 - Cash and due from Central Bank of Egypt (CBE)	December 31, 2021	December 31, 2020
Cash	3,865,992,922	3,841,124,598
Balances with CBE (mandatory reserve)	18,775,713,523	13,325,733,984
Total	**22,641,706,445**	**17,166,858,582**
Interest free balances	22,641,706,445	17,166,858,582
Total	**22,641,706,445**	**17,166,858,582**

17 - Due from Banks	December 31, 2021	December 31, 2020
Current accounts	800,875,498	650,130,667
Deposits	16,516,640,415	6,428,712,726
	17,317,515,913	**7,078,843,393**
Less : Allowance for impairment losses	(6,087,986)	(10,607,678)
Total	**17,311,427,927**	**7,068,235,715**
Balances at CBE other than those under the mandatory reserve	12,087,611,100	3,737,172,764
Local banks	3,944,463,145	2,378,845,974
Foreign Banks	1,285,441,668	962,824,655
Less : Allowance for impairment losses	(6,087,986)	(10,607,678)
Total	**17,311,427,927**	**7,068,235,715**
Interest free balances	464,267,747	499,846,494
Balances at floating interest rates	336,607,751	150,284,173
Balances at fixed interest rates	16,516,640,415	6,428,712,726
Less : Allowance for impairment losses	(6,087,986)	(10,607,678)
Total	**17,311,427,927**	**7,068,235,715**
Current balances	16,777,067,927	5,918,745,715
Non-current balances	534,360,000	1,149,490,000
Total	**17,311,427,927**	**7,068,235,715**

18 - Treasury bills	December 31, 2021	December 31, 2020
91 days maturity	208,500,000	110,025,000
182 days maturity	6,665,400,000	5,006,875,000
More than 182 days maturity	34,937,996,490	38,938,771,770
Less : Unearned interest	(1,762,509,625)	(2,033,742,517)
	40,049,386,865	**42,021,929,253**
Less : Allowance for impairment losses	(11,532,464)	(17,938,647)
Total	**40,037,854,401**	**42,003,990,606**

19 - Trading investments	December 31, 2021	December 31, 2020
Mutual Fund certificates	409,760,928	61,102,261
Total	**409,760,928**	**61,102,261**

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20 - Loans and credit facilities to customers	December 31, 2021 Total	Allowance for impairment losses	Net	December 31, 2020 Total	Allowance for impairment losses	Net
Individuals						
Overdrafts	3,116,887,753	(8,216,968)	3,108,670,785	3,499,137,263	(54,943,886)	**3,444,193,377**
Credit cards	1,313,158,233	(57,304,948)	1,255,853,285	1,115,783,185	(59,584,077)	**1,056,199,108**
Personal loans	29,027,478,638	(701,338,722)	28,326,139,916	25,679,340,323	(504,482,004)	**25,174,858,319**
Real estate loans	2,846,058,131	(100,288,425)	2,745,769,706	2,160,004,642	(45,478,279)	**2,114,526,363**
Total (1)	**36,303,582,755**	**(867,149,063)**	**35,436,433,692**	**32,454,265,413**	**(664,488,246)**	**31,789,777,167**
Corporate including small loans for businesses						
Overdrafts	69,095,730,022	(1,531,633,758)	67,564,096,264	65,259,415,520	(1,839,236,984)	**63,420,178,536**
Direct loans	57,210,079,356	(7,223,636,035)	49,986,443,321	51,219,853,401	(5,662,544,670)	**45,557,308,731**
Syndicated loans and facilities	15,967,732,199	(114,836,031)	15,852,896,168	19,689,353,268	(624,399,516)	**19,064,953,752**
Other loans	4,336,105,105	(209,856,668)	4,126,248,437	4,295,685,819	(394,636,294)	**3,901,049,525**
Total (2)	**146,609,646,682**	**(9,079,962,492)**	**137,529,684,190**	**140,464,308,008**	**(8,520,817,464)**	**131,943,490,544**
Total loans and credit facilities to customers (1+2)	**182,913,229,437**	**(9,947,111,555)**	**172,966,117,882**	**172,918,573,421**	**(9,185,305,710)**	**163,733,267,711**
Less: Segregated interest			(205,721)			(330,084)
Less: Unearned discount and deferred income			(137,357,694)			(97,135,879)
Net Loans and credit facilities to customers distributed as follows:			**172,828,554,467**			**163,635,801,748**
Current balances			124,313,949,755			116,442,043,923
Non-current balances			48,514,604,712			47,193,757,825
Net Loans and credit facilities to customers			**172,828,554,467**			**163,635,801,748**

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20-A - Allowance for impairment losses

December 31, 2021

Individuals	Overdrafts	Credit cards	Personal loans	Real estate loans	Total
Balance at beginning of the year	54,943,886	59,584,077	504,482,004	45,478,279	**664,488,246**
Net impairment loss recognized during the year	(27,855,801)	11,039,128	223,804,101	56,180,103	**263,167,531**
Loans written-off during the year	(18,871,117)	(13,318,257)	(37,711,105)	(1,369,957)	**(71,270,436)**
Collection of loans previously written-off	-	-	10,763,735	-	**10,763,735**
Foreign exchange translation differences	-	-	(13)	-	**(13)**
Balance at end of the year	**8,216,968**	**57,304,948**	**701,338,722**	**100,288,425**	**867,149,063**

Corporate	Overdrafts	Direct loans	Syndicated loans and facilities	Other loans	Total
Balance at beginning of the year	1,839,236,984	5,662,544,670	624,399,516	394,636,294	**8,520,817,464**
Net impairment loss recognized during the year	(302,839,706)	2,781,392,260	(508,144,397)	49,856,339	**2,020,264,496**
Loans written-off during the year	-	(1,230,811,977)	-	(234,587,502)	**(1,465,399,479)**
Collection of loans previously written-off	-	23,380,487	-	-	**23,380,487**
Foreign exchange translation differences	(4,763,520)	(12,869,405)	(1,419,088)	(48,463)	**(19,100,476)**
Balance at end of the year	**1,531,633,758**	**7,223,636,035**	**114,836,031**	**209,856,668**	**9,079,962,492**
Total					**9,947,111,555**

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	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**

21- Financial derivatives	December 31, 2021		
	Notional amount	Assets	Liabilities
(A) Held for trading			
- Forward foreign exchange contracts	1,761,699,526	-	58,660,407
- Swap foreign exchange contracts	1,814,873,752	-	(10,976,892)
Total	**3,576,573,278**	**-**	**47,683,515**
(B) Fair value hedge			
- Interest rate swap contracts	2,202,302,588	36,542,265	-
Total	**2,202,302,588**	**36,542,265**	**-**
Total	**5,778,875,866**	**36,542,265**	**47,683,515**

	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**

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 36,542,265 as of December 31, 2021 (EGP 106,092,208 in the prior year). Loss resulting from hedging instruments amounted to EGP 69.549.943 (Gain of EGP 22,633,349 in the prior year) and Gain arose from the hedged items reached EGP 72,287,104 (Loss of EGP 28,467,034 in the prior year).

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22- Financial investments

Fair value through other comprehensive income (FVTOCI)	December 31, 2021	December 31, 2020
(A) Debt instruments at fair value:		
Listed Instruments in Egyptian Stock Exchange Market	13,038,337,361	400,000,000
Listed instruments in foreign stock exchange market	1,412,414,152	1,454,586,525
Total debt instruments measured at fair value through other comprehensive income	**14,450,751,513**	**1,854,586,525**
(B) Equity instruments at fair value:		
Listed instruments in Egyptian stock exchange market	151,884,836	83,418,622
Unlisted instruments in stock exchange market	473,971,589	494,406,555
Total equity instruments measured at fair value through other comprehensive income	**625,856,425**	**577,825,177**
(C) Money market funds and balanced funds:		
Unlisted instruments in stock exchange market*	47,163,250	41,970,650
Total financial investments measured at fair value through other comprehensive income (1)	**15,123,771,188**	**2,474,382,352**
Amortized cost		
Debt instruments:		
Listed instruments in stock exchange market	76,650,980,810	46,853,808,339
Unlisted instruments in stock exchange market	734,944,742	758,771,156
Less : Allowance for impairment losses	(5,457,439)	(2,787,960)
Total Debt instruments measured at amortized cost (2)	**77,380,468,113**	**47,609,791,535**
Fair value through profit or loss (FVTPL)		
(A) Mutual funds:		
Unlisted instruments in stock exchange market	92,563,379	71,759,603
Total equity instruments measured at fair value through profit or loss (3)	**92,563,379**	**71,759,603**
Total Financial investments (1+2+3)	**92,596,802,680**	**50,155,933,490**
Current balances	8,149,961,162	8,190,961,534
Non-current balances	84,446,841,518	41,964,971,956
Total financial investment	**92,596,802,680**	**50,155,933,490**
Fixed interest debt instruments	91,447,777,020	49,064,378,060
Variable interest debt instruments	383,442,606	400,000,000
Total debt instruments	**91,831,219,626**	**49,464,378,060**

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	**2,474,382,352**	**47,609,791,535**
Additions	13,569,506,433	37,063,342,500
Amortization of premium / discount	(42,275,391)	223,021,100
Disposals (sale/redemption)	(833,106,833)	(7,512,183,799)
Translation differences resulting from monetary foreign currency denominated assets	(3,395,343)	(833,744)
Changes in fair value reserve	(40,928,207)	-
Transferred to Retained Earnings	(411,823)	-
Change in Allowance for impairment during the year	-	(2,669,479)
Balance at the end of the current year	**15,123,771,188**	**77,380,468,113**

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	**2,463,888,129**	**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 comparative year	**2,474,382,352**	**47,609,791,535**

Gain on financial investments	December 31, 2021	December 31, 2020
Gain on financial investments at fair value through profit or loss	7,309,920	6,487,229
Gain on Selling Financial Investments at fair value through other comprehensive income	921,699	-
Gain from selling associate companies	108,799	-
Total	**8,340,418**	**6,487,229**

* 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.

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23 - Investments in associates

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

December 31, 2021	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	-	-	-	-	-	**0.00%**
Total		**-**	**-**	**-**	**-**	**-**	**-**

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**	

* Senouhi company for Construction materials have been sold during the current reporting year

24 - Intangible assets	December 31, 2021	December 31, 2020
Software		
Net book value at the beginning of the year	195,249,569	209,802,791
Additions	165,634,752	54,010,700
Amortization	(78,694,610)	(68,563,922)
Net book value at the end of the year	**282,189,711**	**195,249,569**

25 - Other assets	December 31, 2021	December 31, 2020
Accrued revenues	5,188,334,382	2,975,211,725
Pre-paid expenses	117,373,163	106,508,731
Advance payments for acquisition of property and equipment	1,019,135,045	709,507,587
Foreclosed assets reverted to the group in settlement of debts	137,828,687	11,469,071
Deposits held with others and custody	20,405,538	18,685,386
Advance payments to tax authority	51,626,554	31,917,652
Receivables arising from insurance contracts, net	10,775,199	5,078,147
Others	673,863,261	374,129,889
	7,219,341,829	**4,232,508,188**
Less : Allowance for impairment losses	(1,737,246)	(3,902,424)
Total	**7,217,604,583**	**4,228,605,764**

26- Property and Equipment	Lands and buildings	Renovations of leased assets	Machinery & equipment	Others	Total
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**
January 1, 2021					
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**
December 31, 2021					
Net book value at the beginning of the year	1,925,122,116	166,173,427	367,191,531	136,331,514	**2,594,818,588**
Additions	200,808,318	26,097,866	315,147,063	20,692,714	**562,745,961**
Disposals from property and equipment	(1,690,079)	(1,035,452)	(8,355,131)	(17,303,395)	**(28,384,057)**
Disposals from accumulated depreciation	1,690,079	1,035,452	8,333,985	17,296,557	**28,356,073**
Depreciation for the year	(120,638,538)	(22,824,475)	(151,321,189)	(25,502,580)	**(320,286,782)**
Net book value	**2,005,291,896**	**169,446,818**	**530,996,259**	**131,514,810**	**2,837,249,783**
Balances at December 31, 2021					
Cost	2,983,518,039	341,673,288	1,429,172,075	302,015,513	**5,056,378,915**
Accumulated depreciation	(978,226,143)	(172,226,470)	(898,175,816)	(170,500,703)	**(2,219,129,132)**
Net book value	**2,005,291,896**	**169,446,818**	**530,996,259**	**131,514,810**	**2,837,249,783**

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27 - Due to banks	December 31, 2021	December 31, 2020
Current accounts	340,454,143	273,078,309
Deposits	1,944,051,013	2,317,092,762
Repos transactions	1,174,182,591	1,548,664,887
Total	**3,458,687,747**	**4,138,835,958**
Central banks	1,174,182,591	1,548,664,887
Local banks	14,803	300,012,410
Foreign banks	2,284,490,353	2,290,158,661
Total	**3,458,687,747**	**4,138,835,958**
Non-interest bearing balances	301,658,920	240,642,492
Variable interest rate balances	38,795,223	32,435,817
Fixed interest rate balances	3,118,233,604	3,865,757,649
Total	**3,458,687,747**	**4,138,835,958**
Current balances	3,458,687,747	4,138,835,958
Total	**3,458,687,747**	**4,138,835,958**

28 - Customer deposits	December 31, 2021	December 31, 2020
Demand deposits	94,636,481,090	51,519,705,098
Time deposits and call accounts	94,887,104,765	89,785,421,119
Term saving certificates	69,958,154,396	59,244,487,077
Saving deposits	29,555,115,455	25,588,901,501
Other deposits*	6,455,106,412	7,183,244,188
Total	**295,491,962,118**	**233,321,758,983**
Corporate deposits	170,365,767,010	122,447,209,834
Retail deposits	125,126,195,108	110,874,549,149
Total	**295,491,962,118**	**233,321,758,983**
Non-interest bearing balances	37,198,205,750	35,328,267,841
Variable interest rate balances	98,036,200,965	62,980,113,147
Fixed interest rate balances	160,257,555,403	135,013,377,995
Total	**295,491,962,118**	**233,321,758,983**
Current balances	214,767,761,594	189,418,429,446
Non-current balances	80,724,200,524	43,903,329,537
Total	**295,491,962,118**	**233,321,758,983**

* Other deposits include deposits covering irrevocable letters of credit in the total of EGP 435,355,323 as of December 31, 2021 (December 31, 2020 EGP 354,045,886).
The fair value of these deposits approximates its carrying amount.

29 - Other loans	December 31, 2021	December 31, 2020
National Bank of Egypt	2,440,983	911,308
Commercial International Bank	8,394,444	33,905,556
European Investment Bank	-	156,602,702
Qatar National Bank	187,028,730	412,967,625
European Bank for Reconstruction and Development	2,337,596,368	2,947,872,338
Banque Misr	1,680	1,275
National Bank of Kuwait	190,797,514	139,926,879
The Micro, Small and Medium Enterprises Development Agency	88,314,067	112,449,067
Société Arabe Internationale de Banque (SAIB)	67,670,850	-
Total	**2,882,244,636**	**3,804,636,750**
Current balances	1,381,584,310	1,109,612,373
Non-current balances	1,500,660,326	2,695,024,377
Total	**2,882,244,636**	**3,804,636,750**

30 - Other liabilities	December 31, 2021	December 31, 2020
Accrued interest	974,730,487	1,040,203,052
Unearned revenues	114,013,312	98,709,675
Accrued expenses	995,801,771	818,115,220
Due to insurance and re-insurance companies	94,190,007	69,552,007
Sundry credit balances	2,255,435,241	1,475,537,553
Total	**4,434,170,818**	**3,502,117,507**

31 - Other provisions

			December 31, 2021			
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	59,530,067	1,830,806	-	-	(843,863)	60,517,010
Provision for legal claims	17,588,419	2,776,892	-	(42,381)	(1,296,564)	19,026,366
Provision for contingent liabilities	490,565,335	-	(79,884,685)	(18,459)	-	410,662,191
Provision for fidelity	31,241,400	5,437,829	-	(30,072)	(523,750)	36,125,407
Provision for operational risk	713,902	3,838	-	-	(302,740)	415,000
Total	**599,639,123**	**10,049,365**	**(79,884,685)**	**(90,912)**	**(2,966,917)**	**526,745,974**

			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 contingent 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 operational 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**

32 - Insurance policyholders' rights	December 31, 2021	December 31, 2020
Technical Reserves for Insurance activties	3,943,590,564	3,152,137,383
Provision for outstanding claims	90,616,568	95,198,243
Total	**4,034,207,132**	**3,247,335,626**

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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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Tax impact on temporary differences arising from:				
Property and equipment	-	-	(133,313,888)	(105,849,280)
Provisions (other than the provision for loan impairment)	277,151,736	306,881,271	-	-
Differences in fair value of financial investments at fair value through other comprehensive income	-	-	(83,270,221)	**(99,636,191)**
Others	10,034,692	13,755,885	-	-
Deferred tax assets (liabilities)	**287,186,428**	**320,637,156**	**(216,584,109)**	**(205,485,471)**
Net balance of DTA (DTL)	**70,602,319**	**115,151,685**		

Movement of deferred tax assets and liabilities:	Deferred tax assets		Deferred tax liabilities	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Beginning balance	320,637,156	350,521,888	(205,485,471)	(221,755,581)
DT recognized / utilized during the year	(33,450,728)	(29,884,732)	(11,098,638)	16,270,110
Closing balance	**287,186,428**	**320,637,156**	**(216,584,109)**	**(205,485,471)**

Balances of deferred tax assets (liabilities) recognized directly in equity	December 31, 2021	December 31, 2020
Differences in fair value of financial investments at fair value through other comprehensive income	(83,270,221)	(99,636,191)

34 - Defined benefits obligation	December 31, 2021	December 31, 2020
Amounts recognized in the statement of financial position:		
Liability for post-retirement medical benefits	543,536,132	513,228,220
Amounts recognized in the income statement:		
Post-retirement medical benefits	64,057,912	64,340,167
Post-retirement medical benefits obligation constitutes of:		
Balances shown in the statement of financial position are represented as follows:		
Present value of unfunded liabilities	391,514,233	365,975,012
Unrecognized actuarial gain	152,021,899	147,253,208
	543,536,132	**513,228,220**
Liability movements during the year are represented as follows:		
Balance at the beginning of the financial year	513,228,220	482,288,384
Current service cost	4,390,533	11,498,593
Interest cost	48,846,999	55,233,903
Actuarial gain/losses	10,820,380	(2,392,329)
Benefits paid	(33,750,000)	(33,400,331)
	543,536,132	**513,228,220**
Amounts recognized in the income statement are shown below:		
Current service cost	4,390,533	11,498,593
Interest cost	48,846,999	55,233,903
Actuarial gain/losses recognized during the year	10,820,380	(2,392,329)
	64,057,912	**64,340,167**

The main actuarial assumptions used by the Bank are outlined below:	December 31, 2021	December 31, 2020
Discount rate (two plans):		
A - QNB ALAHLI current employees plan	14.70%	14.50%
B-Ex-MIBank retirees plan	14.70%	14.50%
QNB ALAHLI long term increase in the cost of medical care (on top of inflation)	7.60%	8.00%
Ex-MIBank long term increase in the cost of medical care (on top of inflation)	7.60%	8.00%

Sensitivities to +1% in discount rate (duration of the plan):	Service cost	DBO
Post-retirement medical benefits	11.33%	9.67%

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 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, and 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, 2021 representing 2,154,822,966 shares with a nominal value of EGP 5 each, of which 1,904,176,966 shares were paid in Egyptian pound and 250,646,000 shares were paid in foreign currency according to the exchange rates prevailing on the payment date.

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36 - Reserves and retained earnings

Reserves	December 31, 2021	December 31, 2020
General reserve (a)	19,533,050,946	15,104,078,670
General banking risk reserve (b)	153,028,331	1,169,067
Legal reserve (c)	2,418,770,935	2,049,233,783
Fair value reserve (d)	379,822,286	404,806,848
Special reserve (e)	39,494,455	39,494,455
Capital reserve	29,147,135	21,379,530
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	**22,578,768,494**	**17,645,616,759**

Reserve movements are as follows:

(a) General reserve	December 31, 2021	December 31, 2020
Balance at the beginning of the financial year	15,104,078,670	13,417,823,247
Transferred from retained earnings	4,428,972,276	2,665,720,403
Transferred to capital increase	-	(979,464,980)
Balance at the end of the year	**19,533,050,946**	**15,104,078,670**
(b) General banking risk reserve		
Balance at the beginning of the year	1,169,067	1,169,067
Transferred from distributable net profits	151,859,264	-
Balance at the end of the year	**153,028,331**	**1,169,067**

General bank risk reserve represent the difference between the allowance required for impairment losses as per CBE credit worthiness rules and the allowance as required by the expected credit loss which recognized in financial statements .

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, 2021	December 31, 2020
(c) Legal Reserve		
Balance at the beginning of the year	2,049,233,783	1,633,301,744
Transferred from the net profit of the prior year	369,537,152	415,932,039
Balance at the end of the year	**2,418,770,935**	**2,049,233,783**

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, 2021	December 31, 2020
Balance at the beginning of the year	404,806,848	524,415,090
Net change in fair value (Note 22)	(40,928,207)	(150,503,381)
Impairment losses on debt instruments at fair value through other comprehensive income	(10,502)	29,548
Transferred to retained earnings	(411,823)	-
Deferred tax recognized during the year (Note 33)	16,365,970	30,865,591
Balance at the end of the year	**379,822,286**	**404,806,848**

(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, 2021	December 31, 2020
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, 2021	December 31, 2020
Movements on retained earnings:		
Balance at the beginning of year	11,216,966,389	9,848,191,979
Net profit of the financial year	7,626,556,355	7,491,517,830
Previous year's profit distribution	-	(2,154,822,966)
Employees' profit share	(772,933,066)	(866,118,001)
Board of directors' remuneration	(16,348,116)	(17,260,000)
Banking System Support and Development Fund	(73,907,430)	-
Transferred to capital reserve	(7,767,605)	(2,890,011)
Transferred to general reserve	(4,428,972,276)	(2,665,720,403)
Transferred to the legal reserve	(369,537,152)	(415,932,039)
Transferred from fair value reserve, net of tax	319,163	-
Transferred to general banking risk reserve	(151,859,264)	-
Balance at the end year	**13,022,516,998**	**11,216,966,389**

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, 2021	December 31, 2020
Cash and balances with central banks	3,865,992,922	3,841,124,598
Due from banks in less than 3 months	13,475,153,913	5,234,653,393
Treasury bills and other governmental notes (91 days)	206,043,501	109,334,969
Total	**17,547,190,336**	**9,185,112,960**

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, 2021. 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 945,038,280 as of December 31, 2021 (EGP 997,688,233 on December 31, 2020). 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, 2021	December 31, 2020
Financial guarantees	255,000	317,500
Accepted papers	3,146,172,197	1,797,703,754
L/Gs	43,455,458,358	40,570,756,871
Import L/Cs	3,998,675,261	1,957,494,838
Export L/Cs	504,098,326	226,134,764
Other contingent liabilities	-	19,632,824
Total	**51,104,659,142**	**44,572,040,551**

(d) Commitments for credit facilities	December 31, 2021	December 31, 2020
Commitments for credit facilities	30,249,820,775	31,497,891,864

(e) Commitments under operating lease contracts

Total minimum rental payments for the irrevocable operating lease contracts are as follows:

	December 31, 2021	December 31, 2020
Not more than one year	131,665,156	127,355,381
More than one year and less than 5 years	310,148,730	393,504,249
More than 5 years	66,550,198	100,460,794
Total	**508,364,084**	**621,320,424**

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, 2021	December 31, 2020
Due from banks	4,101,286	419,726
Due to banks	2,197,806,671	2,130,717,038
Export LC	25,497,885	2,513,234
LGs for banks	5,760,343,308	6,856,553,603
Foreign exchange derivative	1,814,873,752	1,329,333,503
Interest rate swap contracts	2,202,302,588	4,548,543,413
Other loans	187,028,730	412,967,625
Administrative expenses	169,133,060	-

A - Loans and credit facilities to related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Outstanding loans at the beginning of the financial year	111	111	-	1,119
Loans issued during the financial year	-	-	-	-
Loans repayment during the financial year	-	-	-	(1,119)
Loans outstanding at the end of the financial year	**111**	**111**	**-**	**-**
Interest income on loans	-	15	16	57

* 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Overdrafts	111	111	-	-
Total	**111**	**111**	**-**	**-**

(All amounts are shown in Egyptian Pounds)

B - Deposits from related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Deposits outstanding at the beginning of the financial year	73,059,484	62,923,605	5,054,947	10,683,248
Deposits for sold associates compaines	-	-	(5,054,947)	-
Deposits placed during the year	21,111,391	11,381,135	-	186,507
Deposits repaid during the year	(9,148,473)	(1,245,256)	-	(5,814,808)
Deposits outstanding at the end of the financial year	**85,022,402**	**73,059,484**	**-**	**5,054,947**
Interest expense on deposits	2,112,388	2,174,975	95,337	232,950

Deposits from related parties can be analyzed below	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Demand deposits	29,551,187	10,310,095	-	1,270,166
Saving accounts	511,608	91,110	-	-
Certificates of deposits	7,276,000	6,000,000	-	-
Time deposits	47,683,607	56,658,279	-	3,784,781
Total	**85,022,402**	**73,059,484**	**-**	**5,054,947**

C - Other transactions with related parties

	Directors and other key management personnel (and close family members)		Associates	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Fee and commission income	875	566	12,469	32,575
Guarantees issued by the bank	-	-	-	22,929
The above guarantees comprise:				
LGs	-	-	-	22,929
Total	**-**	**-**	**-**	**22,929**

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 8,447,857 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, 2021 reached 12,935,293 at a total value of EGP 5,736,091,004 The Group currently holds 963,087 certificates worth of EGP 427,076,115 of which EGP 22,172,250 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 92,563,379 are classified as fair value through profit or loss and EGP 312,340,486 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 26,602,343 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, 2021 reached 62,427 at a total value of EGP 14,785,785 The Bank currently holds 50,000 certificates worth of EGP 11,842,460 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 88,526 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, 2021 reached 93,104 at a total value of EGP 24,483,633 . The Bank currently holds 50,000 certificates worth of EGP 13,148,540 that are classified as fair value through other comprehensive 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 168,305 have been reported in the "fees and commission income" line item in the income statement.

41- Important Events

The coronavirus)"COVID-19"(pandemic is continuing across the various geographies globally, causing disruption to business and economic activities. Albeit to a lesser degree, by strengthening vaccinations and succeeding to vaccinate citizens in many countries, including Egypt. However, the continued spread of the Corona virus COVID-19 and the emergence of mutated strains, led to the continuing uncertainty in the global economic environment . 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 constantly following and applying its internal protective action started since Q1 2020 by monitoring and reviewing 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.

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
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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
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Fax: (202)25220699

Mokatam:
Corner of Road 9 & 10 El Hadaba El Olya - Mokattam - 11439 - Cairo
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Fax: (202)25031899

Zahraa EL-Maadi:
Block no. 10071 - Tenth District - El-Hadaba El Sofla - Al-Merage - El-Basateen - 11439 - Cairo
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Fax: (202)24471337

New Maadi:
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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
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Fax: (202)25195168

Abbas El Akkad:
20 Abo El Ataheya St.- Abbas El Akkad Ext.- Nasr City – 11471 - Cairo
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40 Ahmed Fakhry St.-Block 126- 6th District - Nasr City - 11391 - Cairo
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Arab Academy:
1 Mousheer Ahmed Ismail St.- Masaken Sheraton - Arab Maritime Acadamy - 11361 - Cairo
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Hassan El Maamoun:
108 El Mona Building Hassan El Maamoun St.- District No. 6 – Nasr City -11391- Cairo
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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:
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Fax: (202)22871152

Abasia:
111 Abasia St.- 11381- Cairo
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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 St. – 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
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Fax: (2013)3806299

Faggalla:
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Tel: (202) 25880656
Fax: (202)25880673

Chill Out - El Mattaria: “Newly added”
Chill out Gas station - Al Assar Corridor - Next to Mattaria Hospital & Mattaria square - El Mattaria- 4539901-Cairo

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
Fax: (2057)393599

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
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Tel: (202) 27707000
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