ANNUAL REPORT

2020

بنك القاهرة
Banque du Caire

ANNUAL REPORT

LEGACY BUILDERS

ANNUAL REPORT

2020

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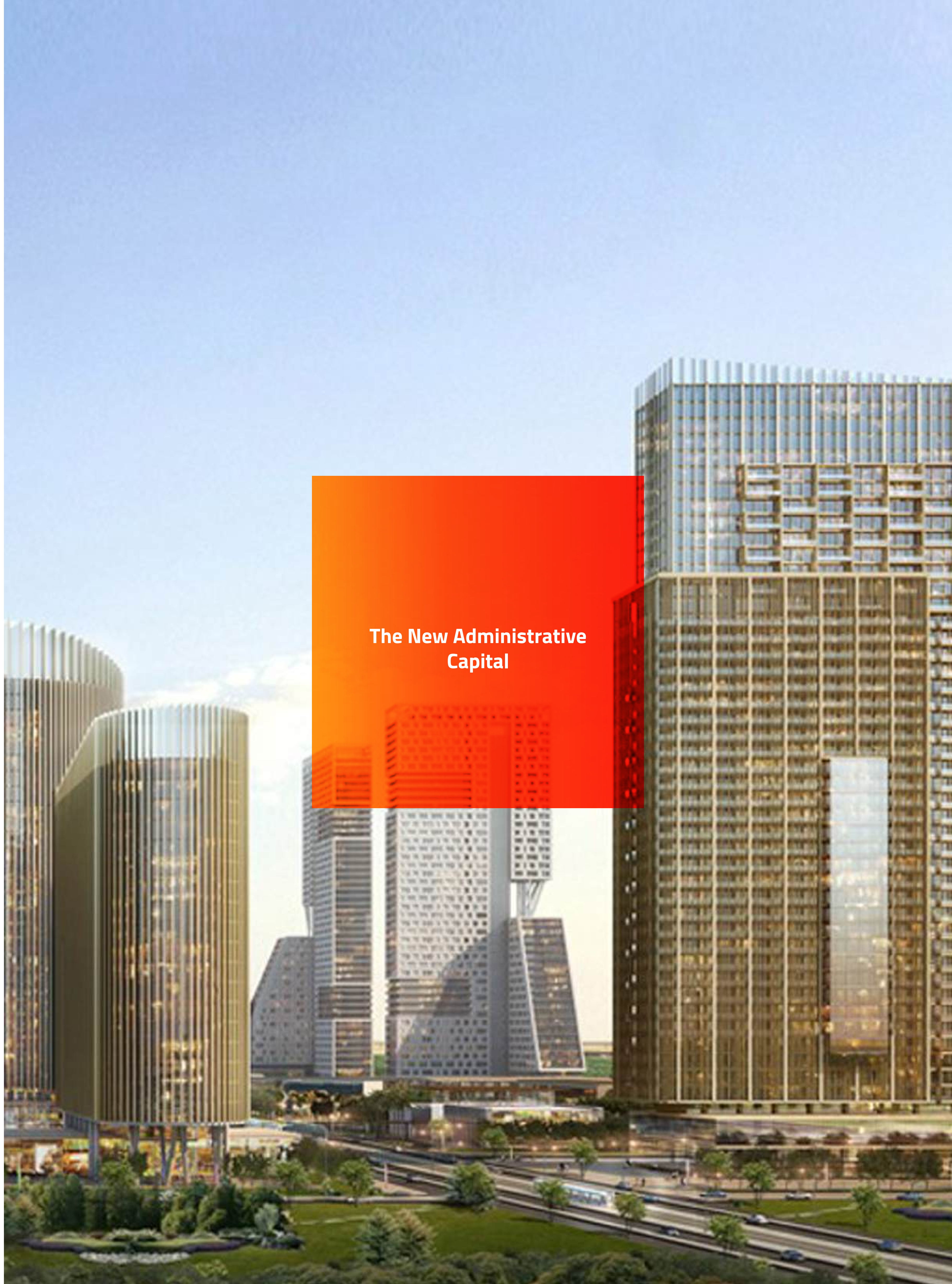


BANK OVER-VIEW

ABOUT BANQUE DU CAIRE

Banque du Caire offers its retail, SME, microfinance and corporate clients a comprehensive range of banking solutions to meet their financial goals all tied together with some of the country's leading digital solution offerings

Established in 1952, Banque du Caire is one of Egypt's longest-standing banks, with multiple awards garnered over its six-decade track record for its full range of services and products across the corporate and retail segments. The bank has grown to become a leader in the Egyptian banking market by capitalizing on its expansive network across the country, talented individuals, and deep knowledge of the local and regional banking sector.

Banque du Caire is a pioneer in the banking industry, having spurred the institutionalization of microfinance across banks to promote financial inclusion, community development, and entrepreneurial empowerment. The bank has played an integral role in the country's economic growth since its establishment, having extended financing to corporations across key sectors of the economy. As the bank has grown and evolved to meet dynamic market needs, it has adapted its service offering accordingly, having now established one of Egypt's leading digital banking frameworks for both retail and corporate clients.

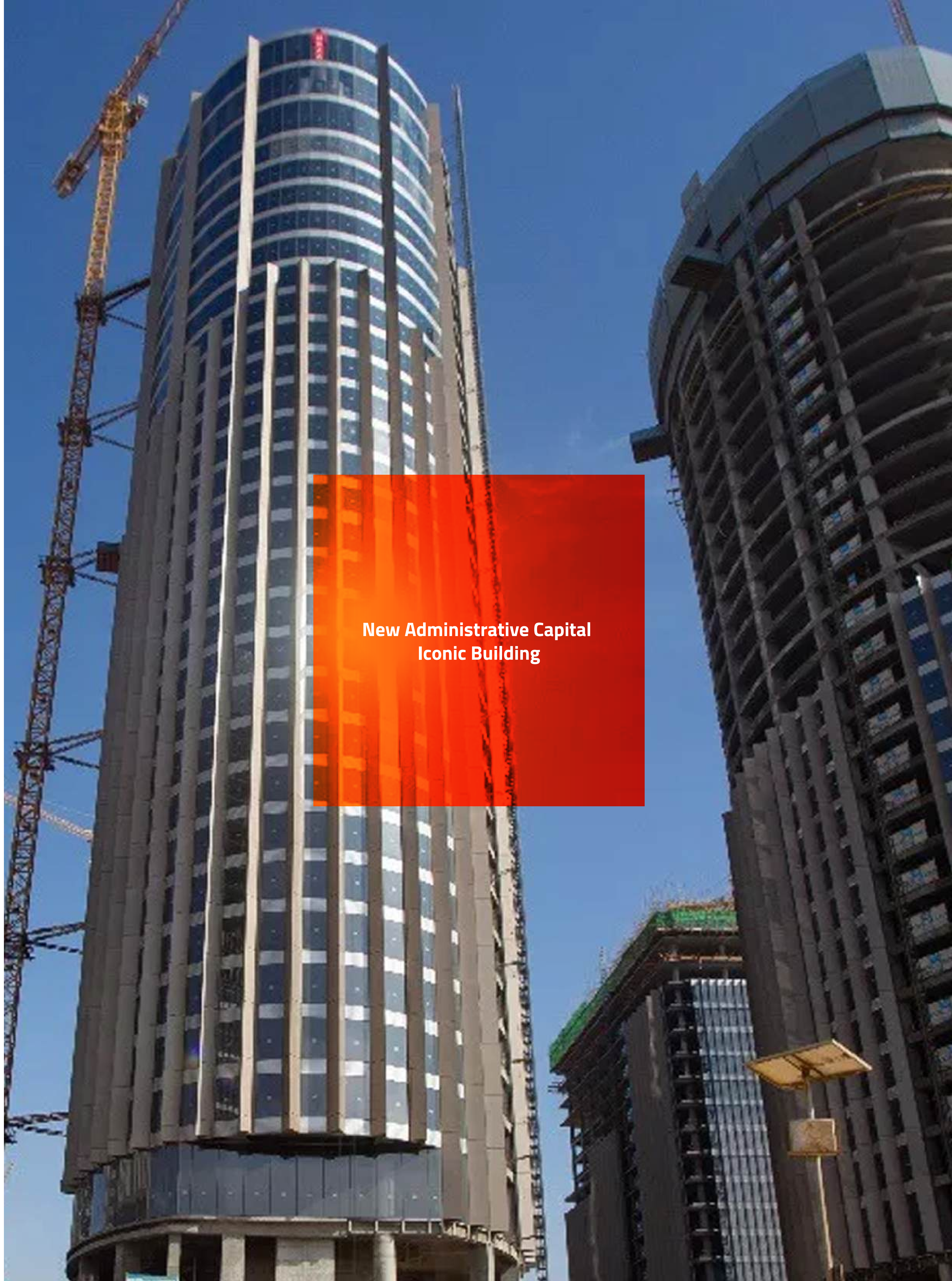
Further to its leading products and services, the bank launched a corporate leasing venture in 2018, Cairo leasing Corporation (CLC), which has grown to become a leader in Egypt's leasing sector. Banque du Caire also offers access to COMESA markets through Cairo International Bank, its Ugandan subsidiary. In addition, it runs a representative office in the UAE to ensure clients in the region are afforded the same quality banking services they do at home.

With a network spanning 241 branches and 1,046 ATMs across Egypt, the bank has an expansive and rapidly growing network, serving more than 3.2 million clients, including leading corporations, high-net-worth individuals, and retail clients. The bank offers some of the Egyptian market's most innovative banking products and services. The bank has sought to reposition itself as the bank of choice for all stakeholders through a rehaul of its service offerings, including expanded digital products, upgraded systems and infrastructure, and revamped governance frameworks, in line with global standards.

Corporate and Institutional Banking

Banque du Caire's corporate and Institutional Banking division is central to the bank's growth strategy. The division offers an array of products and services ranging from short- and medium-term working capital financing products to tailored, structured solutions for more complex short and longer-term financing needs, available in both local and foreign currencies. The bank has a diverse roster of clients which includes some of the market's most prominent entities across the public and private sectors. The division's Financial Institution business, which operates out of the bank's Egypt offices as well as a representative office in the UAE is focused on positioning the bank's business proposition to more than 700 global financial institutions.

The bank also offers a multitude of global transaction banking solutions including cash management and liquidity services, conventional and structured trade



New Administrative Capital Iconic Building finance solutions, and securities services including custody and clearing, agency and trust services, as well as acting as a depository agency. It also has a standalone Debt and Structured Finance team dedicated to providing full-fledged long-term funding products to its corporate clients. The team's service offering includes arranging debt underwriting, providing structured finance solutions, arranging syndicated loans, and providing agency and financial advisory services.

Retail and SME Banking

Banque du Caire's Retail and SME Banking division provides a full suite of innovative consumer credit and savings solutions ranging from personal, government, automotive, and mortgage loans to competitive current and savings accounts options. The division is also a prime supporter of small and medium enterprises (SMEs) in Egypt, bringing them a full range of products and services including short- and medium-term, soft and specialized lending solutions, trade finance and cash management services, and the option to engage in foreign exchange and forward deals.

The bank's Retail and SME Banking business is also one of the top microfinance providers in the country, operating out of 114 branch offices located across Egypt and serving over 189,000 active customers as of year-end 2020. In the SME segment, the bank operates out of 30 dedicated business centers across Egypt offering financial and non-financial services to clients. Its swift and hassle-free approval process coupled with its comprehensive track record position the bank's microfinance program as the go-to funding provider for micro entrepreneurs all around the country as it works to bolster the government's push for financial inclusion.

Treasury and Capital Markets

Banque du Caire's Treasury and Capital Markets (TCM) assists clients in managing their financial activities while working to minimize risk exposure resulting from expected or unexpected volatility in global markets. In line with the bank's customer-centric approach, the division provides sustainable sources of profitability for its clients tailored to their specific risk appetites. An active sales desk provides a careful analysis of potential risks. The team not only aims to minimize client exposure, but also employs different mechanisms to provide diverse hedging scenarios that suit clients' needs and protects them against any forecasted fluctuations in financial markets. As part of its hedging products, the bank offers FX forward transactions and interest rate swaps.

We maximize our money market profits by investing the treasury assets in the local and foreign interbank market using currencies such as EGP, USD, EUR, GBP, and SAR.

The bank is among the top two key market makers in the banknote export market, where it collects foreign banknotes from the local market and exports these banknotes to correspondent banks.

The division offers research and analysis services to its clients by preparing and distributing a daily morning brief including information on the latest FX rates, LIBOR, deposit rates, the latest market developments, major commodity rates, top stock exchange indices, and more.

The Assets and Liabilities Management (ALM) Desk, charged with effectively forecasting market conditions and constructing a funds transfer pricing (FTP) model that provides accurate benchmark pricing for all assets and liabilities.

TCM worked with other divisions to continue to develop innovative new products since 2018. These include Egyptian Eurobonds and hedging contracts that make use of FX derivatives, and are aimed at further expanding the bank's client base to encompass new market segments.

Strategic Subsidiaries

Cairo Bank Uganda

Cairo International Bank Uganda began its operations in 1995 and over the years positioned itself as the bank of choice for SMEs, educational institutions, government organizations, and other small corporate entities. The bank, which was rebranded to Cairo Bank Uganda in 2020, provides a full suite of tailored and innovative financial solutions ranging from corporate and personal loans to trade finance services and money transfers. Today, the bank is embarking on a new five-year strategy that will see the bank further increase its presence in the local and regional markets and continue to deliver value for all its clients. Cairo Bank Uganda offers Banque du Caire's corporate clients exclusive access to COMESA markets by providing strategic investment, export, and trade finance opportunities across several fast-growing Eastern and Southern African economies.

Cairo Leasing Corporation (CLC)

Founded in early 2018, CLC is an Egyptian joint stock leasing company fully owned by Banque du Caire and specialized in providing tailored leasing products and services to meet the corporate capital expenditure needs of all its clients. The company provides a wide variety of leasing products and services ranging from commercial and administrative real estate, systems and IT, and fleet management. In just one year, CLC has been able to climb the industry ranks to become Egypt's go-to leasing company driven by a customer-centric approach that aims to provide tailored financial solutions to meet all client needs, prompt credit decisions, and an unmatched customer experience, all backed by decades of experience and knowledge that CLC's staff have accrued in the field of leasing across numerous industries.

Banque du Caire is a pioneer in the banking industry, having spurred the institutionalization of microfinance across banks to promote financial inclusion, community development, and entrepreneurial empowerment.

OUR HISTORY

Since inception in 1952 by some of Egypt's leading financial professionals, Banque du Caire has built a legacy of excellence in the banking industry. Since then, it has grown to become one of Egypt's leading financial institutions with a track record of operational excellence spanning more than six decades.

1952

Banque du Cairo is established as a commercial bank operating out of its headquarters in Nasr City.

1954

The bank inaugurates its first non-Egyptian branch in the Kingdom of Saudi Arabia. In the following years, it opens two more branches in Lebanon.

1955

The first of seven Banque du Caire branches in Syria is opened but all are later nationalised following the bank nationalisation law passed by the Syrian government.

1956

After the nationalization of the Suez Canal, Banque du Caire participates in coming up with the necessary funding for the cotton crop industry after foreign banks rejected

1957

After the nationalization of foreign banks, the bank acquires Credit Lyonnais and the Comptoir National D'Escompte De Paris (CNEP).

1960

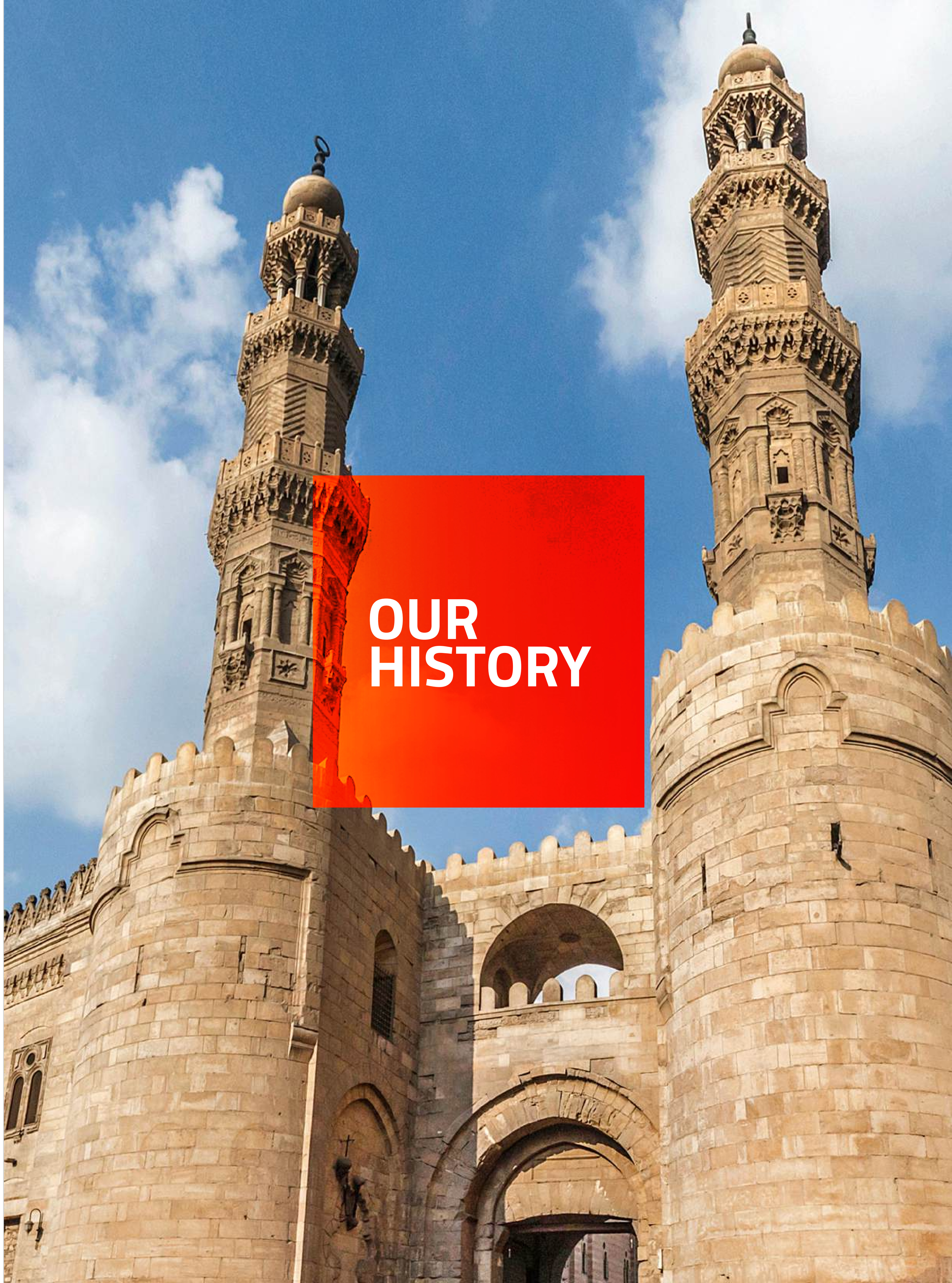
Banque du Caire opens its Jordan branch operating under the name Banque du Caire Amman.

1961

Banque du Caire is nationalised under the Bank Nationalisation law passed during that year.

1964

Following the Egyptian government's decision to limit the number of public sector banks to four, Banque du Caire merges with Commercial Union Bank.



1975

Cairo Barclays International Bank is established.

1977

Banque du Caire Paris (later BNP Paribas) is established.

1978

Cairo Far East Bank is established.

1995

Launches Ugandan subsidiary, first operating under the name Banque du Caire International, and later under the name Cairo International Bank (CIB) Uganda.

2003

The CBE's board issues a decree to increase the issued capital of Banque du Caire to EGP 1.6 billion, divided into 40 million shares (EGP 4 per share), and all owned by the state.

2007

Banque Misr acquires all of Banque du Caire's shares and the bank begins operating as an independent organization fully owned by Bank Misr.

2009

Five shares of Banque du Caire are sold to Misr Investment Company, and another five to Egypt-Abu Dhabi Real Estate Investment Company with the bank beginning to operate under banking and monetary law no.

2010

All shares owned by Banque Misr are transferred to Misr Investment Company at EGP 17.44 per share.

2018

Launches a new leasing business under the name Cairo Leasing Corporation (CLC) and immediately positions itself as a leader in the Egyptian leasing sector.

2019

Banque du Caire completes rebrand throughout its footprint.

AWARDS

2020

- Fastest Growing Forex Bank Egypt by Global Banking & Finance
- Best CSR Bank - Egypt by Global Economics
- Best New Digital Wallet for Qahera Cash by Global Economics
- Best Sub-Custodian 2020 by Global Finance
- Liquidity Management Provider of the Year by The European
- Best Fixed Income Banking Provider by The European
- Foreign Exchange Banking provider by The European
- Best Treasury Management Bank by The European
- Best Innovation in Retail Banking by International Banker
- Best Foreign Exchange Bank – Egypt by International Finance
- Best Global Transaction Banking – Egypt by International Finance
- Best Foreign Exchange Bank Egypt by International Business Magazine
- Best Bank for Treasury Egypt by International Busines Magazine
- Best Activation and Customer Engagement Brand, Egypt by Global Brands Magazine
- Most Innovative Banking Brand, Egypt by Global Brands Magazine
- Most Innovative CSR Initiative for Women Empowerment, Egypt by Global Brands Magazine

2019

- Best Foreign Exchange Bank by International Finance
- Best Transaction Bank by International Finance
- Best Syndicated Loan in North Africa by EMEA Finance
- Best Industry Deal by EMEA Finance
- Best Egyptian Bank in Restructuring and Development by the World Union of Arab Bankers
- Most Developed Banking Brand from Global Brands Magazine

2018

- Deutsche Bank Excellence Award for Exceptional Quality in Payment Messaging
- The Best Syndicated Loan in North Africa by EMEA Finance
- The Best Industry Deal in Africa by EMEA Finance

2017

- Corporate Social Responsibility Award from Al Alam Al Youm
- Best Microfinance Bank in Egypt at the Banking Executives Awards for two years in a row
- Excellence Award and Best Financier of Micro Projects by the World Union of Arab Bankers

2016

- Highest Shareholder Return – Return on Capital Bank in Egypt for four years running by the Banker Magazine, an international publication affiliate of the Financial Times.
- Corporate Social Responsibility Award by the Arab Organization for Social Responsibility
- Best Insourced Contact Center Award by RAYA for both the first and second quarter of the year
- Best Syndicated Loan Award by EMEA Finance
- Ranked 12th worldwide for Marketing and Managing Syndicated Loans and Financing Projects by Bloomberg
- Best Microfinance Bank in Egypt at the Banking Executives Awards
- Excellence Award and Best Financier of Micro Projects by the World Union of Arab Bankers

2015

- Highest Shareholder Return – Return on Capital Bank in Egypt for three years running by the Banker Magazine, an international publication affiliate of the Financial Times.
- Best Retail Bank in Egypt by the World Union of Arab Bankers
- Best Bank in Corporate Social Responsibility Award by Amwal El Ghad
- Best Domestic Corporate Bank and Best Islamic Investment Fund by North Africa Awards

2014

- Highest Shareholder Return – Return on Capital Bank in Egypt for two years running by the Banker Magazine, an international publication affiliate of the Financial Times.
- Golden Medal for Leadership in Social Responsibility by the Tatweej Excellence Awards Academy
- Best State-Owned Bank Award by Amwal El Ghad
- Zawya Fund Award for the Banque Du Caire Fund I

2013

- Highest Shareholder Return – Return on Capital Bank in Egypt for by The Banker Magazine, an international publication affiliate of the Financial Times

2020 FINANCIAL HIGHLIGHTS

Banque du Caire's robust strategy allowed it to cement itself as a leader in Egypt's banking sector and post strong results despite the global slowdown due to the impact of the COVID-19 pandemic. The bank's top line recorded an increase of 19% y-o-y to EGP 11.9 billion, primarily on the back of effective balance sheet management and portfolio expansion efforts, which saw Banque du Caire's loan portfolio grow by 17% y-o-y to EGP 92.8 billion at year end 2020. Additionally, the bank's total income for the period was further supported by an increase in net interest margin, which grew to 5.8% in 2020, up from 5.2% last year. The bank's profit after tax for the year amounted to EGP 3.2 billion, declining by 20% y-o-y from the EGP 3.9 billion recorded in 2019. The decline comes as a result of the bank adopting a conservative approach and booking significant provisions as a protective mechanism due to the impacts of the COVID-19 pandemic.

General and administrative expenses for the year amounted to EGP 4.8 billion, up by 22% y-o-y on the back of an increase in staff costs and donation expenses. The increase drove a slight uptick in Banque du Caire's cost-to-income ratio to 40.4% in 2020, up from 39.5% in 2019. Moreover, the bank posted EGP 1.7 billion in tax outlays, reflecting an annual increase of 26% as a result of a legislative changes occurred in 2019 with relative a financial impact in year 2020 accordingly the effective tax rate increased from 25.4% to 34.9%.

Banque du Caire's total assets amounted to EGP 205.3 billion, reflecting an increase of 12% y-o-y at year end 2020. The bank's growth in total assets was driven by a 15% y-o-y increase in loans to customers and banks (net of provisions), which recorded EGP 86.0 billion in 2020. Banque du Caire's Corporate and Institutional Banking group continued to lead the bank's loan growth, recording a portfolio of EGP 43.6 billion, reflecting a 10% y-o-y increase for the period. Meanwhile, the bank's SME group posted strong results, growing by 32% y-o-y to record EGP 9.1 billion in 2020, attesting to Banque du Caire's well-established presence in the SME space. The bank's retail portfolio expanded by 23% y-o-y and booked EGP 40.1 billion at year end 2020. In parallel, the bank continued to build on its achievements from the previous year and recorded an increase at its loan-to-deposit ratio to 57.0%, up from the 52.4% posted in 2019 on the back of Banque du Caire's successful portfolio expansion efforts over the course of 2020. Moreover, despite the unprecedented impacts of COVID-19, Banque du Caire was able to maintain a stable non-performing loan ratio of 4.12% as well as increase its coverage ratio to 177% in 2020 compared to 152% in 2019.

Banque du Caire's total liabilities increased by 12% y-o-y to EGP 187.7 billion at year end 2020. The increase came on the back of an 8% y-o-y rise in customer deposits to EGP 162.8 billion as well as increases in deposits from other financial institutions in 2020. Low-cost current and savings accounts (CASA) witnessed a slight increase of 1.5% y-o-y to EGP 57.8 billion, while certificates of deposit (CDs) increased by 13% y-o-y to EGP 65.3 billion at year end 2020. TD values increased by 11% y-o-y to EGP 37.4 billion in 2020. Moreover, liabilities due to banks stood at EGP 13.4 billion at year end 2020.

Shareholders' equity in Banque du Caire amounted to EGP 17.6 billion, up by 17% y-o-y in 2020, with an increase of EGP 2.6 billion, attributed to the recognized profits in current year by EGP 3.2 billion after paid dividends of 2019. Moreover the joint efforts with the main bank's shareholder resulted in efficient manage of the capital structure and enhanced capital base value by EGP 3.9 billion reflected positively on the main supervisory indicators, including Basel accord ratio, leading the capital adequacy ratio to reach 16.5% compared to 15.8% of 2019.

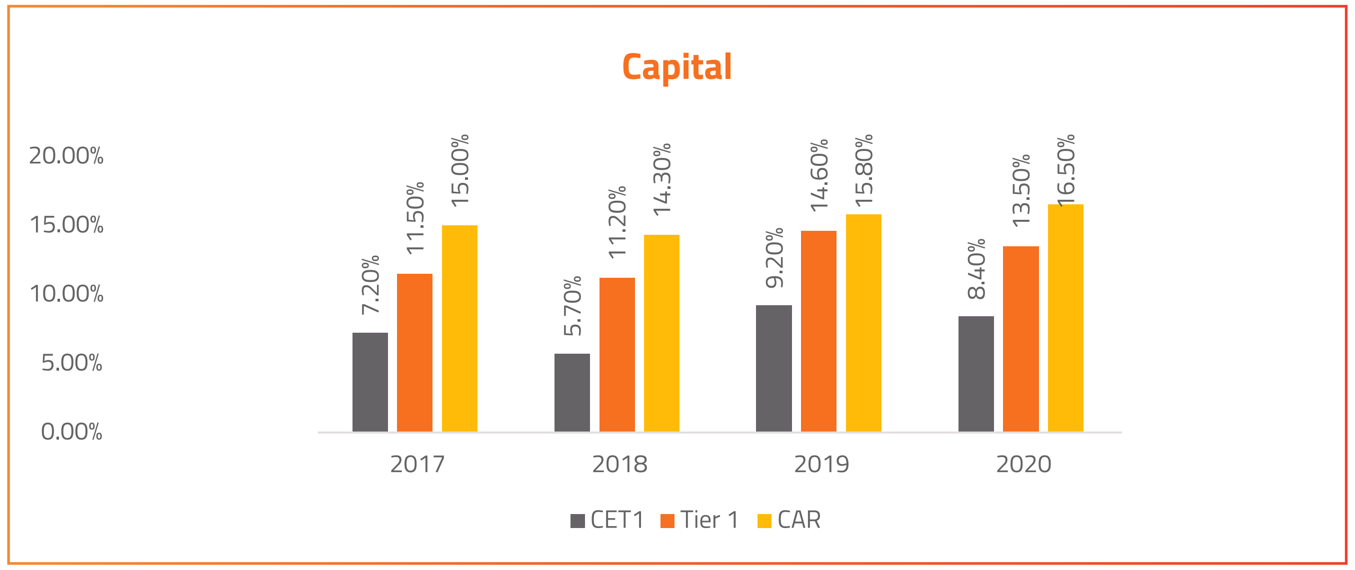
Meanwhile, the bank delivered a return on average equity (ROAE) of 20%, down from the 32.8% posted in 2019, owing to the bank's lower profitability at year end 2020.

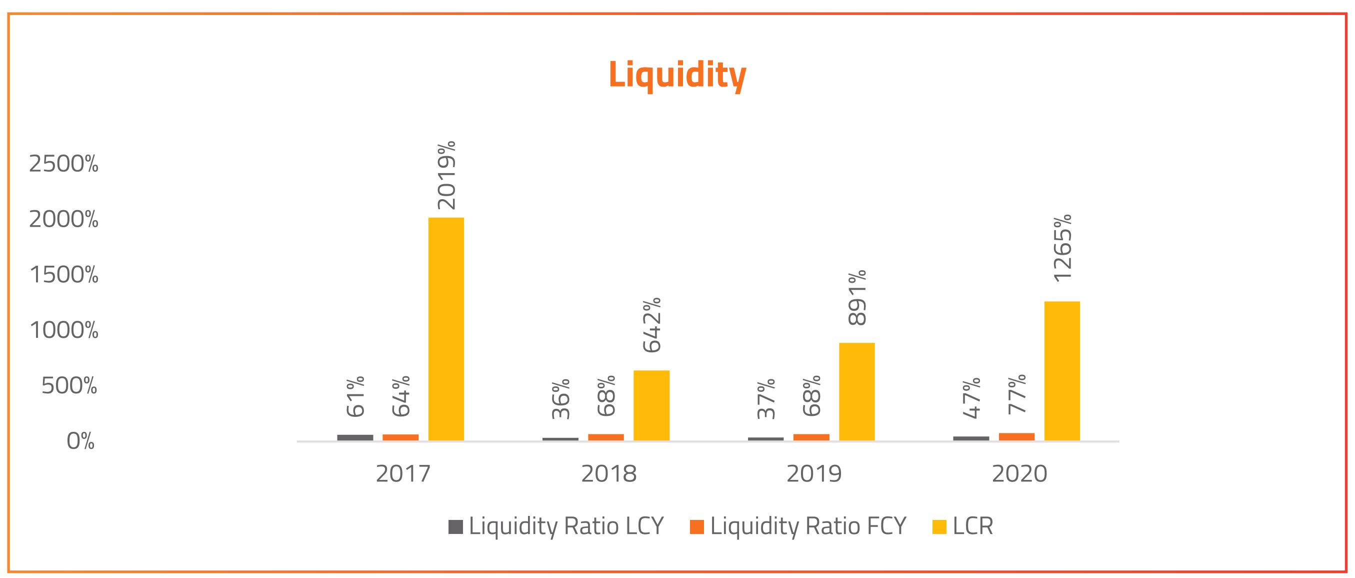
Damietta Furniture City Power Station

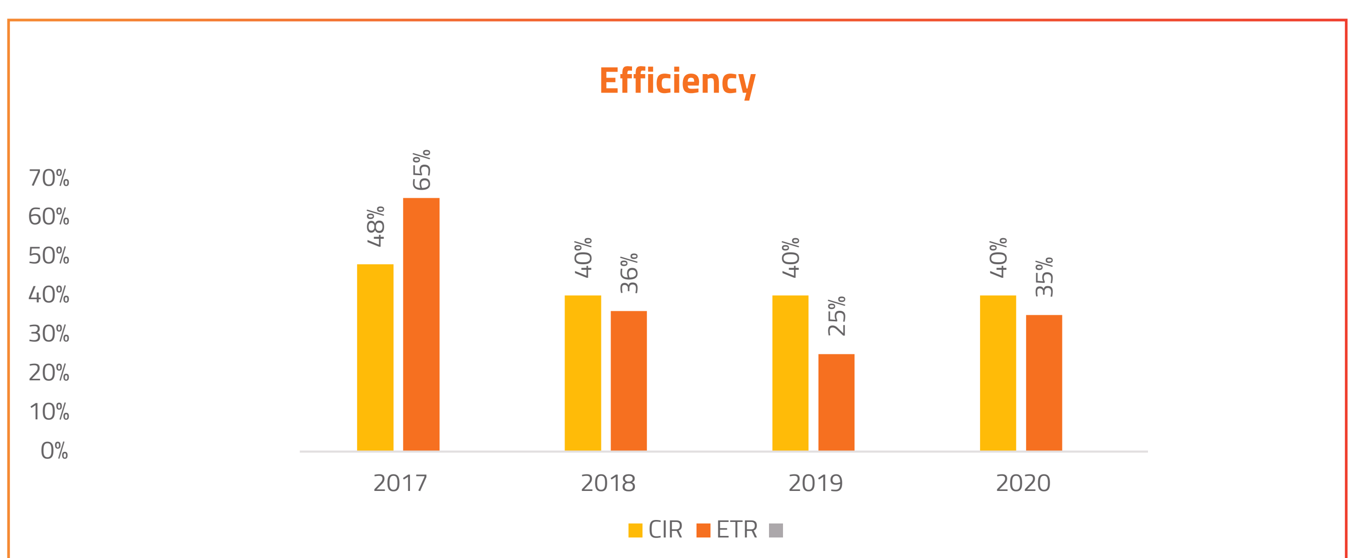
Income Statement	2016	2017	2018	2019	2020
Total Income	5,896	5,673	7,729	9,977	11,882
Net Interest Income	4,996	4,713	6,483	8,344	10,053
Net Fee Income	786	878	1,134	1,540	1,604
Trading Income	(1)	-	-	3	25
Dividend Income	34	71	117	47	62
Gain/(Loss) on Investments	81	11	(4)	43	138
Total G&A Expenses	(2,155)	(2,733)	(3,090)	(3,942)	(4,805)
Impairment	(74)	(658)	(905)	(844)	(2,388)
Other Income/Expense	(414)	17	156	98.7	160
Profit Before Tax	**3,253**	**2,299**	**3,891**	**5,290**	**4,849**
Tax	(1,045)	(1,491)	(1,410)	(1,342)	(1,694)
Profit After Tax	**2,208**	**808**	**2,481**	**3,948**	**3,155**

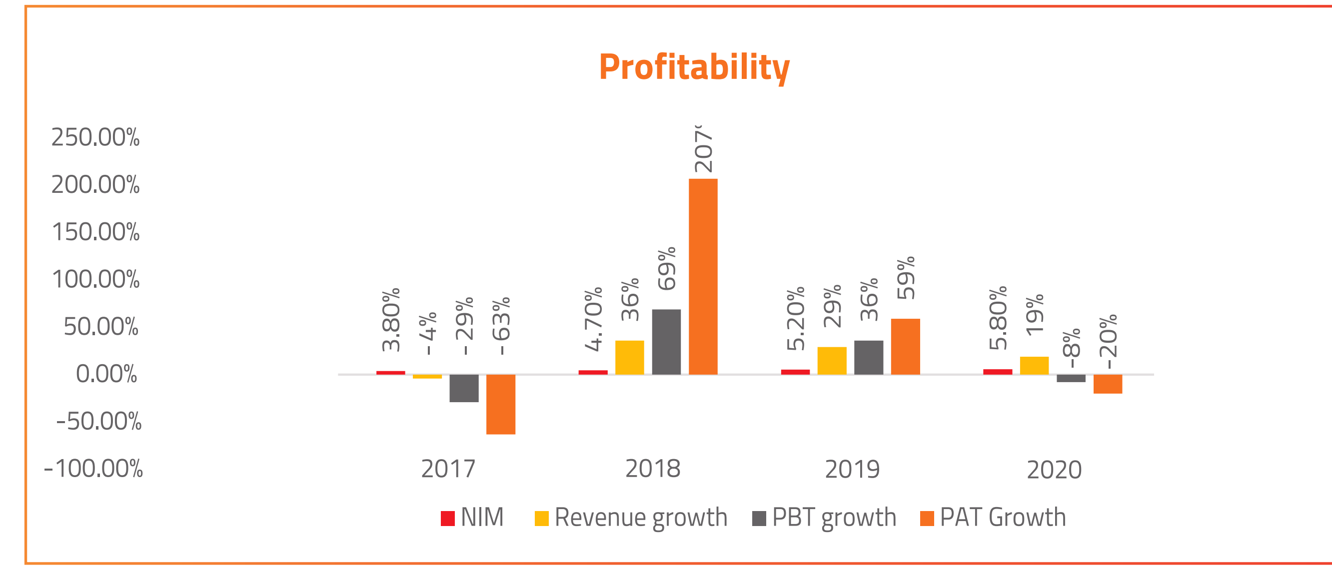
Balance sheet Assets	2016	2017	2018	2019	2020
Cash and Balances with CBE	6,011	10,915	4,336	11,741	12,907
Due from Banks	28,639	29,649	53,100	31,208	24,956
Treasury Bills	25,731	36,073	-	-	-
Financial Investment Assets FVPL	-	-	19	48	53
Loans (To customers and Banks)	42,395	41,716	62,347	74,600	85,988
Financial Derivatives Assets	-	-	-	-	3
Investments Available For Sale	546	750	-	-	-

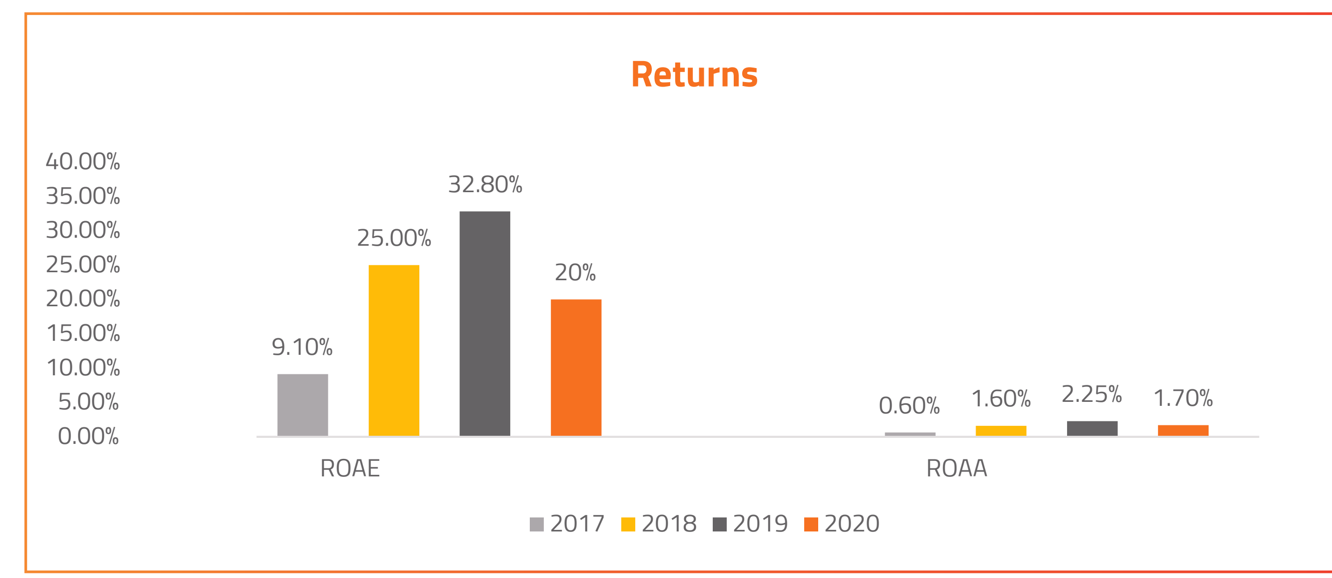
Balance sheet Assets	2016	2017	2018	2019	2020
Financial Investment Assets FVOCI	-	-	21,384	40,739	52,716
Investments Held To Maturity	25,149	25,319	-	-	-
Financial Investment Assets AC	-	-	21,982	18,943	20,720
Investments in subsidiaries & associates	199	217	293	543	594
Other assets	2,118	2,012	3,166	3,886	5,568
Asset Deferred Tax	242	242	295	332	371
Fixed and Intangible Assets	276	323	394	1,075	1,451
Total Assets	**131,308**	**147,216**	**167,315**	**183,115**	**205,327**
Liabilities and Shareholders' Equity					
Liabilities					
Due To Banks	9,641	7,882	18,558	8,283	13,417
Customer's deposit	106,723	122,187	131,298	150,987	162,777
Financial Derivatives Liabilities	-	-	-	5	3
Other loans	2,002	2,651	3,219	2,882	6,768
Other liability	3,295	3,922	2,183	4,157	2,793
Deferred tax liabilities	22	28	37	100	155
Other Provisions	424	547	452	615	585
Retirement benefits liabilities	610	763	948	1,084	1,247
Total Liabilities	**122,717**	**137,980**	**156,695**	**168,113**	**187,745**
Equity					
Issued and paid up capital	2,250	2,250	2,250	5,250	5,250
Reserves	1,925	2,516	2,421	2,309	3,255
Difference between present and fair value	1,580	2,651	2,453	1,317	2,722
Retained earnings & annual net profit	2,836	1,820	3,496	6,126	6,355
Total Shareholders' Equity	**8,591**	**9,236**	**10,621**	**15,002**	**17,582**

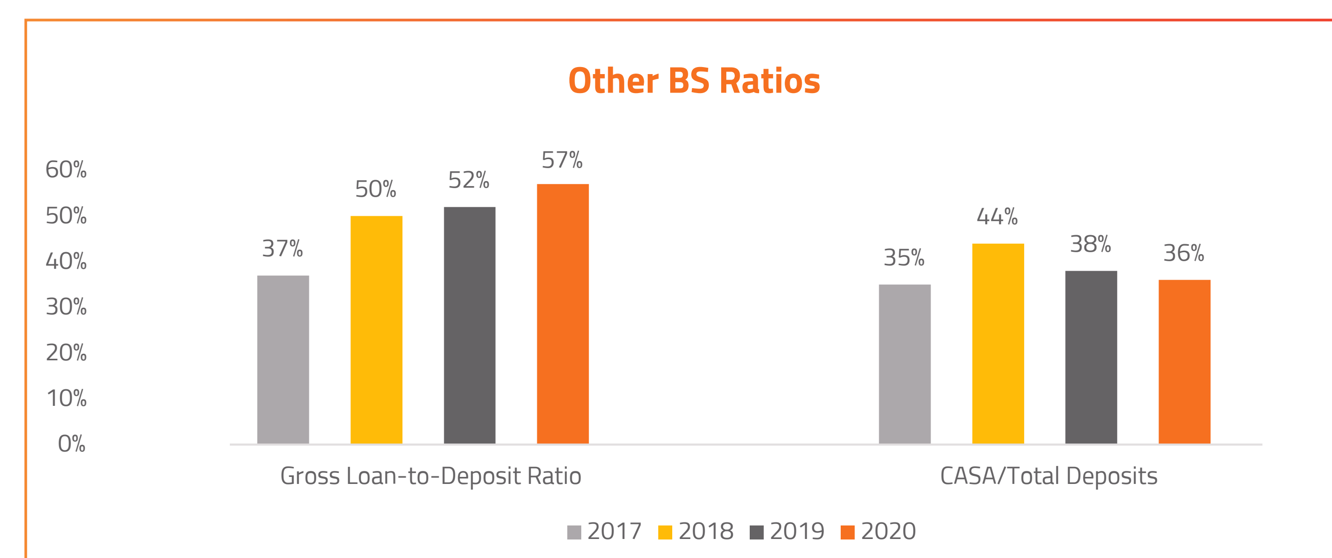

Capital
20.00%
15.00%
10.00%
5.00%
0.00%
7.20% 11.50% 15.00%
5.70% 11.20% 14.30%
9.20% 14.60% 15.80%
8.40% 13.50% 16.50%
2017 2018 2019 2020
CET1 Tier 1 CAR


Liquidity
2500%
2000%
1500%
1000%
500%
0%
61% 64% 2019%
36% 68% 642%
37% 68% 891%
47% 77% 1265%
2017 2018 2019 2020
Liquidity Ratio LCY Liquidity Ratio FCY LCR


Efficiency
70%
60%
50%
40%
30%
20%
10%
0%
48% 65%
40% 36%
40% 25%
40% 35%
2017 2018 2019 2020
CIR ETR


Profitability
250.00%
200.00%
150.00%
100.00%
50.00%
0.00%
-50.00%
-100.00%
3.80% -4% -29% -63%
4.70% 36% 69% 207
5.20% 29% 36% 59%
5.80% 19% -8% -20%
2017 2018 2019 2020
NIM Revenue growth PBT growth PAT Growth


Returns
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
9.10% 25.00% 32.80% 20%
0.60% 1.60% 2.25% 1.70%
ROAE
ROAA
2017 2018 2019 2020


Other BS Ratios
60%
50%
40%
30%
20%
10%
0%
37% 50% 52% 57%
35% 44% 38% 36%
Gross Loan-to-Deposit Ratio
CASA/Total Deposits
2017 2018 2019 2020

CHAIRMAN AND CEO NOTE

In the face of what has shaped to be an unprecedented year, flexibility and agility have proven time and time again to be crucial to organizations as they respond to fast-changing market dynamics. Equipped with a solid strategy and a flexible approach, Banque du Caire was once again able to navigate changes to our operating environment and the instability caused by the onset of the COVID-19 pandemic to safeguard the wellbeing of our team while ensuring business continuity and delivering ever-positive results. With emphasis on adopting increased digitalization across all our business lines as well as reinforcing the capacity of our team, the bank was able to capture new opportunities throughout the year and expand on its operations, leaving us well-positioned to benefit from the global economic uptick prompted by mass vaccination programs.

Following the peak of the pandemic and the ensuing lockdown in March, our primary aim as an institution was to ensure that our employees remained safe while still continuing to serve our clients at the level they have become accustomed. Our first step was to establish a crisis management committee that met on a daily basis to identify risks and put together policies and measures to navigate the crisis. Working closely in collaboration with a number of government entities, including the CBE and Ministry of Health, the committee instated several safety measures including reduced in-office capacity for employees, strict hygienic measures across all bank offices and branches, availing masks and sanitizers for all visitors and employees, as well as imposing restrictions on bank visits in accordance with government regulations.

With the lockdown, fast-tracking our digitalization strategy became necessary in order to allow us to put together the required infrastructure for remote working as well as to offer our customers new products aligned with the imposed restrictions. During the year, we hit a number of milestones in our digitalization strategy, with our most notable achievement being the launch of our first fully digital branch. The branch utilizes a range of digital authentication tools to offer our clients a unique banking experience with a full range of services. To help us better serve our clients, the bank adopted dedicated customer relationship management technology that offers comprehensive reports compiled from a number of our channels to provide us with insights to better tailor our products. We also introduced our revamped Qahera Cash Wallet, which saw us grow our wallet portfolio to 530,000 wallets during the year, bundled with the launch of the first merchant QR Code wallet in the Egyptian banking market, acquiring more than 34,000 merchants across Egypt in one year, in addition to the roll-out of our all-new corporate and institutional internet banking platform. Our retail internet and mobile banking portfolios additionally grew to c.72,000 customers with c. 92,000 transactions, amounting to EGP 859 million. On the retail front, the bank's results continued to outpace market averages in spite of challenging conditions. Our retail and micro loan portfolio climbed 23% y-o-y, reaching EGP 40.1 billion, boasting a retail loan market share of 10.2% in 2020 and marking an outstanding achievement in the face of our operating environment during the year. Deposits performed similarly driven by or commitment to launch new, tailored products for our client base, with total retail deposits up 6.5% y-o-y to EGP 126 billion in 2020. As we work to consistently identify new products that unlock value for customers and boost the overall size of the loan and deposit portfolio, we believe we have the tools in place to continue with our growth trajectory in the retail space in years to come.

With branch penetration per capita still remaining below regional and global averages, we believe there are a number

Banque du Caire was once again able to navigate changes to our operating environment and the instability caused by the onset of the COVID-19 pandemic to safeguard the wellbeing of our team while ensuring business continuity and delivering ever-positive results.

of opportunities to be captured through expanding our branch network. In 2020, we added 14 new branches for a total of 241 nationwide branches. Additionally, we focused revamping branches in line with our transformational rebranding strategy, bringing our total number of revamped branches to 32. We hope to build on these efforts in the next year, completing our renovation endeavors and adding an additional 10 new branches to our network as well as reallocating 12 branches.

Throughout the year, Banque du Caire's corporate and institutional banking division cemented its outstanding capabilities. The division was mandated as a financial advisor for several key transactions in the debt space, appointments which are few and far between for corporate banks, attesting to the team's superior aptitude. In addition to rolling out our new corporate internet banking platform, which introduces a number of unique services beyond transfers, the bank also launched a number of new services for its corporate clients, including ATM and QR services. Additionally, the bank onboarded a number of regional clients during the year, speaking volumes of our division's abilities beyond our home market of Egypt. The division's commendable performance during the year was recognized through several accolades including Best Transaction Banking in Egypt for 2020 by International Fnance Magazine & Best Sub-Custodian in Egypt for 2020 by Global Finance

The promotion of nationwide financial inclusion constitutes a main priority for Banque du Caire. Over the years, we have made great strides, in close collaboration with the CBE, to offer a range of products and services to individuals and small enterprises alike. On the MSME front, we have made great progress on creating tailored, bespoke solutions and products to support our customers as they grow, regardless of their size or of the industry in which they operate. We have grown our MSME portfolio to EGP 9.1 billion, a 32% year-on-year increase from 2019 and amounting to 18% of our total portfolio Furthermore, following directives from the CBE to all banks with the aim of promoting financial inclusion by directing 20% of their portfolio to the MSMEs. Today, we have a total of 30 business centers nationwide offering a complete range of financing services, including credit assessment and relationship management. In addition, we have further grown our team, enrolling 50 new hires into our SME business school to equip them with the necessary skills to occupy a range of roles across the division.During 2020, Banque du Caire established two new units, including the Very Small Segment unit, which caters to the needs of businesses with an annual sales turnover of EGP 20 million, as well as a Collection Management unit which is responsible for the follow up and monitoring of settlement of due payments. This will allow the bank to further enhance its offering to SME clients, contributing to increased financial inclusion

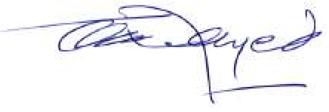
As part of our efforts to increase our presence in the NBFI space, our subsidiary CLC continued to gain a foothold in the market during the year, having successfully managed to break even within just three months and achieving a bottom-line profit of EGP 33 million. Our approach to growing the company by slowly building strong operational foundations has borne fruit and allowed it to become one of the country's leading industry players. In addition, 2020 saw us obtain a license to establish a fully-fledged payment company, which will have a range of offerings including points of sale, QR codes, bill aggregation, and card processing. This marks a significant leap for the bank as we diversify our offerings into non-bank financial services to offer a holistic range of amenities to our corporate, institutional, and retail customers.

I am also pleased to share that during the year, we have successfully gained full ownership of Cairo Bank Uganda (formerly Cairo International Bank Uganda), which has

empowered us to make a number of key strategic changes to accelerate our bank-wide development plans. Among the changes we have instigated during the year has been the appointment of a new board of directors, as well as an overhaul of the bank's branding to align it with Banque du Caire. We are currently on-track to continue with our plans for the bank, including expanding our team as well as introducing new products, which will see us break even on it earlier than our projected timeline.

In recognition of the hardships resulting from the onset of the COVID-19 pandemic, our community support initiatives remained a priority for us during the year to cushion the population's most vulnerable segments from the worst of the pandemic as well as empower them to improve their overall quality of life. Our approach to community support is one that is multifaceted, seeking to assist multiple groups through targeted programs in order to generate maximum impact. Among these efforts have been our microfinancing initiatives, with special programs targeting youth and mothers in order to assist them with sustainable income generation; providing medical support to communities impacted by the COVID-19 pandemic; offering exceptional students educational scholarships to leading Egyptian universities; and contributing to the development of national hospitals and specialized disease centers, among others. We have continued to uphold our commitment to the United Nations Global Compact (UNGC), of which we have been a member since 2016, as well as worked to align our efforts with Egypt's national development strategy, Vision 2030, in order to ensure that our efforts are well-positioned to generate maximum impact on sustainable development across the local community.

In the face of an unprecedented year, our bank has not only weathered the storm, but rather has emerged stronger than ever, posting outstanding results across all divisions. This could not have been possible without the hard work, dedication, and resilience of our team, whose tireless efforts have allowed us to generate the results we did. I would like to take the opportunity to offer my gratitude to each and every member of our team, whose daily efforts have allowed us to emerge from the uncertainty clouding the year better equipped than ever to capitalize on new opportunities and grow together. I would also like to thank our board of directors, whose guidance, composure, and flexible approach allowed Banque du Caire to remain at the forefront of the industry. We are currently poised to capitalize on new opportunities, further growing our business and capabilities leaving us at the helm of an exciting chapter of the bank's history.



TAREK FAYED
Chairman and CEO

Board of Directors

Mr. Tarek Fayed
Chairman and Chief Executive Officer

Holding the position of Chairman & CEO at Banque du Caire, with more than 32 years of banking experience in a variety of fields including but not limited to banking supervision, risk management, corporate & investment banking.

Mr. Fayed is currently a board member of; Egyptian Banking Institute, Social Fund for Mortgage Finance, Egyptian Stock Market, Union of Arab banks, Credit Guarantee Company (CGC), Cairo leasing Company (CLC) General Assembly Egyptian Holding Company for Aviation and Federation of Egyptian Chambers of Commerce.

Prior to his tenure with Banque du Caire, Mr. Fayed spent 10 years working for the CBE, he has overseen several departments including but not limited to off-site supervision, licensing & macroprudential supervision. He managed to shift the supervisory framework from a compliance to a risk-based approach & introduced new supervisory tools, such as early warning & stress testing. He also participated in the introduction of a large range of prudential regulations including Basel Standards. Additionally, he established Egypt's 1st financial stability report in 2016 & was also a part of CBE negotiation team with the IMF to facilitate Egypt's economic reform program in 2016.

He represented the CBE on regional & international organizations; The Arab Monetary Fund Financial Stability Working Group, The Islamic Financial Services Board, African Trade & Development Bank, General Assembly of the Egyptian Electricity Authority, and member of National Committee of Refund of Funds. He also represented the CBE as a non-executive director for a number of financial institutions as part of their transformation; the Agriculture Bank of Egypt, United Bank and Arab International Bank.

Prior to his tenure with the CBE, Mr. Fayed was the GM & Chief Risk Officer at the Arab International Bank in Cairo. Mr. Fayed worked at Samba Financial Group, in Riyadh, KSA as the Audit Director.

Mr. Fayed also held a post at Citibank Egypt in both Cairo and Alexandria as Corporate Bank Head where he navigated the corporate banking strategy in line with the bank's overall growth plan and developed marketing plans for the segment to grow its market share.

Mr. Fayed holds a BA in Commerce from Ain Shams University, in addition to various certifications in Credit and Risk Management. He also led and attended numerous study tours and seminars with supervisory bodies and international institutions, such as the Federal Reserve, European Central Bank, Bank of England, Deutsche Bundesbank, and Bank for International Settlements.

Mr. Hazem Hegazy
Executive Vice Chairman

Mr. Hazem Hegazy currently holds the position of Executive Vice Chairman at Banque du Caire, a post he took in 2018. He has over 30 years of experience in retail and SME banking across Egypt and the GCC and is highly skilled in risk management, banking, and operations. He also currently holds a position on the board of Al Nasr Housing and Development Company in Egypt and serves as Chairman of Herasat for Security Services.

Before joining Banque du Caire, Mr. Hegazy served as the National Bank of Egypt's (NBE) CEO of Retail and SMEs for two years where he managed 390 branches and over 10,000 members of staff, set up business strategies, and conducted high-level deals with international financial institutions. Mr. Hegazy was also CEO of the Egypt division of Network International, a leading UAE-based payment solutions provider, where he led on strategy creation and streamlining operations as well as profitability. Prior to that, he was the Consumer Banking Group Head at Barclays Bank in Egypt where he skillfully managed the bank's retail and branch network solutions.

For six years prior, he served as the Group Head of the Retail and Branch Group at NBE, where he restructured the retail business, built up key alternative channels like the call center, drove strategy on product development, sales, services, and more. From 2007 to 2008, Mr. Hegazy held the position of VP Head of Retail Banking at the Arab Bank, and from 2005 to 2007 he was Head of Distribution—Retail Banking at Al Ahli United Bank in Qatar where he recommended changes that boosted the bank's performance and developed key relationships with partners that helped maximize market share.

Mr. Hegazy spent some time working for Union National Bank as AVP Operations Risk Manager where he was integral to the bank's risk management strategies. He was Manager of Asset Sales with the UAE division of Standard Chartered Bank where he ran consumer-facing products, enhanced the portfolio, and expanded the volume of the bank's retail business. Mr. Hegazy began his banking career with Mashreq Bank where he held numerous posts bookended with a position of Branch Manager.

Mr. Hegazy holds a BSc in Accounting from the Faculty of Commerce at Cairo University.

Mr. Amr El Shafei
Executive Vice Chairman

Mr. Amr El Shafei Joined Banque du Caire as Executive Vice Chairman on 1 January 2018. Amr currently serves as a Board Member of The Holding Company for Tourism and Hotels (HOTAC), Board Member of Cairo Leasing Company (CLC), the bank's leasing arm, Board Member of Misr Bank-Europe GmbH, and, most recently, Board Member of Sarwa Sukuk S.A.E.

Before joining the bank, he was Group Head of Corporate Banking, Debt and Structured Finance at The National Bank of Egypt (NBE), Board Member of Al Ahly Capital Holding (NBE's investment banking arm) as well as Al Ahly Leasing.

Prior to NBE, Mr. El Shafei worked with Barclays Africa as Regional Head of Corporate Banking and Corporate Products for Egypt, Kenya and Tanzania based out of Egypt. He was also member of the Executive Committee for Corporate and Investment Banking for Africa (except South Africa). He joined Barclays Bank in Egypt as the Corporate Banking Director in November 2012 moving from Barclays UAE. He served with Barclays UAE in 2008 as Head of Extended Coverage Countries (GCC), where he spent a year and a half, after which he spent almost three years as Head of Corporate Coverage for Abu Dhabi and the Northern Emirates.

He moved to Barclays from Citigroup in UAE where he served as Vice President in Corporate Finance responsible for coverage and origination with a focus on government-related entities and top-tier local corporates. He also worked with Citigroup in Cairo as a Corporate Relationship Manager and Leasing Product Manager and with the International Corporate Division of Mashreq Bank in Dubai where he managed corporate origination in Saudi Arabia, Bahrain, and Kuwait. Prior to his time with Citi's Corporate Bank in Egypt, Mr. El Shafei completed an on-the-job training program with Bank of New York in Colorado and New York as part of the Egyptian government's Executive Training Program in 1999. The training was concluded during his time as Marketing and Credit Manager for the International Company for Leasing (Incolease), where he spent two years as one of the core team setting up the firm's portfolio and credit policies. Before Incolease, Amr spent five years with HSBC's Corporate Bank in Egypt where he started his career in February 1994 and completed his Executive Training Program.

He holds a BA in Economics and Political Science from Cairo University.

Ms. Amal Esmat joined Banque du Caire as a Non-Executive Board Member on 1 January 2018. Ms. Esmat has more than 26 years of banking experience, mostly with Citigroup in the Middle East. In her lastest assignment with Citi, she was the Middle East Regional Risk Management Head for Citigroup Global Markets Limited - Dubai from 2006 to 2016. Prior to that, she was the deputy Regional Risk Management Head for the Middle East based in Bahrain from 2005 to 2006. Ms. Esmat joined Citibank in Cairo in 1997 as a Relationship Manager in the Corporate Banking Team. In 2003, she joined the Risk Management group under the Credit Risk Analytics Department Head for Citibank Egypt. Prior to Citi, Ms. Esmat worked for three years as a Project Finance Officer with Export Development Bank of Egypt. Aside from her banking career, which focused mostly on Corporate Banking and Credit Risk Management, she conducted audits on numerous bank branches in Africa, the Middle East, North Africa, and London. Ms. Esmat holds an MBA in International Banking and Finance from the University of Birmingham, UK and a BSc in Chemical Engineering from Cairo University.

Mr. Ashraf Bakry was appointed as a Non-Executive Board Member in Banque du Caire on 1 January 2018. Mr. Bakry is the Managing Director of Unilever Mashreq and a member of the NAME (North Africa and Middle East) Leadership Team. He has over 27 years of experience in both Supply Chain and General Management in Multinational Organizations.

He started an academic career in 1992 as a demonstrator in the Faculty of Engineering then moved a year later to join Procter and Gamble in 1993. He spent six years in various manufacturing assignments in Saudi Arabia as well as regional category international assignments, which involved working in the UK and France looking after a consolidation project in the Middle East, Africa, and Pakistan. Mr. Bakry moved back to Egypt in 1999 and joined Unilever Egypt as a Plant Manager. He joined the Unilever board in 2001 as the Supply Chain Director, then moved to General Management in 2006 to manage Levant and Iraq. In January 2009, he joined the NAME board as NAME Supply Chain Vice President looking after the operations in the 20 countries spanning from UAE to Morocco.

In 2014, he was assigned as the Managing Director leading the Unilever business in the Mashreq region. Mr. Bakry co-chairs the Industrial and Trade Committee in the American Chamber in Egypt. He is part of the Internal Trade Development Committee and he is also the head of the Egyptian Cosmetics Export Council (Part of the Medical/Cosmetics Export Council).

Dr. Ramy El Borai
Non-Executive Board Member

Dr. Ramy El Borai, Managing Partner of El-Borai & Partners, is admitted to practice law in Egypt and in the State of New York and is specialized in various aspects of commercial, corporate, banking and finance law. He also currently serves as a board member at Banque du Caire and Holdi Pharm. His previous legal roles include partner at Sarie-Eldin & Partners in Egypt, Legal Consultant at the World Bank, VP Legal Counsel at the National Investor in Abu Dhabi, and Senior Legal Counsel at the National Bank of Abu Dhabi. He has also held a number of academic positions including assistant lecturer at the University of London, Queen Mary and Westfield College; assistant lecturer at Southern Methodist University, Dallas, Texas; lecturer for the Ethics, Conflict of Interests and Legal Writing courses at the American Bar Association Continued Legal Education Program; Labor Law lecturer at the American University in Cairo; and Contracts and Commercial Law lecturer at Ecole Supérieure Libre des Sciences Commerciales Appliquées (ESLSCA).

Dr. El Borai was named among the global Leading Lawyer 100 list for project finance by Lawyer Monthly. He holds a PhD from the University of London in Cross-Border Corporate Insolvency, LLM from the University of Warwick (UK), LLM from Southern Methodist University (TX), LLB from Paris I Pantheon-Sorbonne and LLB from Cairo University.

Mr. Tamer Wagih Salem
Non-Executive Board Member

Mr. Tamer Wagih Salem joined Banque du Caire as a Non-Executive Board Member on 1 January 2018. Mr. Salem is the Chairman of the Board of Directors and Primary shareholder in Prime Holding Group. He was previously Chairman of numerous investment companies, including Coprosa Prime for Construction, Cairo Contractors Company, Prime Resources for Mining and Oil and Gas Trade, Prime Development, Prime Foods for Food Products, Prime Hospitality, Prime Tours for Tourism, Data Misr for Digital Transformation, Royal Resources for Oil and Gas Prospecting, Prime Trade, and Prime Pharma for International Trade which pioneered the export of the hepatitis C drug and organizes Tour & Cure, the medical tourism program for hepatitis C patients.

He has also filled several posts at the community level, both locally and regionally, including Chairman of the Committee of Foreign Investors at the Saudi Chamber of Commerce in Riyadh, Member of the Board of Directors of the Egyptian Saudi Business Council, Member of the Egyptian Emirates Business Council, Member of the Board of Directors of the Canadian Chamber of Commerce in Cairo, Member of the Board of Directors of Hyde Park Developments, and Member of the Egyptian Serbian Business Council. He has also participated in numerous public welfare activities, particularly in the field of planning and comprehensive development, initiated a national youth and local community development called "Your Project'' (Mashrou'ak) for the development of small enterprises. He has also been a speaker in the Emirates Center for Strategic Studies since 2012.

Mr. Salem received several awards from both local and international bodies, including from the Egyptian Military Council for his support of youth and development projects, the Arab Distinction Award for the Best National Project, an award from the Emirates Sheikh Zayed Foundation for Dedication, an award from the Emirates Center for Political and Strategic Studies, an honorary membership from the Saudi Association for Voluntary Work, an award from the Initiative of Sheikh Saleh Kamel for community service, and the Saudi Medal of Voluntary Work and Community Service.

Mr. Salem received an MBA from Cambridge University and he holds a BSC in Construction Engineering from Ain Shams University and several diplomas in business management and business development.

Mr. Hisham Sanad
Non-Executive Board Member

Mr. Hisham Sanad joined Banque du Caire as a Non-Executive Board Member in March 2018. Mr. Sanad's experience extends over more than 32 years in the IT services sector supported by vast business and organizational planning expertise punctuated by expert knowledge of regional markets, various economic sectors, and services provided by the ICT sector. Mr. Sanad is currently the Chairman and CEO of Egabi Solutions. In mid-2006, he co-founded Egabi Group, a leading IT Solutions & Services Company with regional coverage across a number of subsidiaries and branches in Egypt, Saudi Arabia, and the UAE as well as a technical training company and a specialized company focused on the delivery of dedicated technology solutions and services to the Banking and Financial Services sector.

He is a Board Member of the Technology Development Fund (TDF), former Board Member and Chairman of the Chamber of Information Technology and Communication, and former Board Member of the Information Technology Industry Development Agency (ITIDA), the executive IT arm of the Ministry of Communications and Information Technology. Mr. Sanad is a member of the American Chamber of Commerce and a member of the Information and Communications Systems Division in the Chamber.

He was the Managing Director of Raya Software and Raya Regional Services, the General Manager of Raya Integration, and the General Manager of Solutions and Technology Services (STS).

Mr. Sanad holds a BSc in Electronics & Communication Engineering from Ain Shams University. He is a graduate of the Strategic Executive Leadership Program at Harvard Business School, USA in 2004.

Mr. Wael Ziada
Non-Executive Board Member

Mr. Wael Ziada was appointed as a Non-Executive Board Member on 1 January 2018. Mr. Ziada has over two decades of experience in money markets in the Middle East and is currently the Founder and Executive Chairman of Zilla Capital for Investments, a regional private investment company and a board member of various entities, both financial and non-financial.

Prior to that, Mr. Ziada was the Executive Chairman and CEO of EFG Hermes Finance and a member of the Executive Committee of EFG Hermes Holding. He was responsible for the vision and the executive plan for EFG Hermes to venture into the field of non-bank financing to diversify revenue streams and lower dependence on volatile money market sectors.

He was also, head of EFG Hermes' award-winning and internationally recognized research division from 2008 to 2014. Under his leadership, the department underwent a significant turnaround that saw its coverage expanding to more than 12 countries with output expanding threefold and its services offered over digital platforms. He succeeded in assessing and promoting several initial public offerings, the most important of which were Vodafone Egypt, Emaar Malls Group, Talaat Mostafa Group, Telecom Egypt, Palm Hills for Real Estate Marketing, the Arabian Cement Company, and the promotion of the first real estate investment fund in the Arab world—the Emirates Real Investment Trust (REIT).

He holds a BA in Economics from the American University in Cairo.

Executive Committee

Mr. Tarek Fayed
Chairman and Chief Executive Officer

Mr. Tarek Fayed holds the position of Chairman & CEO at Banque du Caire, with more than 32 years of banking experience in a variety of fields including but not limited to banking supervision, risk management, corporate & investment banking.

Mr. Fayed is currently a board member of; Egyptian Banking Institute, Social Fund for Mortgage Finance, Egyptian Stock Market, Union of Arab banks, Credit Guarantee Company (CGC), Cairo leasing Company (CLC) General Assembly Egyptian Holding Company for Aviation and Federation of Egyptian Chambers of Commerce.

Prior to his tenure with Banque du Caire, Mr. Fayed spent 10 years working for the CBE, he has overseen several departments including but not limited to off-site supervision, licensing & macroprudential supervision. He managed to shift the supervisory framework from a compliance to a risk-based approach & introduced new supervisory tools, such as early warning & stress testing. He also participated in the introduction of a large range of prudential regulations including Basel Standards. Additionally, he established Egypt's 1st financial stability report in 2016 & was also a part of CBE negotiation team with the IMF to facilitate Egypt's economic reform program in 2016.

He represented the CBE on regional & international organizations; The Arab Monetary Fund Financial Stability Working Group, The Islamic Financial Services Board, African Trade & Development Bank, General Assembly of the Egyptian Electricity Authority, and member of National Committee of Refund of Funds. He also represented the CBE as a non-executive director for a number of financial institutions as part of their transformation; the Agriculture Bank of Egypt, United Bank and Arab International Bank.

Prior to his tenure with the CBE, Mr. Fayed was the GM & Chief Risk Officer at the Arab International Bank in Cairo. Mr. Fayed worked at Samba Financial Group, in Riyadh, KSA as the Audit Director.

Mr. Fayed also held a post at Citibank Egypt in both Cairo and Alexandria as Corporate Bank Head where he navigated the corporate banking strategy in line with the bank's overall growth plan and developed marketing plans for the segment to grow its market share.

Mr. Fayed holds a BA in Commerce from Ain Shams University, in addition to various certifications in Credit and Risk Management. He also led and attended numerous study tours and seminars with supervisory bodies and international institutions, such as the Federal Reserve, European Central Bank, Bank of England, Deutsche Bundesbank, and Bank for International Settlements.

Mr. Hazem Hegazy
Executive Vice Chairman

Mr. Hazem Hegazy currently holds the position of Executive Vice Chairman at Banque du Caire, a post he took in 2018. He has over 30 years of experience in retail and SME banking across Egypt and the GCC and is highly skilled in risk management, banking, and operations. He also currently holds a position on the board of Al Nasr Housing and Development Company in Egypt and serves as Chairman of Herasat for Security Services.

Before joining Banque du Caire, Mr. Hegazy served as the National Bank of Egypt's (NBE) CEO of Retail and SMEs for two years where he managed 390 branches and over 10,000 members of staff, set up business strategies, and conducted high-level deals with international financial institutions. Mr. Hegazy was also CEO of the Egypt division of Network International, a leading UAE-based payment solutions provider, where he led on strategy creation and streamlining operations as well as profitability. Prior to that, he was the Consumer Banking Group Head at Barclays Bank in Egypt where he skillfully managed the bank's retail and branch network solutions.

For six years prior, he served as the Group Head of the Retail and Branch Group at NBE, where he restructured the retail business, built up key alternative channels like the call center, drove strategy on product development, sales, services, and more. From 2007 to 2008, Mr. Hegazy held the position of VP Head of Retail Banking at the Arab Bank, and from 2005 to 2007 he was Head of Distribution—Retail Banking at Al Ahli United Bank in Qatar where he recommended changes that boosted the bank's performance and developed key relationships with partners that helped maximize market share.

Mr. Hegazy spent some time working for Union National Bank as AVP Operations Risk Manager where he was integral to the bank's risk management strategies. He was Manager of Asset Sales with the UAE division of Standard Chartered Bank where he ran consumer-facing products, enhanced the portfolio, and expanded the volume of the bank's retail business. Mr. Hegazy began his banking career with Mashreq Bank where he held numerous posts bookended with a position of Branch Manager.

Mr. Hegazy holds a BSc in Accounting from the Faculty of Commerce at Cairo University.

Mr. Amr El Shafei
Executive Vice Chairman

Mr. Amr El Shafei Joined Banque du Caire as Executive Vice Chairman on 1 January 2018. Amr currently serves as a Board Member of The Holding Company for Tourism and Hotels (HOTAC), Board Member of Cairo Leasing Company (CLC), the bank's leasing arm, Board Member of Misr Bank-Europe GmbH, and, most recently, Board Member of Sarwa Sukuk S.A.E.

Before joining the bank, he was Group Head of Corporate Banking, Debt and Structured Finance at The National Bank of Egypt (NBE), Board Member of Al Ahly Capital Holding (NBE's investment banking arm) as well as Al Ahly Leasing.

Prior to NBE, Mr. El Shafei worked with Barclays Africa as Regional Head of Corporate Banking and Corporate Products for Egypt, Kenya and Tanzania based out of Egypt. He was also member of the Executive Committee for Corporate and Investment Banking for Africa (except South Africa). He joined Barclays Bank in Egypt as the Corporate Banking Director in November 2012 moving from Barclays UAE. He served with Barclays UAE in 2008 as Head of Extended Coverage Countries (GCC), where he spent a year and a half, after which he spent almost three years as Head of Corporate Coverage for Abu Dhabi and the Northern Emirates.

He moved to Barclays from Citigroup in UAE where he served as Vice President in Corporate Finance responsible for coverage and origination with a focus on government-related entities and top-tier local corporates. He also worked with Citigroup in Cairo as a Corporate Relationship Manager and Leasing Product Manager and with the International Corporate Division of Mashreq Bank in Dubai where he managed corporate origination in Saudi Arabia, Bahrain, and Kuwait. Prior to his time with Citi's Corporate Bank in Egypt, Mr. El Shafei completed an on-the-job training program with Bank of New York in Colorado and New York as part of the Egyptian government's Executive Training Program in 1999. The training was concluded during his time as Marketing and Credit Manager for the International Company for Leasing (Incolease), where he spent two years as one of the core team setting up the firm's portfolio and credit policies. Before Incolease, Amr spent five years with HSBC's Corporate Bank in Egypt where he started his career in February 1994 and completed his Executive Training Program.

He holds a BA in Economics and Political Science from Cairo University.

Ms. Hala El Kasar

Chief Risk Officer

Ms. Hala El-Kasar joined Banque du Caire as Head of Credit Risk in 2010, subsequently assuming the position of Chief Risk Officer in 2012. She is a member of various committees at the bank, such as the Executive Committee, ALCO and other credit / risk committees. Ms. El-Kasar has held non-executive board member positions at Nile Holding Company for Investment and at Misr Insurance Holding as an independent non-executive board member. Currently, she is a non-executive board member at The Egyptian Credit Bureau "I-Score".

Ms. El-Kasar has over 27 years of banking experience, spanning corporate banking, credit risk management, enterprise risk management, and most recently InfoSec. Previously, she spent two years at Abu Dhabi Islamic Bank in Egypt as the Head of Credit Risk & Portfolio Management and six years at the Arab Banking Corporation Egypt as the Credit & Risk Management Division Head. Prior to that, she spent eight years at Mashreq Bank Egypt, mostly as a Corporate Relationship Manager.

Ms. El-Kasar holds a BA in Economics with a minor in Business Administration from the American University in Cairo and is a holder of Harvard Business School Executive Leadership Certification from Harvard University.

Mr. Mohamed Aly

Treasurer

Mr. Mohamed Aly joined Banque Du Caire in September 2018 as the Head of Treasury & Capital Markets Group capitalizing on his 27 years of experience in covering international markets as well as the Egyptian market. He is also a member of the Executive, ALCO, and Investment Committees at Banque Du Caire. He is currently a member of the American Chamber of Commerce in Egypt and the Interarab Cambist Association (ICA). Additionally, he is the Vice Chairman & Board member of ACI Egypt. Moreover, he is an instructor in the Egyptian Banking Institute (EBI).

Prior to joining the bank, Mr. Aly was the Head of Capital Markets at QNB Alahli. During his time there, Mr. Aly was the Portfolio and Investment Manager of the Staff Fund. Prior to QNB Alahli, he was the Head of Capital Markets at National Société Générale Bank in Cairo and held a position in the dealing room at the Bank of Commerce and Development in Cairo. During his professional experience, Mr. Aly attended numerous seminars and workshops at leading international investment houses in Europe and the Gulf covering various banking and finance topics. Moreover, he is certified from Harvard Business School – Boston USA for Executive Leadership Program fall 2019.

Mr. Aly holds a BA in Business Administration from Ain Shams University.

Mr Mohamed Ibrahim
Chief Financial Officer

Mr. Mohamed Ibrahim is currently Chief Financial Officer at Banque du Caire, where he leads on finance. His previous roles with the bank include Financial Controller and Deputy CFO.

Ibrahim brings a diversified skill set to his position, with over 21 years of experience across financial control, financial planning and analysis, and bank operations at multiple international and local banks and a solid record of improving business performance. Prior to joining Banque du Caire, he served as Financial Controller and Vice President at Attijariwafa Bank, from 2017 to 2018.

Prior to this, Ibrahim previously held an array of roles at Barclays Bank Egypt spanning a period of ten years. He joined Barclays 2008 as Assistant Vice President and Retail Business Planning & Analysis Manager, leading a team of financial analysts, developing financial strategies. His later roles include Vice President, Head of Accounting and Financial Regulatory Reporting, and Head of Business Planning.

Prior to that, Ibrahim spent seven years with Citibank Egypt, where he last served as Business Planning Assistant Manager under the Global Consumer Group. Mr. Ibrahim is a Certified Management Accountant and holds a Bachelor of Commerce in Accounting from Ain Shams University.

STRATEGY

Banque du Caire seeks to drive growth and transformation across all of its operations, leveraging a multifaceted strategy in order to achieve its long-term objectives

Banque du Caire has deployed its multifaceted strategy since 2018 in order to solidify its position in the market as well as work towards becoming a fully-fledged bank. During 2020, the bank was able to overcome challenging conditions and market instability resulting from the onset of the COVID-19 pandemic, capturing new market opportunities and expanding its operations. Through its emphasis on digitalization and building the capacity of its team, the bank's strategy left it well positioned in order to weather the effect of the pandemic and generate positive results. This was supplemented by the bank's board of directors and senior management team adopting a flexible approach in terms of strategy implementation, adapting it as necessary in order to respond to ongoing events. The team's agility and flexibility allowed them to modify its strategy as necessary, allowing Banque du Caire to close the year on a strong note.

A key priority for Banque du Caire during the year was fast-tracking its digital transformation strategy, in order to implement the necessary infrastructure and develop new products to ensure business continuity throughout the course of the pandemic. The solid operational foundations established by the bank across all of its divisions allowed the bank to remain well diversified and witness growth in its loan book during the year, growing by 17%. Additionally, the bank's range of products and services contributed to growth in its deposit base, increasing by 8% during the year. The bank also led the sector in terms of operating revenue with an annual growth of 19%, an outstanding feat in the face of the challenges posed by the year.

Mindful of the potential impact of the COVID-19 pandemic, the bank remained prudent in its accounting provisions for the year,Increasing the Expected Credit Loss Provisions by EGP 2.4 billion in the year from EGP 844m in 2019.

This was done with the aim of preemptively absorbing potential losses as well as accounting for potential delays in loan repayments. Banque du Caire's primary aim during the year remained to offer clients support to meet their working capital needs and ensure business continuity. Accordingly, the bank continued to offer loans to corporate clients during the year, witnessing a 13% increase in their loan book from the previous year.

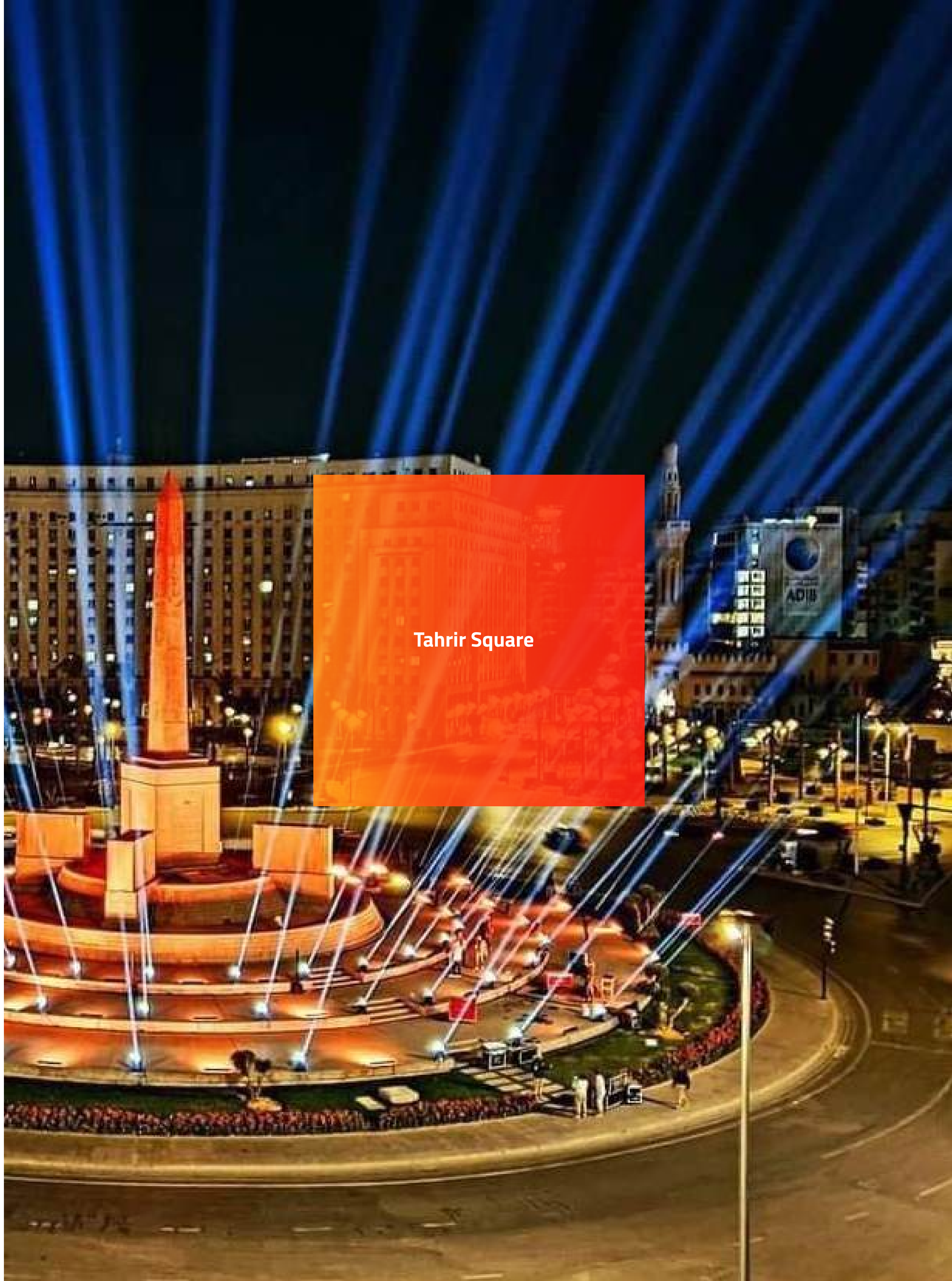
COVID-19 Measures

Throughout the year, Banque du Caire instated a number of policies with the aim of safeguarding the health and safety of its employees in light of the outbreak of COVID-19. With the onset of the pandemic, the bank established a crisis management committee, which began meeting on a daily basis in order to identify potential risks and mitigation measures. The committee additionally worked closely with the CBE, Ministry of Health, and relevant government authorities in order to implement sound safety practices and procedures across all bank branches and headquarters.

Among Banque du Caire's safety measures were reducing capacity for employees working from its offices; implementing rigid hygienic measures across all bank branches; offering masks and sanitizers to all employees and visitors; and increasing restrictions for bank visits in order to abide by government guidelines. Presently, the bank has gradually increased office working but continues to closely monitor the situation and consult with relevant government authorities in order to prioritize the wellbeing of its employees.

Digitalization

In the face of ever-changing times, Banque du Caire firmly



believes that digitalization is a key driver of growth for businesses. Accordingly, digitalization forms a core pillar of the bank's strategy, in line with Egypt's national digital transformation and financial inclusion initiatives. The bank accordingly seeks to integrate an array of products and services into its offering to allow it to better serve its clients and remain at the forefront of the industry. With the onset of COVID-19, the bank has accelerated its adoption of digital products in order to support its clients and ensure business continuity while safeguarding the health of its employees and clients.

A major milestone for the bank during 2020 was the launch of its first digital branch, offering clients the ability to execute a variety of transactions, including opening new accounts, seamlessly and efficiently. The bank utilizes digital authentication and form-filling tools in order to provide clients with a secure, prompt, and unique banking experience.

The bank also adopted specialized customer relationship management technology which compiles a range of data from the bank's various channels in order to produce comprehensive reports with various insights that will allow Banque du Caire to tailor its offering to its customers' needs.

Banque du Caire additionally revamped its Qahera Cash Wallet, upgrading its overall design as well as adding several new features. The bank additionally worked to expand its wallet portfolio during the year, growing it to 530,000 wallets during the year, an increase of 73% y-o-y. The bank's internet and mobile banking portfolios witnessed similar success during the year, growing to c.72,000 customers with c. 92,000 transactions, amounting to EGP 859 million.

In addition to working on diversifying its offering and increase digitalization across the retail banking division, in order to broaden its customer base. The year saw the bank grow its internet and mobile banking portfolio, with users gaining access to cheque book requests; credit card services; messaging customer services; IBAN numbers; and self-registration. In addition, the bank launched its first digital branch, offering customers a comprehensive suite of services.

The bank also worked on introducing new and improved products during the year, such as the revamped mobile wallet with new features such as P2P transfers, bill payments, virtual cards, QR code merchant payments, loan payments, and integration with the national ATM network.

In addition, the bank revamped its ATM channels, with software migrated to the latest customer experience banking software in order to provide for seamless integration with the bank's middleware that will allow BDC to leverage other channels' developed services through its ATM network.

The bank's aim during the year was to convert its ATM network to another important digital channel allowing customers to perform a number of financial transactions beyond cash services. The bank further worked to improve its cash service offering through its ATM network, investing in the latest cash recycling technology by converting more than 25% of its ATM base to cash recyclers for better cash utilization. This will allow the bank to expand its ATM network to rural areas with 320 new ATMs across different areas as well as expand to other strategic locations with an additional 300 ATMs set to replace the remainder of its old fleet of ATMs, to reach a total of 1700 ATMs by the end of 2021.

During the year, Banque du Caire additionally managed to obtain license to establish a fully-fledged payment company, with a diversified offering including points of sale, QR codes, bill aggregation, and card processing. This is an integral part of the bank's strategy to broaden its offering in order to offer a holistic set of financial services.

Corporate and Institutional Banking

During 2020, the bank's corporate and institutional banking division made a number of achievements that speak volumes not only of the team's capabilities, but also its unique positioning in the industry. A key milestone for Banque du Caire was getting mandated as financial advisor, a rarity for

corporate banks, which serves as testament to the bank's abilities. In addition, the bank rolled out its corporate internet banking platform, facilitating transactions, transfers, and payroll services for its corporate clients. The bank also launched ATM machine services for corporate clients under its global transaction banking division, as well as QR code services for corporate clients across their distribution network. Banque du Caire further onboarded multinational and regional corporate clients during the year, including two UAE-based clients. This marks an accomplishment given Banque du Caire's status as a local bank, which traditionally face difficulties in penetrating regional markets. The bank's performance during the year was recognized by a number of awarding bodies in the industry.

Retail Banking

[Retail products]

In 2020, Banque du Caire's retail liabilities portfolio growth closed at EGP 126 billion with net growth of 6.5%, in line with the bank's over-arching strategy. The impact COVID-19 posed challenges to the bank's liabilities portfolio growth however, including the Central Bank of Egypt's decision to decrease corridor rates as well as movements from competitors to increase some of their products' interest rates. Accordingly, the bank worked to diversify its pricing strategy across its wide range of products, focusing on increasing interest rates on certificates of deposit, reaching up to 12.25%, to make its offering more competitive as well as meet the investment needs of clients seeking long-term investment instruments throughout the pandemic.

In addition, the Retail Liabilities division launched new products with a unique selling proposition to fulfill customers' savings and investment needs which contributed to an increase in the volume of funds as well as new clients to the bank. Among these products were:

A new savings account offering daily interest

A revamped pension current account to serve pensioners' needs

In parallel, the bank's retail loans portfolio reached EGP 34.5 billion, marking an increase of 34% during 2020. Owing to the negative impact of the pandemic on the bank's acquisition and portfolio growth, Banque du Caire decreased the interest rate for loans in order to further empower them and allow them to meet their financial needs. In addition, the bank followed the directive by the CBE in late 2019 to increase personal loan capacity from 35% to 50% which allowed the bank's customers to benefit from higher facilities. The bank further worked to launch tailored products for a range of its customer segments as its part of its customer-centric approach. Among these products were the doctors' program as well as the bank's high wealth customers' program.

Through its collaboration with global insurance provider Allianz, Banque du Caire worked to meet the market's fast-growing insurance needs by providing an array of insurance programs for customers with varying terms, tenors, and payment frequencies. Moreover, the bank maintained a consistent line of communication with its insurance clients during the course of the pandemic in order to provide them with assurance regarding the validity of their policies and its extension to cover COVID-19. This was further bolstered by enhancing the level of service offered to bank customers using online issuance. The bank's efforts were met positively, with its insurance portfolio witnessing an increase of 35% y-o-y to reach EGP 560 million in 2020.

Banque du Caire focused on three primary streams in order to further grow its cards business. A main aim for the bank during the year was to launch new products as well as revamp its existing cards, such as its platinum and titanium debit cards. The bank's current card offering affords customers a range of products to meet all customer needs. The bank further introduced a number of new features and benefits aiming to improve overall customer experience and loyalty. Among the new features introduced were the 3D secure feature on all card types for e-commerce transactions as well as the Qahera rewards program for credit card holders, which allows them to accumulate points with each transaction they make. Banque du Caire also introduced a new acquisitions and balance building, which offers a range of activities including seasonal customer offers, targeted offers, installments, and cashback programs as well as revisiting cards policy to offer customers world-class services. The bank's total number of credit cards reached 135,000 during the year, with portfolio growth of EGP 576 MN.

[Wealth]

The bank also saw its Tharwa network, which targets high-net-worth individuals, increase to 16,500 customers during the year, with a portfolio amounting to EGP 45.6 billion.

[Contact Center]

Banque du Caire's Contact Center played an integral role in maintaining the bank's ability to provide an exceptional service offering as clients adhered to nationwide social distancing and public health measures. The contact center successfully absorbed the surge in demand, processing c.1.6 million calls in 2020 compared to c.932,917 calls in 2019. Additionally, the bank was keen to enhance its presence on social media in an effort to attract new potential clients by promoting Banque du Caire's comprehensive service offering. To that end, the contact center's team contributed to this through its immediate interaction with customers' comments and inquiries, growing the bank's official Facebook page from c.51,000 followers in January 2020 to reach more than one million followers by year-end 2020.

Banque du Caire's sales network succeeded in increasing the bank's market share through its diversified channels, including direct and tele-sales channels, to penetrate new and existing customer segments. In addition, the bank worked on activating and revitalizing clients' portfolios and providing excellent services to meet their needs, with the aim of differentiating itself as a leading service provider in the sector. The sales division also offers salary transfer service for employees across different entities with a number of advantages and banking services in line with the needs of customers. This serves to further deepen the bank's relationship with existing customers and expand its base of new customers across the republic by providing different products and services that suit all customer segments.

[Microfinance]

During 2020, Banque du Caire offered a range of diversified microfinance products by offering comprehensive regional coverage through its total of 114 branches and agencies. During the year, the bank's microfinance portfolio reached EGP 5.6 billion by the end of 2020, in addition to revenues from interest and fees amounting to a total of EGP 1.7 billion.

Banque du Caire microfinance will continue to build up its portfolio and customer base as well as prioritize existing client retention. The bank will also continue to diversify its offering and customer segments to attract new to bank customers and further advance national financial inclusion, in line with CBE directives.

SMEs

During the year, Banque du Caire heavily emphasized its SME activities, working hard to enhance its offering to clients. Having previously operated from the bank's headquarters, Banque du Caire today adopts a decentralized approach operating a total of 30 Business Centers across Egypt offering SME financing services, complete with credit assessment and relationship management functions. In addition, the bank enrolled 50 fresh graduates in its SME Business School - NAWAH going through an end-to-end journey of innovative and practical programs to deliver substantial impact and create future leaders of highly skilled relationship officers. To date, 50 relationship officers have completed the the entire journey inclusive of the credit certificate and now occupy various roles within the division, enriching the SME outfit within the last two years. Furthermore, following directives from the CBE to all banks with the aim of promoting financial inclusion, by directing 20% of their portfolio to the MSMEs Banque du Caire successfully closed the year with EGP 9.1 billion, growing by 30% from the previous year. During 2020, Banque du Caire also established two new units, including the Very Small Segment unit, which caters to the needs of businesses with an annual sales turnover of EGP 20 million as part of our 2021 growth plan as

well as a Collection Management unit which is responsible for follow up and monitoring of the settlement of due payments. This will allow the bank to further enhance its offering to SME clients, contributing to increased financial inclusion.

Subsidiaries

Our subsidiaries additionally witnessed strong results during the year, with CLC breaking even within just three months and achieving bottom-line profit of EGP 33 million in its extended balance sheet. The company has been ranked among the market's top five players owing to its focus on slowly building its business and lending at commercial rates to achieve strong operational foundations. CLC is the first venture for Banque du Caire as it seeks to expand beyond banking and expand into the non-bank financial services space.

Additionally, Banque du Caire made strides with the planned development of Cairo Bank Uganda, gaining full ownership of the bank, appointing a new board of directors, and rebranding the bank to align it with Banque du Caire's branding. In addition, the bank introduced a new core banking system in order to enhance operational efficiencies. This was done promptly in spite of the challenges posed by the COVID-19 pandemic. In the coming year, Banque du Caire will continue with its development plans for the bank including new product development and expanding its team in order to achieve sustainable growth.

Branch Revamp and Expansion

In addition to its focus on digitalization, Banque du Caire seeks to continue expanding its branch network across the country, with multiple opportunities available owing to Egypt's branch penetration ratio remaining below regional and global levels. During 2020, the bank added 14 new branches to its network this year, bringing the total to 241 branches, with plans to add 10 more branches in the coming year as well as reallocating 12 branches. Additionally, the bank continued to make strides in its rebranding efforts. The coming years will see Banque du Caire continue with its expansion and renovation strategies in order to acquire new segments of the population and further educate its customers on its range of products and services.

The Year Ahead

In 2021, Banque du Caire will continue to build on what it had set out to achieve in its 2018 strategy. The bank will prioritize increased digitalization as well as ensuring further alignment with Egypt's national financial inclusion strategy. The bank will further seek to expand its retail, SME and microfinance offering as well as its range of products. Banque du Caire will seek to further cement its presence in the cards space by enhancing its range of cards and adding more features and products.

Additionally, Banque du Caire will seek to increase its corporate lending book and continue to take on strategic and advisory roles which will see it continue to lead Egypt's banking industry.

In line with Banque du Caire's customer-centric strategy and commitment to building, maintaining, and growing customer loyalty, the retail banking division will continue providing tailored services through its diversified retail products. The bank will also leverage its partnership with leading insurance player Allianz in order to further serve its customers. In addition, following the immense success witnessed by the bank's Bancassurance offering during 2020, Banque du Caire will work to propel it further in the upcoming year.

In addition, the bank's microfinance arm will seek to further integrate digitalization into the disbursement of loans through its digital lending initiative, as part of its wider digital transformation strategy and CBE's national financial inclusion efforts.

2020 IN REVIEW

CORPORATE AND INSTITUTIONAL BANKING

The Corporate and Institutional Banking provides Egyptian businesses with a wide and innovative range of financial products and solutions, offering Banque du Caire exposure to a wide variety of vital, value-generating economic sectors

Banque du Caire's Corporate and Institutional Banking has grown into a core source of the bank's top-line growth and a marker of its unique value proposition in the Egyptian financial services industry. The Group provides a comprehensive suite of products and solutions to clients in the private and public sectors, ranging from large corporates (earning revenues of more than EGP 750 million per annum), including multinational firms, to mid-sized corporates (earning revenues of between EGP 200 million and 750 million per annum). Banque du Caire maintains close partnerships with firms spanning the entirety of Egypt's vibrant and diverse business community, providing the bank with exposure to a cross-section of Egyptian industry, including both mature and high-growth, high-potential sectors.

Through the tailored provision of working capital products, medium-term loans, long-term financing, and other credit solutions, Banque du Caire drives growth in the broader Egyptian economy and stakes its position as a major player in Egypt's corporate banking scene. Banque du Caire is an industry leader in the provision of working capital products: the bank's clients enjoy access to competitive overdraft facilities, short-term loans uniquely tailored to corporates' particular business needs, as well as flexible cheque purchasing services. The Group's offering extends to an array of first-rate commercial services, including trade finance solutions, bill discounting, and refinancing under trust receipts.

Banque du Caire is committed to spurring investment and economic growth across a broad range of economic sectors. This commitment is reflected in its comprehensive and competitive suite of services for corporates seeking to finance capital expenditures. Such services include bespoke medium- and long-term loans and facilities, as well as structured finance and syndicated loans. Banque du Caire is a well-established participant in Egypt's syndicated loans space, frequently leading or partnering with other leading banks to provide joint financing for corporates operating in key sectors of the economy.

2020 Highlights

In 2020, the Corporate and Institutional Banking continued to capitalize on growth across its business segments, while leveraging its solid range of products and services to generate value and profitably to promote financial inclusion. Despite challenging external circumstances during the year, Banque du Caire made clear progress towards its long-standing objective of expanding the bank's foothold in the corporate and institutional banking space.

Corporate Banking Group

Banque du Caire's resilience and the strength of the Corporate and Institutional Banking Group's operational model were on full display during 2020. The Group maintained generated significant growth and positive results despite the onset of the COVID-19 pandemic during the year with its associated effects on the Egyptian and global economies. The COVID-19 crisis affected several economic sectors to which Banque du Caire is exposed through its corporate loan book, ranging from oil and gas to tourism and construction. However, Banque du Caire successfully and efficiently mitigated risks arising from the pandemic and associated effects during 2020.

The Egyptian authorities have provided significant monetary and fiscal stimulus, with the Central Bank of Egypt granting

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debtors a grace period on interest payments for a period of six months running from March to September 2020. During this period, all credit entitlements to institutional and individual clients, including Banque du Caire's, were postponed, with no additional returns and no penalties applied for late payment. This policy significantly reduced firms' and individuals' debt service burden and was combined with further interventions, including the lowering of interest rates and the provision of direct support to firms in the industrial, agricultural, construction, and tourism sectors. Such policies successfully shielded profitable enterprises from the worst impacts of the COVID pandemic, while maintaining the quality of Banque du Caire and other institutions' credit portfolios.

Leadership at the Corporate Banking and Institutional Banking Group took a highly proactive approach to managing and mitigating risks arising from the pandemic, successfully limiting growth of the non-performing loan portfolio and other negative impacts. Credit portfolios were continuously and thoroughly re-analyzed during the period, with economic sectors classified into high-, medium-, and low-risk industries. Classifications are updated periodically and take into account the varying impacts of the pandemic on each sector, the amount of government assistance producers in a given sector have received, and other pertinent factors. This approach is supplemented by continuous communication with and monitoring of the Group's clients, which has allowed the Group to further enhance its awareness of the risk landscape by gauging the vulnerability of each client to pandemic-related impacts. Banque du Caire implemented a series of stress tests in 2020 and management is fully satisfied with the ability of the bank to absorb any potential impacts of the COVID-19 pandemic on the quality of its credit portfolios.

The gross value of Banque du Caire's corporate loan book recorded EGP 52.7 billion as at year-end 2020, up by 13% (EGP 6.1 billion) year-on-year . Growth in the Group's loan book was driven primarily by increased business with existing clients and the extension of facilities to clients in the leasing, microfinance, and e-payment sectors. Activity during the year was dominated by medium- and long-term financing allocated for capital expenditures, with the bank extending EGP 26.1 billion in long-term financing against EGP 18.2 billion allocated for working capital purposes.

The year saw Banque du Caire extend combined credit facilities of EGP 58.96 billion to its corporate clients, up by 4.5% from the amount booked one year previously. Approximately EGP 5.3 billion of this increase was composed of growth in funded assets, while non-funded assets grew by EGP 2.3 billion for the year. Facility utilization climbed by 14.2% (EGP 7.6 billion) year-on-year during 2020, reflecting Banque du Caire's efforts to support economic growth and industrial production through the crisis occasioned by the COVID-19 pandemic.

Banque du Caire added 37 new clients to its top-tier portfolio of large corporate customers. New top-tier clients were extended combined facility limits of EGP 6.1 billion in 2020 versus EGP 12.6 billion in 2019. Including historic top-tier clients, combined limits recorded EGP 65 billion for 2020 versus EGP 55 billion in 2019. Although the bank's corporate loan portfolio has historically been dominated by such top-tier clients, the Group made significant strides in expanding its business with mid-cap clients during 2020. The Corporate and Institutional Banking Group added 10 new mid-cap clients in 2020, providing them with combined limits of EGP 1,1 billion in 2020 versus EGP 3.3 billion 2019. The combined limit on existing mid-cap clients reached EGP 4.6 billion in 2020 against EGP 3.5 billion in 2019. Clients in the building materials and construction sectors received the bulk of new limits extended during 2020.

Despite challenging external circumstances, Banque du Caire continued to introduce innovative new products and solutions during the period. The bank continued to implement foreign exchange hedging transactions during the year, while offering an expanded range of supply chain financing products, deepening the bank's relationship with a number of multinational firms. Meanwhile, the Corporate and Institutional Banking Group successfully capitalized on a newly launched online banking platform in acquiring several new clients during the year.

Financial Institutions

The Financial Institutions division (FI) took great strides in 2020, with the Correspondent Banks Department establishing effective bilateral banking relationships with 20 new banks for a total of 480 correspondent banks around the world. The focus was largely on the African market, in which Banque du Caire's coverage was extended to more than 40 African countries.

Meanwhile, the FI Structured Products department obtained several long-term financing loans from various international financial institutions amounting to USD 145 million, with a USD 30 million subordinated loan obtained from SANAD Foreign Fund being the first financing of its kind in the Egyptian banking market. Such loans reflect the confidence of international financial institutions in Banque du Caire, the bank's performance and its strong management team. These financing arrangements contributed to maximizing and diversifying sources of funds as well as raising the bank's Capital Adequacy Ratio.

The Non-Bank Financial Institutions Department expanded business with numerous key institutions in the local market, including insurance, factoring, microfinance, consumer finance and brokerage companies, in addition to mutual funds, which led to an increase in assets and liabilities exceeding EGP 20 billion.

Moreover, the Remittances Department intensified its marketing efforts, which led to growth in the volume of incoming remittances exceeding USD 1.6 billion during 2020, consequently maximizing the bank's foreign exchange resources.

Global Transaction Banking

Banque du Caire Established the Global Transaction Banking Group (GTB) in 2018 and armed it with a team of highly skilled banking professionals to focus on expanding the bank's reach across an umbrella of transactions services and to maximize Banque du Caire's share of wallet. GTB has five main lines of business: 1) Cash management and Liquidity Solutions, 2) Trade and Supply Chain Finance, 3) Securities and Fund Services, 4) Innovation and Digital Banking, 5) and Business Development. GTB Group continued to provide solutions to the entire institutional business client base and were very keen to develop deeper relationships with customers, especially during pandemic-related volatility. The team succeeded to introduce an additional 15 new products and solutions closely tailored to client needs.

Cash Management and Liquidity Solutions embraced a customer-centric strategy focused on meeting clients' needs by introducing new products and solutions to enhance their cash flow and optimize their liquidity cycle. With Egypt's push for digitalization and the shift to a cashless society as we work toward financial inclusion, the team is looking to create an agile and diversified product offering, attracting GRB names and reaching clients in new segments. This has allowed us to increase liabilities for the institutional banking division by 21% y-o-y, with Banque du Caire's share-of-wallet in cash transactions up 12% y-o-y in 2020. The Cash Management team is also maintaining existing and vanilla products while also applying key adjustments to the offerings whenever applicable or needed.

Trade and Supply Chain Finance is one of the cornerstones of the GTB group and a key contributor to Banque du Caire's top line. It offers a wide range of conventional and structured trade products as well as numerous financing solutions to corporate clients. The GTB group focused on executing supply chain finance transactions, accounts receivable discounting, and import and export discounting to capture the full scope of the trade supply chain and maximizing value. Furthermore, the division extends a vast array of solutions to enhance corporate client's working capital positions by providing avenues for organic growth and helping unlock funds held in receivables and inventory. Additionally, the division has established flexible options for working capital management and supply chain financing schemes that bridge payment gaps to improve a client's cash flow position. The division also supports the optimization of cash flows and efficient management of risks associated with international trade by providing clients with pre- and post-shipment finance structures.

Reflecting the GTB Group's contributions to the enhancement of Banque du Caire's trade portfolio, the bank's trade finance fee income rose 25% y-o-y to EGP 290 million in 2020. Additionally, Banque du Caire managed to maintain average of processed transactions over EGP 35.5 billion worth of trade transactions in 2020 despite the impact that COVID-19 had on trade volumes all over the world.

Innovation & Digital Banking: As businesses across the Egyptian and global economies drove increased demand for digital and remote solutions during 2020, which was in harmony with Banque du Caire's long-term vision to focus on innovation in the era of digital banking. In fact, this year, the GTB Group rolled out unique solutions to continue easing the process of financial transactions and providing clients with a frictionless banking experience. The GTB's digitally innovative, and customer centric products and services strongly complemented clients' desire for solutions aimed at digitizing workflow and optimizing cash cycles in a manner which enhances business sustainability and continuity. Such products include e-statements, SMS notifications, real-time deposit notifications, and Banque du Caire's business trade portal and more.

Securities Services Product (SSP): Banque du Caire's GTB Group also operates on the securities services front through the SSP team. The team offers a wide spectrum of services that include custody and clearing services, escrow, depository agency solutions, receiving bank, and global custody. In 2020, SSP launched receiving bank activities for funds for non-bank clients. This attracted fresh funds from other banks and supported the strategic vision of the GTB group. To that effect, SSP cross-sold inbound fresh funds with the Cash Management team in addition to treasury products.

Another major milestone was the launch of Global Custody, a key product in the SSP offering to the retail segment. This was very successful with the Wealth Management Department and reflected positively on SSP's assets under custody, which hit EGP 17 billion with EGP 50 million from Global Custody alone.

One of the team's key mandates is to identify potential gaps and clients' needs on the securities services side and offer innovative and tailored solutions that hence meet those needs. Success to this effect was reflected in Banque du Caire being named the best Sub-Custodian in Egypt in 2020 by Global Finance Magazine, highlighting the bank's foothold in the industry.

The full range of GTB products are marketed through experienced and specialized Business Development Managers (BDMs), which work extensively with clients with an eye to increasing Banque du Caire's share of wallet from institutional clients through tailored, innovative solutions. The team, with the help of Relationship Managers, ensures proper preparation of client wallets by thoroughly studying customer's cash management and supply chain cycle and identifying related gaps or excess funds in the working capital cycle. Accordingly, they will provide the most convenient solutions for cash management, trade finance and supply chain products with an attractive pricing scheme that will fulfill institutional clients' requirements.

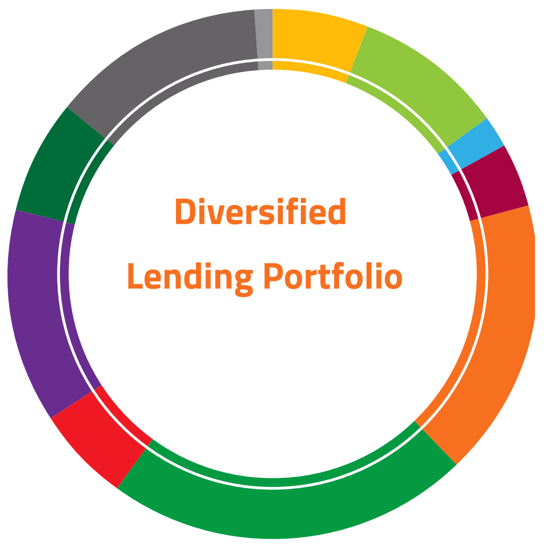
The BDM division extended their reach to additional jurisdictions, so they created a new GTB desk to cover the Alexandria and Delta region, ensuring that Banque du Caire is well positioned and GTB products are marketed to corporate clients in the region.

Debt and Structured Finance

Since its establishment in FY2018, the Debt and Structured Finance (D&SF) Division has grown into a motor of the bank's progress towards its strategic objective of expanding its suite of services and transitioning into a fully-fledged provider of financial services targeted at corporate clients. The Division continued to expand its range of services during 2020 and now supplements its offering with unconventional and structured financing products, including project finance, debt capital market products, syndicated loan, and related agency and financial advisory services. This continuously expanding range of competencies has materially boosted the bank's competitive edge in Egypt's financial services industry, while making a significant contribution to Banque du Caire's asset growth.

Despite the effects of the COVID-19 pandemic on the broader economy during the period, the Division held a portfolio of EGP 19.5 billion at year-end 2020, up by 7.0% year-on-year and by 44% from the level recorded in 2017, the final year prior to the bank's restructuring. The year-on-year increase in the value of the Division's portfolio also comes despite heightened repayment volumes during 2020. Growth was driven primarily by the Division's Debt Capital Market arm, which successfully participated in several debt capital market issuances valued at EGP 2.5 billion, up from EGP 590 million one year previously. The D&SF Division's asset portfolio represented approximately 41% of all assets held under the Corporate and Institutional Banking Portfolio at year-end 2020.

The Debt and Structured Finance Division participated in the arrangement of 11 syndicated loans in 2020 with a total value of EGP 20.0 billion, with the bank's share valued at EGP 5.6 billion. This marks a large and rapid increase from the volumes recorded one year previously. Impressive growth at the Division reflects its successful efforts during the year to secure a leading role for Banque du Caire in Egypt's syndication space: in 2020 the Division acted as arranger and facility agent on two mega transactions.



Food and Beverage	6%	NBFIs	6%
Transportation	9%	Real Estate	13%
Construction	2%	Fertilizers and Chemicals	7%
Steel	4%	Petrochemicals	13%
Electricity and Energy	17%	Tourism	1%
Oil and Gas	22%		

Corporate Services

The Corporate Services Division (CSD) is tasked with continuously introducing new and unique value-added services that better position Banque du Caire to retain and attract corporate clients. Despite challenges posed earlier in the year by pandemic conditions, the CSD leveraged its capacities and its technological capabilities to further improve the level of service provided to Banque du Caire's clients. Building on the progress seen in 2019, the Division continued to refine recently introduced solutions such as e-statements, core pay, cheques, and cash pick up, as well as the bank's online banking services.

In 2020, CSD focused on after sales service for non-advisory inquiries, including day-to-day transactions, product information, complaints, clarifications, general questions, and transactional inquiries. The Division recorded no client complaints for the entirety of 2020, despite challenging external circumstances. Additionally, CSD continued to play the primary role in introducing and enrolling corporate clients to new products. Banque du Caire further refined its monitoring/evaluation system for CSD staff performance to ensure the continued sustainability of CSD's performance and the efficiency of workflow across Banque du Caire's business functions.

UAE Representative Office

Banque du Caire's Representative Office in the UAE is a key component of the bank's strategy for internationally promoting its wide array of products and services through the establishment of strategic partnerships with leading businesses in the GCC. Operations at the bank's UAE office were affected by mobility restrictions arising from the COVID-19 pandemic during the period, which limited the number of meetings and conferences organized during the period.

Despite such restrictions, Banque du Caire's UAE team successfully expanded the bank's international business during the year. Business from several large corporate clients based in the Emirates was secured during the year, with the bank extending combined facilities amounting to EGP 900 million. Such business was combined with the introduction of a cash export business with existing key exchange house partners in the UAE. The UAE Representative Office successfully pursued cost efficiencies during the period, with savings secured on all relevant travel and other costs to yield a reduction of 23% on the Office's cost budget for 2020.

Forward-Looking Strategy

Banque du Caire aims to further its leading position in Egypt's corporate banking space. The bank will work to consolidate its position as the go-to partner for corporates operating across Egypt's business landscape. The Group aims to grow the bank's exposure to high-growth, high-potential sectors including food and agribusiness, fertilizers, pharmaceuticals and healthcare, and communications and information technology. Concurrently, the Group will seek greater exposure to the full value chain underlying each of these industries and will aim to expand its business with suppliers and distributors operating in each of these areas. This will be facilitated by enhancing the bank's relationships with larger corporates. Meanwhile, Banque du Caire will also give special focus to enhancing its penetration of strategic manufacturing and trading industries. The bank continuously studies opportunities to profitably expand its footprint in hitherto untapped market segments and is committed to supporting cross-border deals involving Egypt's trading partners, particularly in Africa.

Banque du Caire will continue pursuing an increase in facility utilization rates among low- and moderate-risk clients, aiming for a rate of 80-85% in the near term. This aim is aligned with the bank's efforts to acquire corporate customers with higher ratings and providing an optimized mix of funded- to non-funded products. Furthermore, the bank will leverage its digital capabilities, including its newly launched online banking platform, to develop niche and customized offerings, to acquire prospective clients, particularly in the multinational category, and to enhance its understanding of clients' profitability drivers. Complemented by a deepening penetration of cross-selling among a growing share of the client base, management is confident that these strategies will generate a higher rate of return.

Financial Institutions

The FI team aspires to build solid business relationships with major financial institutions in the local and international markets, with an eye to ultimately ensuring the bank remains their bank of choice Banque du Caire in the Egyptian market.

Global Transaction Banking

Heading into 2021, GTB will carry forward its successful customer centric strategy, with a focus on the continuous introduction of digital solutions. This focus aligns with growing market demand for technologically enabled solutions that ensure business continuity and allow clients to meet their ever-evolving needs. GTB's offerings will allow the bank to cement a sense of partnership that goes beyond traditional client-bank relations.

Along with digital solutions, GTB will focus on cash management products, particularly on cashless solutions and supply chain finance, through commercializing Banque du Caire's innovative products and solutions to better address and optimize client's value-chain cycle and bridging any gaps. On the Securities Services side, the focus is on launching new services and product lines in 2021 to continue being the go-to-bank in the securities services space in Egypt.

Debt and Structured Finance

Banque du Caire's Debt and Structured Finance Division aims to build on the progress of recent years and fully establish the bank as a major player in the syndication, project finance, and agency markets, with an eye to diversifying Banque du Caire's investment and lending portfolios, boosting profitability through the identification of high-quality assets, and burnishing the bank's position as a fully-fledged provider of financial services. In the near term, the Division will continue with successful efforts to establish a leading position in the debt capital market space and will work to consolidate its leading position in securitization issuances, Sukuk issuances, and the corporate bond market. Banque du Caire is aiming to further expand the Division's syndication services and grow the team in the pursuit of becoming a market leader and partner of choice on syndication loan transactions and its agency roles. Additionally, the Division will provide an extended range of consulting services, with an eye to deepening client relationships and securing further potential lending opportunities.

UAE Representative Office

Banque du Caire will leverage its landmark development of establishing a representative office in the UAE by continuing to pursue key strategic partnerships and alliances with leading financial institutions, retailers and corporate conglomerates across a variety of sectors in the GCC to expand Banque du Caire's visibility across the GCC. These partnerships will pave the way for Banque du Caire to further penetrate GCC markets and offer the bank's tailored solutions to Gulf based clients. In 2021, Banque du Caire's UAE representative office will shift its focus towards capturing an increased share of Egyptian remittances originating from the Egyptian expat-heavy markets of Kuwait and the Kingdom of Saudi Arabia.

RETAIL AND MICROFINANCE

Banque du Caire's deep industry knowledge and track record in the retail banking space has made it a market leader in the provision of high-quality products for over 3.0 million retail clients.

A digital transformation strategy that saw heavy investments in technological infrastructures, supporting the onboarding and integration of digital banking and electronics payments platforms in 2019, allowed Banque du Caire to be well-positioned to address the needs of its market in 2020 whilst operating under challenging conditions due to the onset of COVID-19. By leveraging its comprehensive capacities and a stellar product and service offering across its divisions, fueled by a customer-centric strategy and anchored by a team of stellar banking professionals, Banque du Caire was able to deliver and maintain exceptional customer journeys across the bank's retail and SME banking operations, successfully growing its client base from 3.0 million in 2019 to 3.2 million in 2020.

The bank capitalized on an environment that stimulated the market's demand appetite for digital solutions and alternatives to everyday services in order to adhere to the public health measures implemented across the nation. Banque du Caire was able to introduce new digital products and services, as well as continue to expand on its existing portfolio of tailored financial solutions, with the goal of empowering its clients and arming them with the tools to navigate a challenging external environment whilst being able to perform their everyday financial transactions. One of Banque du Caire's key milestones in 2020 was the launch of the bank's first fully-fledged digital bank branch, where clients can enter the branch and utilize the bank's state-of-the-art automated teller technology to access all of Banque du Caire's services through a new and unique platform. The successful launch of the digital bank branch is a testament to Banque du Caire's commitment to offering unique digital solutions that align with and drive Egypt's financial inclusion and digital transformation strategy. Additionally, Banque du Caire's innovative digital wallet, Qahera Cash, performed exceptionally well on the back of its ability to allow users to perform financial transactions through a secure and easy-to-use platform. Moreover, the application has been integrated successfully with the ATM network, allowing for a simple and secure card-less cash-in and cash-out point of service for the bank's clients.

2020 Highlights

The division's solid performance despite the impacts of COVID-19 is a testament to Banque du Caire's team of exceptional professionals who have time and again proven that they can navigate even the most challenging of environments, identify opportunities, generate maximum value for stakeholders, and drive Egypt's digital transformation strategy. Banque du Caire's holistic and customer-centric approach has formed the bedrock of its product and service offering and has been the lynchpin of the bank's success in Egypt and beyond. By focusing on the needs of the bank's diverse client base, Banque du Caire has been able to tailor a suite of products and services across its divisions that seamlessly address the dynamic and ever-changing needs of the bank's clientele.

Across its retail division, Banque du Caire has been able to deliver on its strategies and grow its product and service offering in a manner that empowers its comprehensive portfolio of clients. From launching innovative digital banking initiatives, to introducing new products that further address clients' investment needs, Banque du Caire has been able to deliver an exceptional performance in 2020 whilst navigating an externally challenging environment due to the pandemic.

Cards

Banque du Caire was able to enhance and expand its card offering in 2020 in its efforts to provide a best-in-class offering. The bank introduced two new debit cards, Platinum and Titanium, to address the needs of their affluent and high net-worth clients. The bank also added an additional service for its credit card holders, the Qahera Rewards program, which offers customers the opportunity to redeem points as they continue using their cards. Banque du Caire has also rolled out an array of digital services, including enabling e-commerce transactions for debit cards, and launched the first phase of the bank's credit card e-statement services, starting off with Banque du Caire staff with plans of extending it to the bank's customers going forward. On the cybersecurity front, the division introduced the 3D Secure Code system across the entire range of Banque du Caire's card offering. The 3D Secure Code security system was introduced to greatly decrease the chance of credit card fraud and protect the customers sensitive information whilst they execute online payments. The bank also formed an exclusive partnership with Cashless Plus to offer e-payment for traffic services through a new co-branded prepaid card titled Meeza OPLUS. The card will allow individuals to pay for fines and fees associated with their car license, as well as purchase car insurance. The partnership comes on the back of Banque du Caire's commitment to expanding e-payment channels in Egypt and aligning with the overarching national digital transformation strategy.

The bank's efforts throughout the year to expand the card portfolio, coupled with the increased usage of cards by customers in order to adhere to public health measures across the nation, have reflected positively on Banque du Caire's credit card portfolio. The value of the bank's credit card portfolio grew by a strong 55% y-o-y to EGP 576 million in 2020, compared to EGP 371 million in the year prior. The bank also issued 59,679 new credit cards, an increase of 19% y-o-y in 2020. This reflected positively on the total card portfolio, which saw a 33% y-o-y increase, reaching a total of 135,454 credit cards extended to the bank's clients. In parallel, the bank's debit card portfolio grew by 11% y-o-y, reaching a total of 1.9 million debit cards in circulation for 2020.

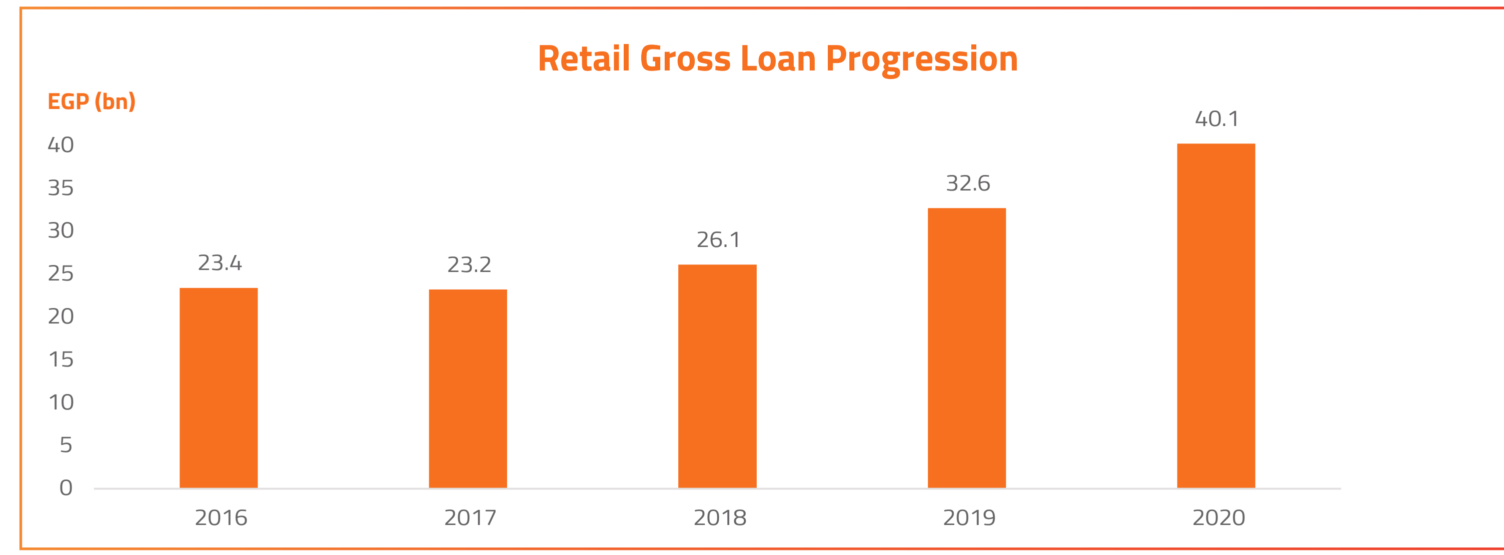
Loans

One of Banque du Caire's core missions is to continuously identify opportunities that align with the division's overarching customer-centric strategy and drive the expansion of its loan portfolio. To that end, the bank's strategy in 2020 was to focus on expanding cash finance against cash collaterals, as well as establishing competitive lending policies for governmental and private sector employees to encourage demand and grow the loan portfolio. Additionally, the team introduced loan programs targeted towards medical professionals and doctors to support them in satisfying their financial needs. These loan programs boast competitive interest rates and offer a convenient avenue for financing that aligns with division's customer-centric strategy.

Banque du Caire reaped the rewards of this strategy and saw the retail and micro loan portfolio grow by a marginal 23% y-o-y, reaching EGP 40.1 BN, and boasted a retail loan market share of 10.2% in 2020. The bank also introduced a variety of new programs that are tailored to cater to a variety of budgets for customers seeking to acquire a car loan. Banque du Caire introduced a wide range of new payment plans, starting from a 0% down payment program that can reach up to 70%, depending on the customer's needs. Additionally, the bank established strategic partnerships with Bavarian Auto (BMW) as well as Honda, to offer attractive payment plans for those seeking to acquire these well-established car brands. The bank's efforts to stimulate demand saw the car loan portfolio grow by 9% y-o-y, reaching EGP 2.2 billion and a market share of 6% in 2020.

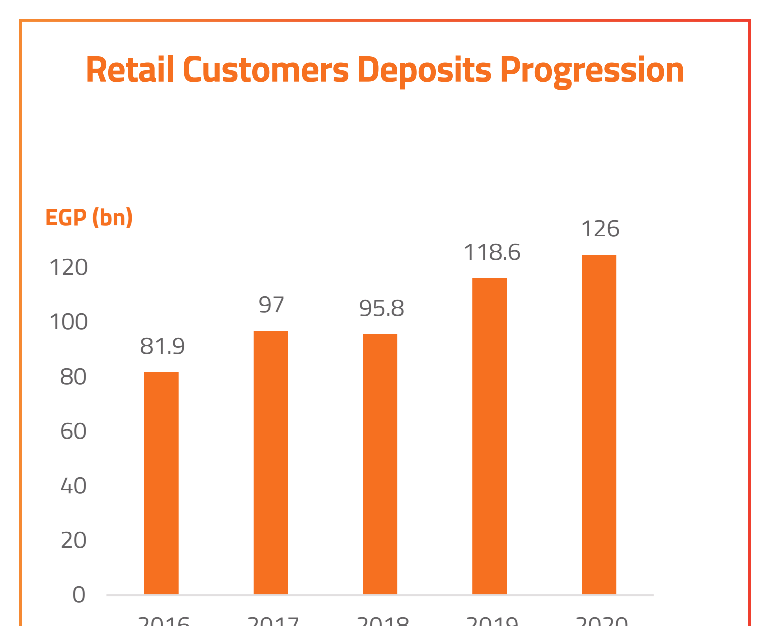
On the personal loan front, Banque du Caire achieved strong results, witnessing an increase of 52% y-o-y to reach EGP 9.8 billion in 2020, driven primarily by an increase in demand for loans from individuals who are self-employed. Moreover, the value of personal loans extended to government employees reached EGP 17.3 billion, accomplishing an increase of 27% y-o-y and a significant market share of 35% in 2020. In parallel, loans extended to private sector employees reached EGP 274 million, an increase of 38% in 2020. A key challenge over the course of the year was maintaining Banque du Caire's desired portfolio growth trajectory due to the impacts of COVID-19. However, the bank was committed to maximizing its ability to acquire new clients and lowered the loan interest rates for new-to-bank clients in an effort to continue growing the portfolio and ease client burdens during the pandemic.

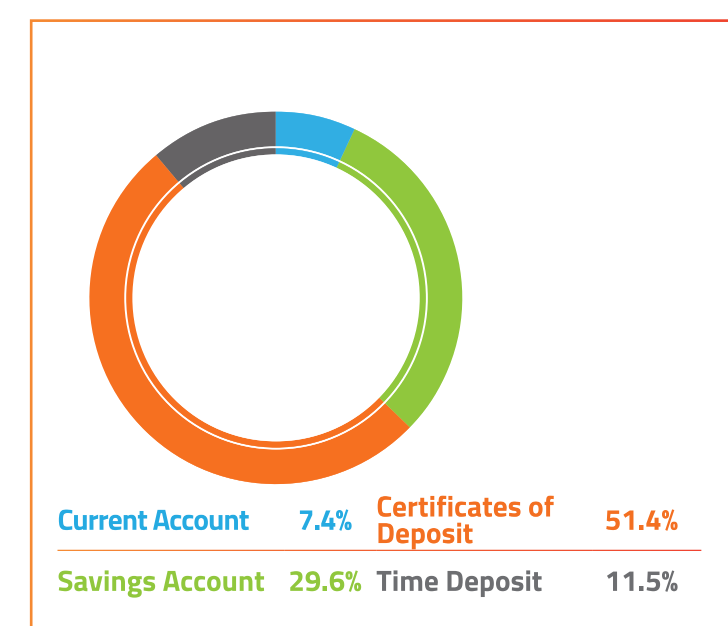
Finally, mortgage financing witnessed an increase of 19% y-o-y for the bank's mortgage loan portfolio, reaching EGP 2.5 billion and accomplishing a market share of 11.3% in 2020. The growth was driven by the business protocol that Banque du Caire established with the Mortgage Finance Fund back in 2019 in its efforts to finance lower-income borrowers and align with the Central Bank of Egypt's financial inclusion initiatives.



Deposits

Banque du Caire's Retail Customers Deposits grew by 6.5% y-o-y to reach EGP 126 BN in 2020. The improved performance was driven by the bank's new product launches, which boast unique value generating propositions that are well-positioned to fulfill the needs of Bank du Caire's retail clients. Overall deposits grew by EGP 11.8 billion, with certificates of deposit (CD) holding the lion's share of overall deposits growth, contributing EGP 7.3 billion out of the EGP 11.8 billion in 2020. The solid CD performance was driven by an increase in their fixed interest rates, which reached an attractive and competitive rate of 12.25% in 2020. Moreover, Banque du Caire introduced a new savings account with a daily interest rate and revamped its current accounts for pensions to better serve pensioner needs.





Bancassurance

Banque du Caire's Bancassurance portfolio grew 35% y-o-y to EGP 560 million in 2020. The division focused on bolstering its offering to clients by enhancing digital access to the bank's insurance services. In 2020, the retail division ensured that they aligned with the bank's customer-centric approach by maintaining its strategic relationship with global insurance provider Allianz to satisfy customers' growing insurance needs by providing an array of insurance packages and programs. The division also a consistent line of communication with bank insurance clients during these unprecedented times by reassuring policy holders that their life insurance policies include COVID-19 coverage.

Branches and ATM Network

In 2020, Banque du Caire inaugurated 36% of its new branches outside its core geography of Cairo. The bank opened new branches in the Sinai and Suez Canal region, as well as in Alexandria and Upper Egypt. The expansions align with the bank's overarching strategy of providing access to innovative financial solutions across the nation. To that end, the ATM network grew by 3% y-o-y and the branch network expanded by 4% y-o-y and reached 241 branches in 2020.

Due to the onset of COVID-19 in 2020, Banque du Caire quickly implemented multiple health and safety initiatives across the bank's comprehensive branch network to ensure the well-being of all staff and bank customers:

Reduced staff capacity at branches by 40%

Mandatory mask policy for all staff and clients

Paid leave for pregnant staff and those facing health issues

Establishing waiting areas outside branch premises

Daily conference calls with branch managers to monitor developments

Regular deep sanitization and cleanse of all branches

Branch Network

	2019	2020
Branches	182	195
Mini Branches (Micro Finance Agencies)	14	13
Units	8	9
FX Offices	13	10
Work Permit Offices	14	14
Total	**231**	**241**

ATM Network

	2019	2020
Cairo Region	440	458
Alexandria and Beheira Region	160	156
Delta Region	202	212
Upper Egypt and Red Sea Region	160	163
Canal Cities and Sinai Region	58	58
Total	**1,020**	**1,047**

Banque du Caire Locations

	2020
Cairo Region	92
Delta, Canal, Sinai	61
Upper Egypt, Red Sea	57
Alexandria, Beheira	31
SME Business Centers	30
Total	**271**

Digital Banking

Digitization lies at the heart of Banque du Caire's growth strategy and is aligned with Egypt's financial inclusion and digital transformation initiatives. The onset of COVID-19 has driven the bank to accelerate the adoption of its digital initiatives in order to support consumers in adhering to national public health measures, and strategically position them to execute financial transactions from the safety of their homes.

Banque du Caire's First Digital Branch

In 2020, the bank successfully launched its first digital branch, boasting an array of services where clients can explore the Banque du Caire's comprehensive portfolio of products and services and seamlessly execute a variety of transactions. Additionally, the digital branch offers new customers the ability to open accounts at Banque du Caire and receive their cards in a matter of minutes. The bank has accomplished this by investing in state-of-the-art digital teller and instant card issuance technologies, as well as digital authentication measures and automated form filling services. These technologies allow customers to have a new and unique banking experience whilst utilizing Banque du Caire's services.

Customer Relationship Management Technology

Another key investment that aligns with Banque du Caire's customer-centric strategy is the bank's adoption of Customer Relationship Management (CRM) technology in 2020. The CRM technology analyzes trends about customers' history with the bank, which helps Banque du Caire improve business relationships with clients, increase customer retention, and drive sales growth. The technology compiles data from a range of channels, including the bank's website, emails, live chats, social media, as well as other marketing and communication platforms to support the team in deriving insights that enhance the decision-making process. Going forward, CRM technology will be one of the bank's key assets that will support it in improving Banque du Caire's ability to cater to the needs of its customers.

Digital Wallets

Qahera Cash Merchant Wallet (QR – Code):

Back in 2019, the bank launched its Qahera Cash Merchants Wallet service after securing an approval from the Central Bank of Egypt (CBE) and was able to perform the first peer-to-merchant transaction in October 2019. Over the course of the year, the Qahera Cash Merchant's Wallet witnessed a surge in merchants integrated onto the wallet's network, reaching over 34,000 merchants by end of 2020, with an active ratio of 18%, compared to 600 merchants at year-end 2019. The stellar increase in the wallet's merchant network is a testament to Banque du Caire's commitment in playing a pivotal role in accomplishing Egypt's financial inclusion strategy.

Qahera Cash Consumer Wallet

In 2020, the Qahera Cash Wallet was revamped with a design refresh and enhanced through a multitude of software developments, giving it a more modern aesthetic with intuitive features that enhances user experience. The application now features P2P transfers, bill payments, utility payments, ticketing and donations, virtual cards, QR code merchant payments, loan payments, and has been integrated with the national ATMs network. This integration will allow for an easy card-less cash-in and cash-out point of service. Additionally, the bank has expanded the cash-in and cash-out network by integrating an excess of 40,000 outlets through a strategic cooperation with the Aman Merchant Network.

The wallet's portfolio has witnessed a solid performance in 2020, growing by a strong 74% y-o-y and reaching 530,000 wallets and achieved an active ratio of 10% at the end of the year. Additionally, Qahera Cash transactions recorded a strong increase of 206% y-o-y in transaction volume and 613% y-o-y in transaction value in 2020. The success of the application came on the back of its innovative solutions that empower customers by providing an easy-to-use and convenient digital platform to execute a variety of financial transactions. Moreover, an increased number of users who traditionally visit branches for their financial service needs have migrated to the digital wallet, through an online registration process, to adhere to national public health measures.

Internet and Mobile Banking

The internet and mobile banking portfolio expanded and reached c. 67,000 customers in 2020. Banque du Caire's mobile banking application has become available across all application stores on iOS and Android platforms, which helped support the portfolio's growth during the course of the year.

On the internet banking front, in its efforts to enhance the online banking experience, Banque du Caire customers are now able to access the following:

Cheque Book Requests

Credit Card Services

Messaging Customer Service

IBAN Numbers

Self-Registration

Banque du Caire's continuous efforts to develop its digital experience boded well for internet banking, which saw its transactions increase from c. 10,000 in 2019 to c. 92,000, boasting a value of EGP 859 million in 2020.

Microfinance

Despite the impacts of COVID-19 on Egypt's diverse microenterprises sector, which caused a 22% y-o-y decrease in active clients and a 19% y-o-y decline in portfolio size, Banque du Caire managed to record a 6% y-o-y increase in revenues, reaching EGP 1.7 BN in 2020. The microfinance division boasts a portfolio of EGP 5.6 BN, translating to a market share of 20% (which does not include sole proprietorship entities; the market share is 25% including sole proprietorship entities).

There are 114 branches and agencies across Egypt that provide Banque du Caire's stellar microfinance services and products:

Cairo	11
Alexandria	17
Delta and Canal Cities	44
Upper Egypt and Red Sea	42
Total	**114**

Banque du Caire is on track to deliver on its strategies and double its microfinancing business every four years and has made significant headways in 2020. The bank has leveraged the launch of 28 new branches as well the renovation of its existing branches to stimulate demand and drive the growth of Banque du Caire's microfinance operations. Additionally, the bank has continued to deliver on its inclusion strategies, where 34% of the bank's microfinance customers were female in 2020. Looking ahead, the team will begin the rollout of its digitization efforts across the bank's microfinance division in 2021 in an effort to boost the efficiency of its operations and bolster the microfinance division's ability to unlock value for the bank's clients.

	2019	2020
Number of Active Customers	**242,206**	**189,000**

Microfinance Revenues and Portfolio Size

(EGP)	2019	2020
Revenues	1,647,900,144	1,716,542,938
Total Portfolio	6,968,047,985	5,760,864,136

Wealth Management

Banque du Caire introduced its Tharwa service back in 2019, a tailored service targeting Egypt's affluent individuals, who maintain balances between EGP 1 million to EGP 5 million, and Very High Net Worth individuals, whose balances exceed EGP 5 million. Tharwa provides clients with a bespoke advisory service offering through Banque du Caire's dedicated team of relationship managers, as well as providing a number of exclusive services to the bank's Tharwa clients. These privileges include access to Tharwa Lounges across the bank's branch network, a dedicated call center, as well as a unique set of non-banking concierge services.

In 2020, the bank reaped the rewards of its customer segmentation efforts, with Tharwa clients increasing from 15,600 in 2019 to 16,500 in 2020 and accumulating a portfolio of EGP 45.6 billion at year end. Tharwa client deposits represented 41.5% of Banque du Caire's total retail portfolio at year end 2020. The wealth management division's improved performance came on the back of the team's exceptional efforts at tailoring premium services and solutions that best fit the lifestyles of this customer segment. Going forward, the division is targeting to have a total of 45 Tharwa Lounges as well as expand its team of relationship managers to 100 people by the end of 2021.

Retail Sales Sector

The Retail Sales sector was established in mid-2018 with the aim of increasing Banque du Caire's market share, attracting new customers to the bank by promoting its credit cards and personal loans. The sector makes use of cohesive marketing strategies and promotions among its existing customer portfolio in order to assist it in achieving its goals. Since the launch of its operations in early 2019, the bank's Retail Sales sector seeks to provide its clients with a best-in-class experience, offering a full suite of reliable services in order to cement Banque du Caire's position as a market leader in Egypt's banking industry.

In 2020, the sector succeeded in promoting the bank's cards and loans, issuing a total of 20,000 cards across 18,000 new customers, and representing 37% of Banque du Caire's total sales. On the personal loans front, the sector approved EGP 876 million in credit facilities. Moreover, the bank was also able to provide clients with 5,200 auto loans during the year, amounting to EGP 750 million in 2020. Additionally, the sector offers employee payroll services to corporations, with a number of additional benefits. To that end, the bank as able to land 41 new contracts with companies who now fall under Banque du Caire's payroll services.

Call Center

Banque du Caire's call center played an integral role in maintaining the bank's ability to provide an exceptional service offering as clients adhered to nationwide social distancing and public health measures. Despite initial shock across the bank's markets, Banque du Caire's team was able to continue fully supporting the bank's customers and addressed all their needs while they remained within the safety of their homes by investing in key digital solutions, as well as bolstering existing capabilities and capacities across the call center's operations. Banque du Caire successfully absorbed the surge in demand, processing c. 1.6 million calls in 2020 compared to c. 932,917 in 2019.

Operational Capacity	2019	2020
Agents	91	98
Team Leaders & Agents	56	61
Work Sites	2	3
Back Office Staff	3	5
Quality and Training Staff	5	8

In 2020, the bank introduced customer messaging on Banque du Caire's internet banking platform in order to efficiently address a wide array of customer queries due to the surge in internet banking. Additionally, the bank was keen to enhance its presence on social media in an effort to attract new potential clients by promoting Banque du Caire's comprehensive service offering. To that end, the call center's team was able to grow the bank's official Facebook page from c. 51,000 followers in January 2020 to reach an excess of one million followers by February 2021.

Sales

In order to respond to the naturally increasing number of complaints executed through the bank's call center as more people utilized this service in 2020, Banque du Caire introduced a CRM software that records and categorizes calls in a more efficient and data driven manner. Moreover, in its efforts to provide tailored experiences that perfectly address the needs of the bank's clients across all income levels, a specialized hotline that offers distinct services was introduced for the bank's Tharwa category, which is comprised of Banque du Caire's affluent and high net worth individuals.

The call center also played a key role in supporting the retail division's sales function, where the sales desk was offloading requests from clients who were seeking to access the bank's products to the call center, which connected them to the appropriate contacts within Banque du Caire. Additionally, the call center supported the bank's 33 marketing campaigns in 2020 by addressing and responding to all related inquiries by telephone or through chat messaging on the bank's official social media pages.

Financial Inclusion

Banque du Caire is a firm believer that financial inclusion is one of the cornerstones of achieving economic growth and sustainability. To that end, the bank launched the Financial Inclusion department in the second half of 2020 to align with the Central Bank of Egypt's decision in March with respect to the banking sector to establish independent financial inclusion departments. The department is primarily responsible for coordinating Banque du Caire's pipeline of financial inclusion initiatives between the bank's divisions and ensuring that they are properly implemented.

In 2020, the bank participated in the International Youth Day and the World Savings Day Event to offer potential new customers an opportunity to open new accounts, whether current or savings, without requiring any fees or maintaining a minimum balance to open the account. Banque du Caire was also offering free issuances of Meeza debit cards as well as the bank's prepaid cards and offered welcome gift packages to new Qaher Cash users to encourage individuals to adopt cashless technological solutions. Banque du Caire is committed to accomplishing the nation's financial inclusion strategy going forward and plans to raise awareness about the bank's comprehensive financial services and solutions at youth centers in Upper and Lower Egypt.

Forward Looking Strategy

Cards, Loans, and Deposits

Banque du Caire is consistently identifying new products that can unlock value for customers and boost the overall size of the loan and deposit portfolio, with a goal of becoming the bank of choice for individuals at all levels of income. Through its comprehensive understanding of the retail market and deep roots across the banking space in the nation, Banque du Caire is well-positioned to tailor products and loan programs that can best serve its market in Egypt and beyond.

Bancassurance

In line with Banque du Caire's customer-centric strategy and commitment to building, maintaining, and growing customer loyalty, the bank will continue providing tailored services through their bancassurance line of business by leveraging Banque du Caire's partnership with leading insurance player Allianz. The Bancassurance service has witnessed significant success in 2020 and is aiming to carry forward this momentum into the new year and continue driving its growth across all bank branches in 2021.

Branches and ATM Networks

Going forward, Banque du Caire has its eyes set on a three-year strategy for its branch and ATM network. By 2023, the bank is aiming to have an additional 30 new branches (10 new branches per year), 30 renovated branches (10 renovated branches per year) and relocate a total of 7 branches by the end of the three-year period. Banque du Caire seeks to continue to not only expand its branch network but also enhance its service offerings and capabilities to streamline operations and increase customer satisfaction as well as improve the overall customer experience during branch visits. This three-year strategy is in line with Banque du Caire's digitalization efforts, where it aims to centralize operational transactions across branches to provide a unique and efficient customer journey.

Digital Banking

Banque du Caire aims to be a leader in the digital payments ecosystem and be a supporting pillar in Egypt's drive for financial inclusion. To that end, the bank has a pipeline of initiatives that will enhance the overall customer journey, drive revenue growth, strengthen brand visibility, and secure solid market share within the e-payments space. The bank plans on expanding its digital services and solutions to unbanked segments, launch POS, e-commerce and e-payment acquiring businesses, as well as introduce new instant payment solutions with other banks through the Meeza network.

Microfinance

Banque du Caire is aiming to leverage its expansive footprint in Egypt's microfinancing space to disburse c. EGP 6 billion across 140,000 new customers, to achieve revenues of EGP 1.8 billion and grow the loan portfolio to EGP 8 billion by the end of 2021. The bank is also aiming to support the nation's accelerated digital strategy, driven by of the onset of COVID-19, through strategic expansions and product portfolio enhancements. Additionally, by weaving Banque du Caire's digital expansion efforts into the microfinance business through the bank's mobile wallet for both individuals and merchants, the bank will be able to increase its overall volume and value of microfinance transactions in the new year.

Retail Sales

Looking ahead, the sector aims to strengthen the relationship with existing customers and capture new ones by leveraging Banque du Caire's comprehensive capacities to offer a wide array of products and services that fit the needs of customer segments across the board.

SME BANKING

Banque du Caire has quickly grown to become one of the leaders in the provision of exemplary services to the SME segment due to its unique ability to develop bespoke solutions for clients and deep industry knowledge that stems from a decade-long history in the market.

Since the spin-off of the SME Banking Group during the bank's 2018 revamp, the division has been laser-focused on adopting strategic pillars to support business sustainability, drive scalable growth for Banque du Caire's comprehensive SME portfolio, and position the bank as the partner of choice for the SME segment. The division boasts a unique business model comprised of six main verticals – as part of an overhaul of its structure in 2020 – that operate in a cohesive manner to ensure that it is able to unlock value in the SME space, as well as deliver an exceptional customer journey:

Business Centers Network

Strategy & Business Development

Products & Propositions

Technical Support and Supportive Services

Very Small Segment

Collections Management

Banque du Caire's SME division aspires to provide an innovative and tailored offering that serves the comprehensive and dynamic needs of Egypt's thriving SME space. To that end and in line with the CBE's definition, Banque du Caire applied the following special segmentation to its SME clients to offer them a unique value proposition and customized solutions that consider each segment's needs and requirements as well as their business nature:

Very Small segment: Annual sales turnover from EGP 1M to EGP 20M

Small Segment: Annual sales turnover from EGP 20M to EGP 50M

Medium Segment: Annual sales turnover from EGP 50M to EGP200M

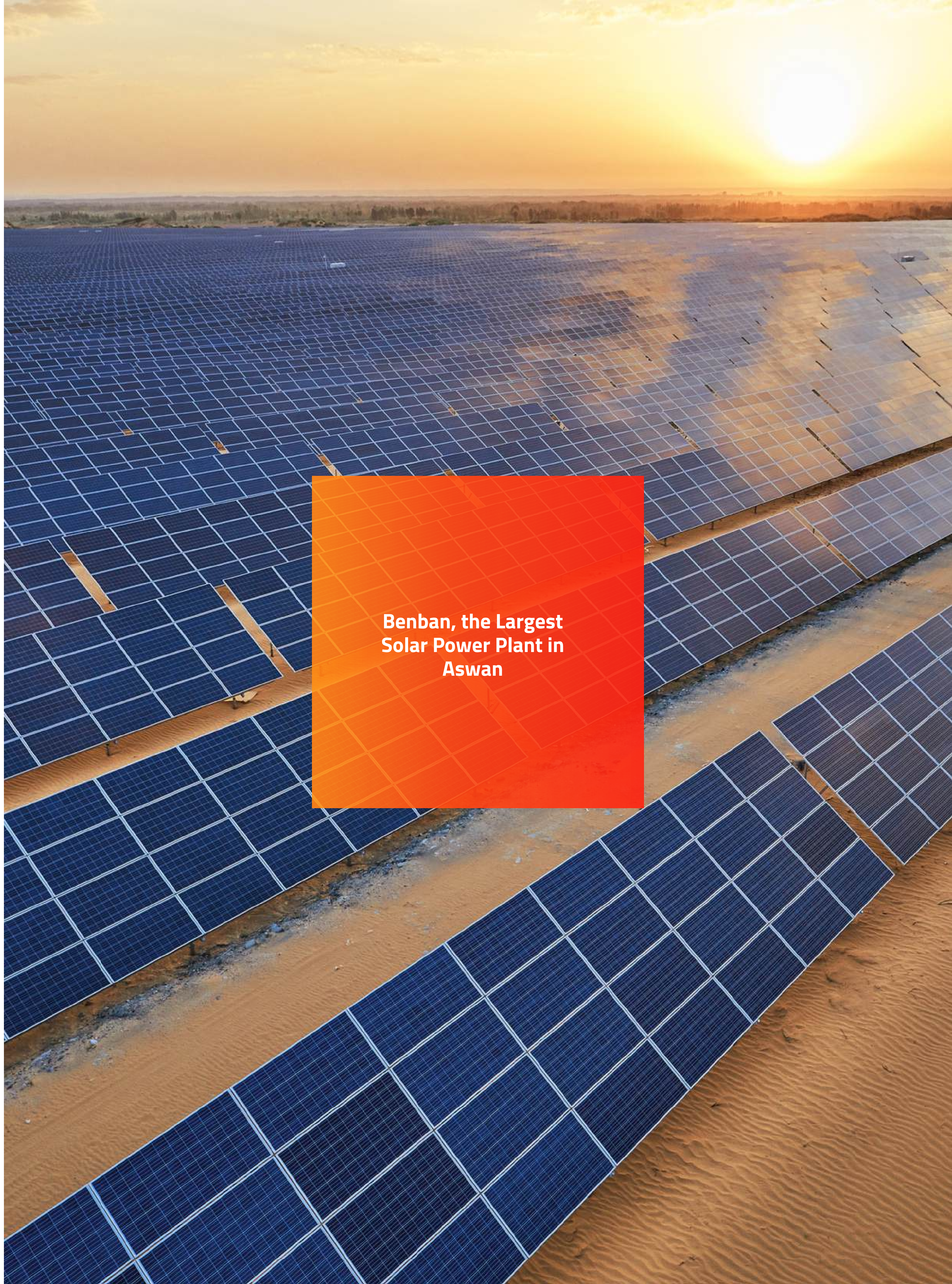
2020 Highlights

The SME loan portfolio grew by 32% y-o-y compared to the previous year, closing at EGP 9.1 bn as of December 2020. Over the course of the year, Banque du Caire continued to build on its strategy of providing a comprehensive product offering that caters to a multitude of customer needs, including working capital requirements, CAPEX and trade financing, cash and liquidity management, as well as treasury products. As a result, the SME division was successful in maintaining Banque du Caire's alignment to the Central Bank of Egypt's mandate of maintaining an MSME portfolio that contributes at least 20% to the total bank portfolio in 2020.

Enhancing Customer Journeys and Expanding Our Presence

Aligning with its goal of tailoring innovative services and solutions that meet the needs of its SME clients, as well as maintaining a high standard for operational efficiencies, Banque du Caire established two new functions in 2020. The bank launched the Very Small Segment division to cater to the needs of companies with an annual sales turnover of up to EGP 20 million through a unique customer value proposition. Additionally, the bank established the Collection Management unit, to manage all processes related to the collection of any due settlements and to communicate with respective clients accordingly in order to maintain efficient operations.

Given the unprecedented year due to the pandemic, it was essential for the division to establish closer relationships with its diverse client base. Relationship mangers were focused on



Benban, the Largest Solar Power Plant in Aswan providing consultancy services to the division's customers, by supporting them in identifying and defining the challenges facing their businesses, and the approach required to address their issues and mitigate their risks. Moreover, to further enhance the overall customer journey, the division began automizing credit flow processes by introducing an SME automated workflow system. Not only does this significantly decrease turnaround times with the respect to the loan disbursement process, but it also provides a more environmentally friendly alternative to a process that traditionally uses an extensive amount of paper.

In its efforts to align with the division's decentralized strategy and growth targets, the team successfully expanded the division's dedicated business centers inside the bank's branches, from 22 business centers in 2019 to 30 at year end 2020. The newly inaugurated business centers were positioned across governorates, focusing on Upper Egypt and the Delta region, reflecting the SME Banking division's strategy of expanding and further penetrating these locations to better serve the Egyptian SME market.

Establishing Learning Pathways and Entrepreneurial Initiatives

NAWAH SME Business School

In 2020, Banque du Caire continues to invest in its people. To that end, Banque du Caire launched the SME Business School - NAWAH. NAWAH, which in Arabic translates to seed, seeks to empower youth and fresh graduates to bolster the SME space by investing in and fostering highly skilled calibers.

NAWAH is an end-to-end journey comprised of innovative and practical programs, aiming to build and enrich the competencies of the fresh graduates joining the SME division to deliver substantial impact and create future leaders. NAWAH has an 'always-on' approach that is continuously monitored, nourished & evaluated.

As of early 2020 and despite COVID-19 implications, the bank enrolled 50 relationship officers at NAWAH, with this number expected to rise on the back of Banque du Caire's planned expansions in 2021.

NilePreneurs

Banque du Caire has an established strategic focus on the non-banking financial services front, which forms an integral part of the bank's value proposition to SMEs and aligns with the nation's financial inclusion strategy. To that end, Banque du Caire actively participates in a fast-growing national initiative titled "NilePreneurs". The initiative is funded by the Central Bank of Egypt, managed by Nile University to drive growth in the SME space. The partnership aims to provide the required technical assistance and knowledge transfer to startups and established companies and to support them with the latest technologies to expand capacities and enter foreign markets.

In 2020, the bank supported SME clients who were eager to start, or expand and enhance, their export businesses by arming them with comprehensive capacity building programs. These programs ranged from technology transfer, digital transformation, product development, and awareness about certification compliance programs to improve their export capabilities and the overall positioning of Egyptian products across international markets. To that end, the Export Excellence center under the sponsorship of Banque du Caire launched new export enhancement tracks and enrolled over 60 export companies to the programs.

Business Development Service Hubs (BDS Hubs)

Under the NilePreneurs initiative, the bank launched three Business Development Services Hubs across Upper Egypt, Monofeya, and Beheira. The bank's BDS Hubs were established with an aim to provide advisory services and nonbanking-financial solutions to support up and coming, as well as established, SMEs in managing and growing their businesses in an optimal way to unlock and generate value by:

Coordinating with the relevant authorities to acquire the documentation required to establish and expand a client's small or medium sized business venture.

Facilitating capacity building, networking opportunities, and providing advisory and consultancy services on key skills for establishing and growing a client's business.

In 2020, Banque du Caire's BDS Hubs provided over 4,000 services to an excess of 2,000 SMEs. Going forward, the bank is aiming to grow this number significantly in 2021.

Forward-Looking Strategy

Banque du Caire will remain steadfast in its pursuit to expand its SME lending portfolio by continuously providing unique products and solutions to Egypt's ever-growing SME space through:

Expanding the number of Business Units to reach a total of 40 by the end of 2021.

Introducing additional services that enhance the customer journey, including access to corporate customer services, call center services, as well launching loyalty programs for the bank's SME clients. In parallel, the bank is aiming to continuously introduce solutions to decrease turnaround times across its SME operations.

- Growing and enhancing its offering by launching a Lending Via Scoring Program for the Very Small segment. This lending program is an assessment-based tool that assesses the creditworthiness of clients, providing them with facilities in a shortened turnaround time.
- Develop tailored credit programs that adequately addresses the needs of SMEs in the industrial and agri-business sectors in Egypt.
- Establishing strategic alliances with key service providers to support the continued growth of SMEs, providing essential support to Egypt's entrepreneurial and startup ecosystem. Additionally, building partnerships with key industrial clusters to support their clients through customized banking solutions.

Banque du Caire's SME division aspires to provide an innovative and tailored offering that serves the comprehensive and dynamic needs of Egypt's thriving SME space.

TREASURY AND CAPITAL MARKETS

Banque du Caire's Treasury and Capital Markets division is central to helping drive

Banque du Caire's Treasury and Capital Markets (TCM) Group invests and trades in a variety of asset classes to optimize the Bank's income streams. The TCM Group leverages Banque du Caire's position as Egypt's third-largest public sector bank and the Bank's large and diverse client base to offer innovative and customized Treasury solutions that effectively hedge clients' balance sheets against price fluctuations. Utilizing Banque du Caire's excess balance sheet liquidity, the TCM Group assists clients in managing their facilities and minimizing exposure to market volatility through the execution of spot and forward foreign currency transactions. The TCM Group also engages in a wide range of money market activities, including the provision term deposits denominated in currencies such as EGP, USD, GBP, and SAR, with durations ranging from one week to one year and more.

An active Sales Desk brings the TCM Group into close contact with BDC's clients and enhances the Group's understanding of their needs and risk profiles. The desk proffers real-time quotations, advice, solutions and acts as a point of sale for all of BDC's Treasury products. Each client's cash flow is precisely evaluated by the desk to guarantee that resolutions are in accordance with the particulars of a given client's business requirements. Further supporting its activities, the Group offers research and analysis services. These include the preparation and distribution to clients of a daily morning briefing which covers the latest FX, LIBOR and deposit rates, the latest market developments, prices of major commodities, top stock exchange indices, and more.

Meanwhile, Banque du Caire is one of the largest primary dealers authorized by the Egyptian Ministry of Finance to manage sovereign debt on its behalf. The Bank receives funds from clients applying and submitting orders at primary market auctions and actively participates in the secondary market for government securities. Banque du Caire remains among Egypt's two key market makers in the banknote export/import business, collecting foreign banknotes from the local market and exporting these banknotes to correspondent banks.

2020 Highlights

Despite the impact of the COVID-19 pandemic on operations, the TCM Group enjoyed another highly successful year in 2020, recording a number of financial and operational milestones. The Group continued to see an influx of skilled professionals during the year, expanding its commercial reach and further enhancing its operational capabilities. Total headcount at the Group came in at 25 for 2020, up from 24 at year-end 2019.

TCM activities generated EGP 9.37 billion in interest income during 2020, from EGP 11 billion in 2019. Interest income from TCM activities represented 45.7% of the total interest income booked by Banque du Caire in 2020 (2019: 51%) and was generated primarily by the following activities:

- **EGP 7.73 billion** from T-Bonds and T-Bills (local and foreign CCY)
- **EGP 1.00 billion** in deposits with the CBE
- **EGP 631.1 million** without interest expenses from money market transactions (local and foreign)

The TGM Group booked **EGP 33.6 million** in income from fees and commissions in 2020, up from **EGP 26.7** one year previously. Capital gains on government securities traded in the secondary market amounted to **EGP 173 million** at the close of 2020, up from the **48.9 million** at year-end 2019.

It is worth noting that the TCM Group continued to deliver growth and solid profitability despite the negative effects of the COVID-19 pandemic on the volume of global foreign exchange transactions, as well as a generalized decrease in trade finance flows and major disruptions to shipping and transportation as a result of the crisis. Banque du Caire's Treasury and Capital Markets team successfully mitigated such risks through the aggressive diversification of the Group's FX resources and an accelerated pursuit of a wider client and counterparty base.

The Group onboarded several new world-class investors from Europe, the GCC, and Africa during 2020. Combined with an enhancement of relations with existing counterparties and the extension of new limits during the period, these developments drove a marked expansion in the Group's fixed income and foreign exchange activities during the year. Meanwhile, one year on from the launch of its exchange houses business, the Group's competitive FX rates pricing mechanism allowed it to onboard several Egyptian FX bureaus during the period, with a resulting increase in remittance volumes handled through the Bank.

Banque du Caire's TCM Group continued to roll out innovative new products and services during the year. The Group provided clients with an enhanced range of FX derivative products such as forward hedging contracts, helping insulate their balance sheets from market disruption and optimizing their risk exposure. Meanwhile, the Treasury Sales Desk maintained its efficiency in retaining business with direct clients in the corporate and retail segments and played a leading role in further expanding the Group's client base, with an eye to profitably supporting balance sheet growth.

ALM continued its efforts to enhance and manage its balance sheet along with creating an FTP policy aligned with market standards. This will allow the business to grow in line with the bank's strategy, maintaining the FTP curve to increase pricing efficiency of assets and liabilities and enabling other lines of business to be more competitive. The division also revamped the ALCO process and its terms of reference, pack, and minutes to enhance the decision-making process.

Banque du Caire maintained its leading share of Egypt's wholesale banknotes market in 2020. Profits from wholesale banknote activities registered EGP 27.6 million during 2020, up from EGP 27.2 million one year previously. Meanwhile, the Group's Foreign Exchange Management Division recorded profits of EGP 235 million for 2020, against 303 MN in 2019. Banque du Caire maintained its leading role in the Egyptian banknotes export industry despite the effect of lockdowns, mobility restrictions, and the reduction of airline freight activities. The Group successfully overcame such challenges by expanding and diversifying its counterparty base, rapidly transitioning from market-taking to market-making in the FX and fixed income trading spaces.

The TCM Group continued to upgrade its IT infrastructure in 2020, completing Phase I of its transition to the Kondor+ front office system. This transition was completed in a timely and efficient manner despite precautionary COVID-related mobility restrictions and capacity limitations in place for parts of 2020 The Kondor+ system is one of the world's most widely used trade and risk management solutions and will allow the Group to standardize and integrate its trading and risk platform, trade high volumes of treasury while supporting more complex derivatives and options and reduce the cost per trade. The Group continues to make strides in its strategy of engendering a data-driven business culture, with positive implications for cost control and an improved ability to develop new offerings using supporting data.

AWARDS

The achievements of the Treasury and Capital Markets Group were recognized with eight prestigious awards during 2020, including awards from international institutions such as:

International Finance Magazine

Best Foreign Exchange Bank – Egypt 2020 (second consecutive year)

International Business Magazine

Best Foreign Exchange Bank – Egypt 2020

Best Bank for Treasury – Egypt 2020

The European Award

Best Treasury Management Bank – Egypt 2020/21

Best Foreign Exchange Banking Provider – Egypt 2020/21

Best Fixed Income Banking Provider – Egypt 2020/21

Best Liquidity Management Provider – Egypt 2020/21

Forward-Looking Strategy

In 2021, the TCM Group will strive to consolidate Banque du Caire's leading position in the FX and wholesale banknote markets, while seeking opportunities for efficient and profitable expansion of business across all activities. The Group will also work to maintain its position in the liquidity management space.

The TCM Group aims to continually expand its base of clients and counterparties, with a particular emphasis on the Direct Clients Portfolio. To achieve this, the Group will leverage a continual enhancement in its team's capabilities, Banque du Caire's strong foreign exchange resources, and the Group's upgraded infrastructure of IT systems. The Group anticipates the completion of Phase II of the Kondor+ front office system within 2021, with an eye to facilitating activity in the derivatives, options, IRS, and repo spaces. TCM continuously works to roll out a differentiated and innovative set of derivative, FX, and carry trade products, with an eye to capturing a larger share of business with top-tier foreign investors.

To support its own capabilities and Banque du Caire's strategic transition towards a more customer-centric business model, the TCM Group will work to attract and acquire top talent in the treasury field during 2021, with a further eye to constructing a solid second-line team. Meanwhile, the Group will press ahead with plans to develop a fully-fledged in-house economic research desk, deepening its relationships with clients through the provision of unique insights into changes in the Egyptian and international markets.

The TCM Group leverages Banque du Caire's position as Egypt's third-largest public sector bank and the Bank's large and diverse client base to offer innovative and customized Treasury solutions that effectively hedge clients' balance sheets against price fluctuations.

MARKETING AND CORPORATE COMMUNICATIONS

Banque du Caire's Marketing and Corporate Communications is the driving force behind the bank's transformation into an innovative and sustainable institution.

With a legacy spanning seven decades, marked by an evolutionary approach within a transforming Egyptian banking industry, Banque du Caire has long cemented its brand positioning. Driven by the Marketing and Corporate Communications division, the bank's brand equity has transformed alongside its evolution into a market leader and trusted partner for both corporate and retail clients.

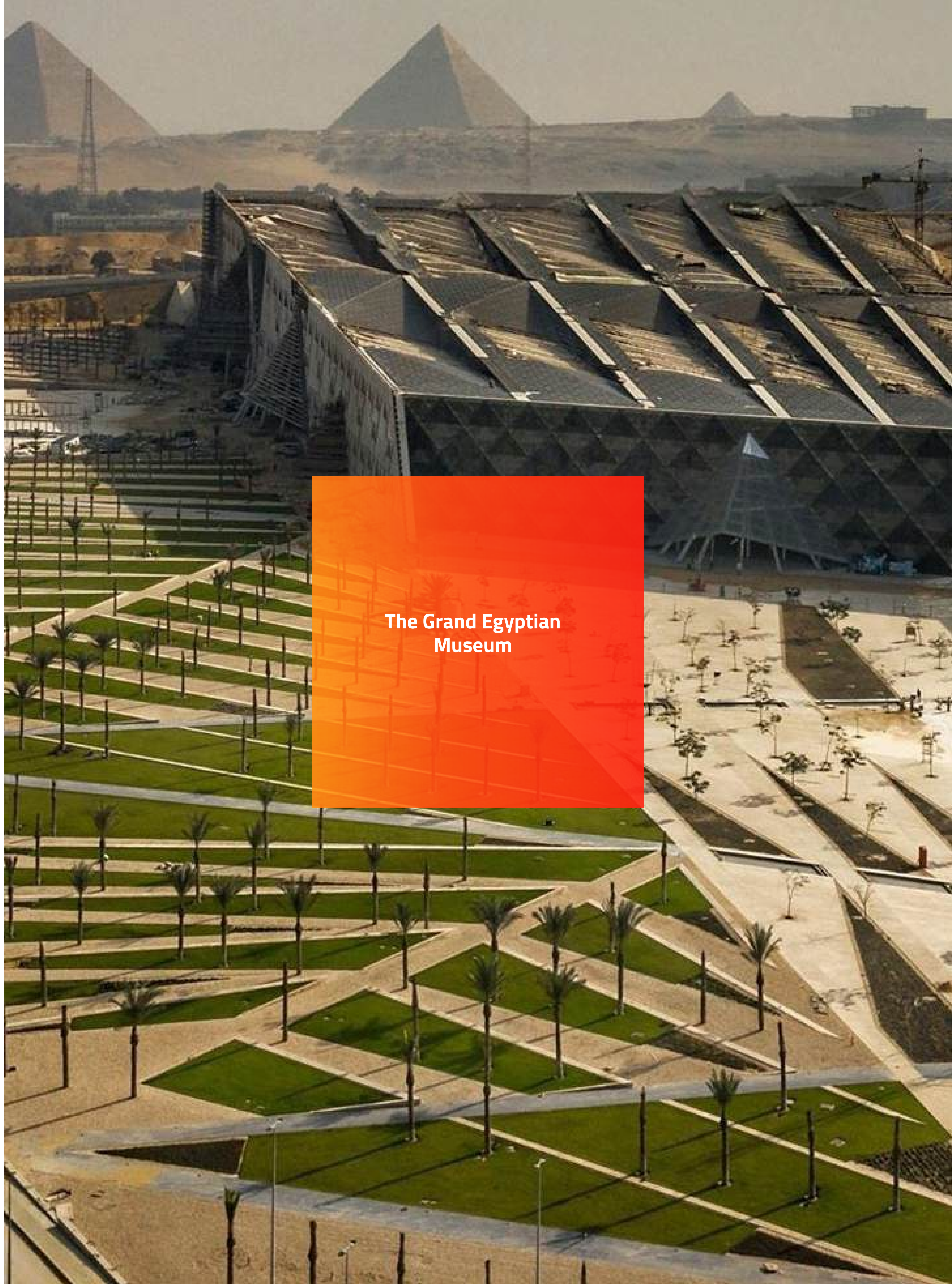
2020 brought about unprecedented circumstances with the COVID-19 pandemic. Despite these challenges, Banque du Caire was able to push forward with its transformation strategy, developing sustainable endeavors and establishing strategic partnerships. This dynamic approach to communication, which combines traditional marketing strategies with evolving and sustainability-based marketing approaches, enabled the bank to continue effectively developing and adapting to forward-thinking trends in banking.

The Marketing and Corporate Communications division's key goals are to continuously support the bank's endeavors, develop a proactive, customer-focused institution, and drive value for all the bank's stakeholders. In 2020, the division continued to cement Banque du Caire's brand, anchored in its long-term commitment to Egypt as a trusted nationwide banking partner.

COVID-19 Response

The bank pressed on with its digitalization efforts as part of its drive to bolster financial inclusion and digital intermediation, pushed forward by the onset of the COVID-19 pandemic, which rendered the shift to digital even more of a necessity. The division was central to marketing and promoting these efforts as a means of onboarding customers and migrating traffic from branches. As part of its efforts to mitigate the effects of COVID-19, the bank launched a mobile banking application for customers, enabling them to conduct their banking needs from the safety of their homes. Banque du Caire also canceled mobile and internet banking transfer fees to other banks and enabled customers to transfer funds from their accounts to Qahera Cash through internet and mobile banking services. Customers were also able to self-register for online and mobile banking, the latter of which also enabled them to pay their credit card installments. Customers were also able to self-register for Qahera Cash without any associated fees. Daily and monthly transaction limits, as well as overall wallet balance, were increased. Fees were also waived for wallet withdrawals from non-Banque du Caire ATMs, transactions, VCN issuances, and QR transactions for Qahera Cash Merchant.

Further efforts by Banque du Caire to cushion the impact of COVID-19, as mandated by the CBE, included the postponement of loan, installment, and credit card payments for six months from March to September, for which the division was central to marketing. The bank increased the daily and monthly ATM cash withdrawal limits, contactless card payment limits, and card POS transaction limits. Prepaid cards issuances were conducted free of charge, and several seasonal offerings were provided through cash back and instant discounts for customers, encouraging them to shift to POS and online purchases instead of using cash. The bank launched animated videos, and a step-by-step video illustrating how to use the application for the rewards program.



The Grand Egyptian Museum

To support essential front line and healthcare workers during this time, Banque du Caire's branch network set up dedicated teller and customer service desks for doctors and medical staff. The bank also launched a dedicated personal and auto loan offering with benefits for doctors and medical staff.

Creating Value for Customers

Following the complete overhaul of its brand identity in 2019, including a new logo, corporate identity and redesign of its physical branches, Banque du Caire implemented a number of comprehensive and successful post-rebranding activation campaigns and activities in 2020. These efforts aimed to cement Banque du Caire's positioning in the market, in line with its overall repositioning strategy, to reinforce Banque du Caire's image and effectively engage customers of various target segments.

Banque du Caire's communications strategy centers on revamping the bank's brand and product positioning and promoting excellence in all areas of the bank. As it has grown into a fully-fledged banking institution, the bank has enhanced its offerings, including increasing services and access for wealth and corporate customers and launching the Tharwa segment, driving innovation as it evolves into a leader in digital banking. Expanding customer segments and attracting new customers by offering a range of distinct packages has been an area of focus, with exclusive benefits and features offered to cardholders, as well as different types of saving and loan products catering to different needs.

As part of its financial inclusion strategy, the bank launched the BOKRA account, targeting working women in low to medium-income categories. The account aims to encourage women to save with the bank, instead of utilizing social saving schemes, with attractive interest rates on a term of their choosing. Additionally, the account offers free life insurance, as well as loan options up to a maximum of 80% of the original deposited amount. The bank is also actively taking part in the CBE's national POS and QR payments financial inclusion initiative, becoming the first bank to launch the QR merchant wallet in the market. BDC also launched a financial inclusion series for its retail products and services entitled "Howa Allak El Bank Menein". The series aims to raise customer awareness of the benefits and key features of some of the bank's retail products and services, including mobile banking, electronic wallets, merchant wallets, QR code payments, and cards.

As the bank strives to embark on partnerships that serve customers' interests, and in light of its belief in the future of digitalization, 2020 saw Banque du Caire partner with Etisalat for the Etisalat Cash Wallet. The bank also launched a rewards program in cooperation with Mastercard, enabling credit card holders to collect points on their purchases anywhere and redeem them at any merchant or online both within Egypt and abroad. Customers can be granted cash back in return for their points, or use the points for payment and flight and accommodation bookings, without the need to contact the call center or the use of vouchers. In its efforts to raise awareness on the utilization of digital products and encourage customers to go digital, Banque du Caire launched a series of animated how-to videos for each of its products.

In line with Banque du Caire's ever-evolving corporate communications strategy, the bank established an exclusive annual partnership with the American Chamber of Commerce in 2020, providing Banque du Caire with presence in all monthly luncheons and breakfast briefings, as well as the AmCham website, directory, and desk calendar. Banque du Caire and the Union of Arab Banks have also entered a partnership that will enable Banque du Caire to have a presence in all the group's conferences and forums, the online magazine, and high-level IMF virtual conferences.

2020 saw Banque du Caire implement a number of successful campaigns to further engage with customers. The bank held an award ceremony for the Current Account Campaign Winners, with the three winners awarded a total of EGP 1 million each.

Creating Sustainable Value

Banque du Caire's longstanding commitment to maintaining sustainable operations while driving value in the communities in which it operates continued in 2020. The division works to set up effective communication channels on its sustainable development efforts, in line with internationally recognized sustainability reporting standards, which include submitting an annual communication on progress (COP) to the United Nations Global Compact. The division also continued to support the bank's environmental and social development programs while creating sustainable value for the wider community.

Environmental Impact

Throughout 2020, Banque du Caire increased its focus on environmental issues, working to enhance the bank's environmental preservation initiatives with an eye to narrowing its carbon footprint. In light of this, flyers and posters were replaced with QR codes during the year to encourage staff to cut back on paper usage. The bank also launched the Bgreen initiative to raise awareness among customers, suppliers, and employees on the importance of environmental sustainability. Individual initiatives under the platform included recycling projects in schools, a beach cleanup in collaboration with Banlastic, and a Nile cleanup initiative.

Sustainable Development

Banque du Caire remains committed to sustainably developing local Egyptian communities, carefully selecting partnerships and implementing initiatives across multiple sectors that best-provide for various community needs.

Educational Support: In 2020, Banque du Caire signed a protocol with the Ministry of Higher Education and Scientific Research in Egypt through which it will offer scholarships to distinguished students at the nation's new non-profit universities which include King Salman International University, Al Galala University, and New Mansoura University. It also offered scholarships at the Arab Academy for Science, Technology & Maritime Transport, Zuweil City of Science and Technology, and Nile University.

Community Support: In cooperation with El Hassan Foundation, 2020 saw Banque du Caire launch 25 income-generating businesses for the benefit of people with special needs.

In the sports arena, the bank has begun providing support to various Egyptian federations and athletes competing in national and international tournaments. Among these is the Egyptian Basketball Federation, the entirety of which is sponsored by the bank, including all national teams, and branding rights at courts hosting the Egyptian Cup, Super Cup, and League for both genders.

The bank is also sponsoring a number of Egyptian squash players, inluding Jana Shiha, Yathreb Adel, Zeina Mickawy, Mayar Hany, and Zahed Salem

The year also saw Banque du Caire sign a contract with Rawabit Sports Agency, in the presence of Minister of Youth and Sports Dr. Ashraf Sobhy and CEO of Banque du Caire Mr. Tarek Fayed for the sponsorship and full support of seven Olympic champions set to compete in the Tokyo 2020 Olympic Games. The sponsored players include Sherif Othman in paralympic powerlifting, Dina Meshref in table tennis, Aly Zahran in gymnastics, Ali El Sawy in karate, Ali Khalaf Allah in swimming, Nour Hussien in taekwondo, and Kareem Al-Zoghby in equestrian show jumping.

Economic Support: The bank participated in "Project Hope'' in 2020, in collaboration with MBC Hope, to empower Egyptian women entrepreneurs and support promising female-led ventures. It also signed a cooperation agreement with jewelry designer Azza Fahmy to launch the "Revival of Handcrafts'' project, which provides intensive training workshops on manufacturing and designing jewelry.

For a full rundown of the bank's sustainable development efforts, please refer to the Sustainability and Corporate Social Responsibility section of this annual report.

An Integrated Marketing Strategy

During the year, Marketing and Corporate Communications launched several initiatives emphasizing its integrated marketing approach. The division launched proactive campaigns that leveraged multiple channels and stakeholder engagements, while engaging with consumers.

Winter Wonderland ZED Park Sponsorship:

The bank kicked off 2020 with a fruitful sponsorship of the Cairo Winter Wonderland 2020 in Zed Park. The fair ran from November to March in Sheikh Zayed's most attractive new space. As part of its sponsorship, Banque du Caire's logo was placed on all ground branding elements, in addition to the placement of a booth designed to match the park's theme. Visitors were able to interact with the booth's activations and enjoy branded giveaways.

2020 Summer Activations

In 2020, Banque du Caire carried out a number of successful summer activations. The bank sponsored La Vista Bay – North Coast for the second consecutive year, with branding elements such as light boxes, flags, fences, banners, umbrellas, and bean bags distributed throughout the exclusive compound. Branded giveaways were widely distributed for all La Vista owners and visitors throughout the summer, including VIP bundles. Banque du Caire also constructed a paddle court in La Vista, with the compound hosting weekly tournaments. The mega tournament winners were awarded tickets to an Arsenal match at the club's Emirates stadium in the UK.

The bank also sponsored Platform in Telal Compound during the summer, setting up a booth with a Banque du Caire representative dedicated to answering inquiries and promoting the bank's products and digital services.

Sports Activities & Sponsorships

Egyptian Basketball Federation: In the sports arena, the bank has begun providing support to various Egyptian federations and athletes competing in national and international tournaments. Among these is the Egyptian Basketball Federation, the entirety of which is sponsored by the bank, including all national teams, and branding rights at courts hosting the Egyptian Cup, Super Cup, and League for both genders.

Squash: The bank is also sponsoring a number of Egyptian squash players, inluding Jana Shiha, Yathreb Adel, Zeina Mickawy, Mayar Hany, and Zahed Salem

Olympic Champions: The year also saw Banque du Caire sign a contract with Rawabit Sports Agency, in the presence of Minister of Youth and Sports Dr. Ashraf Sobhy and CEO of Banque du Caire Mr. Tarek Fayed for the sponsorship and full support of seven Olympic champions set to compete in the Tokyo 2020 Olympic Games. The sponsored players include Sherif Othman in paralympic powerlifting, Dina Meshref in table tennis, Aly Zahran in gymnastics, Ali El Sawy in karate, Ali Khalaf Allah in swimming, Nour Hussien in taekwondo, and Kareem Al-Zoghby in equestrian show jumping.

Digital Marketing

As part of its efforts to further increase its brand visibility, Banque du Caire launched a comprehensive digital marketing campaign during the year, leveraging a variety of channels. During the year, Banque du Caire incorporated its new brand identity into its website, with a better look and feel to create a more accessible and informative platform for its clients, positioning it as a comprehensive gateway to all news, products, or services relating to the bank.

Banque du Caire's comprehensive digital marketing strategy enable it to reach more than 1 million likes on Facebook, 19,100 followers on Instagram, 103,928 followers on LinkedIn, and 1,930 subscribers on YouTube during 2020.

The bank also launched a number of promotional posts and campaigns to engage with the public via its social media channels, successfully reaching more than 4 million people each month and directly engaging with more than 3,000 people on a monthly basis. These efforts have led he bank to successfully obtain the verification badge on Facebook.

Forward-Looking Strategy

In 2021, the Marketing and Corporate Communications division will continue to build on its demonstrated success in rolling out new initiatives, campaigns, partnerships and events, in line with its strategy to strengthen the bank's positioning in the market and support individual lines of business in their efforts. The division will remain focused on strengthening brand equity with consistent and dynamic market management and prioritizing the bank's ever-growing customer base and diversified range of segments to formulate a tailored offering to clients. The team will remain committed to delivering on its mandate to cater its product and service offerings to market demands by tailoring its operations to drive value for all stakeholders. It will also continue to work on enhancing its marketing and communications activities to reach a wider audience and solidify engagement across its channels.

HUMAN RESOURCES

Banque du Caire's Human Resources (HR) team is dedicated to building a robust workforce, attracting top talent in the Egyptian market, and creating a work environment that enables employees to enhance their skills and drive the bank's strategic growth

In recognizing that our people are the driving force behind the bank's success, Banque du Caire's commitment to building a diverse workforce across all bank functions positions it as an attractive and valuable institutions for professionals looking to develop their careers. As we work to create an inclusive and equality-driven environment for our employees, the HR team continuously strives to improve the bank's human resources processes to facilitate strategic growth. Throughout 2020, the bank continued to refine and enhance its human resources practices.

2020 Highlights

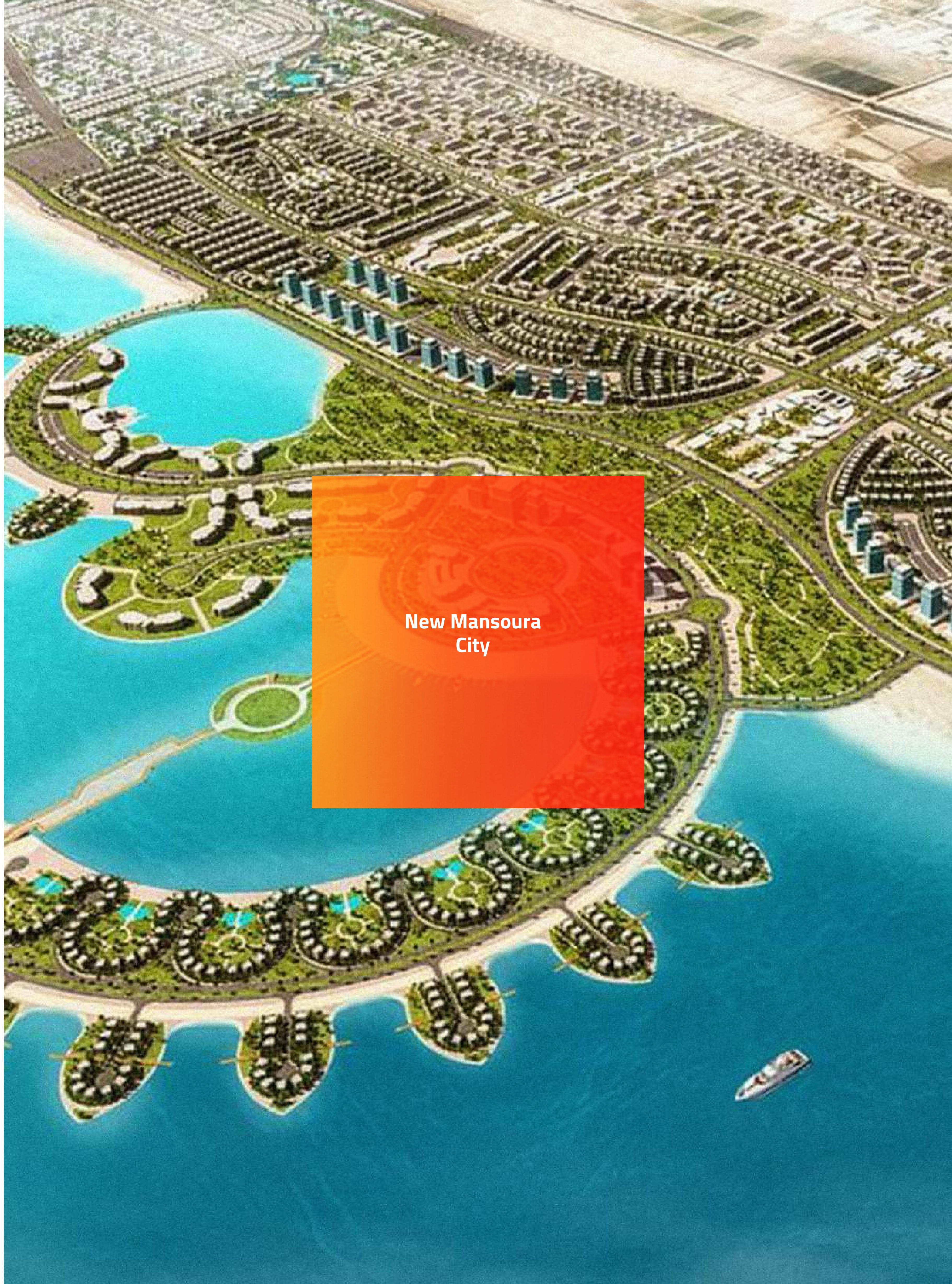
Organizational Development

As the bank's activities and base continue to grow, Banque du Caire continues to build its human capital and put in place appropriate authority designations across the organization to efficiently manage its workforce. In 2020, the bank continued to commit to digital transformation and introduced an integrated Human Resources Management System (HRMS), with the first phase of implementation completed and now online, covering performance and learning management. The bank also implemented a time attendance system at its headquarters, as an integral part of the digital transformation.

The HR team managed a successful transition to digital platforms, with the performance appraisal cycle for 2020 carried out on the new system successfully. The team also implemented competency modeling for core and leadership competencies, and embedded in the promotion cycle as well as the Training Needs Analysis (TNA) cycle.

During the year, 1,362 employees were promoted, representing 16% of our workforce provided with new opportunities to explore and expand their careers. The bank designed a program to fast-track high potential talents, targeting clerical and supervisory positions.

Talent Acquisition



Throughout 2020, Banque du Caire continue to work on improving its internal hiring process. The bank worked to maximize its current HR resources and strengthen growth opportunities for all staff.

As part of the bank's restructuring initiative and its efforts to continue to attract the best quality candidates to meet its strategic growth targets, Banque du Caire made enhancements to the external hiring process and revamped the fresh graduates' exam. The year saw 710 new hires at the bank, 527 of which were fresh graduates amounting to 74%.

Compensation and Benefits

2020 brought another year of high performance across Banque du Caire's workforce. As a result of this and the bank's commitment to ensuring employees are compensated fairly, the bank raised annual salaries across the board between 8% and 20%. Based on comprehensive market intelligence conducted in 2019, the bank continued to offer competitive packages for both entry-level talent and more senior staffers. Due the year's unforeseen circumstances, an exceptional 2-month bonus of employees' basic salary was distributed.

As medical insurance is one of the most essential benefits the bank provides employees and their dependents, and in light of the COVID-19 pandemic, the service has been enhanced since the formation of a medical committee in 2018. In 2020, Banque du Caire's budget for employee medical services grew to EGP 106 million. The budget for family medical service increased to EGP 37 million. During the year, the bank renewed its life insurance program for all employees, and increased staff loan limit by 25% to reach EGP 2.5 million.

Training

As Banque du Caire works to promote a work environment in which employees can thrive, the bank conducts numerous training programs designed for employees to build new skills and expertise, with the bank successfully completing its 2021 TNA cycle on its new digital platform.

Similarly, Banque du Caire offers a variety of training programs for employees to build their soft, technical, and productivity skills. In 2020, and in light of the restrictions imposed due to the pandemic, the bank maximized online training solutions to ensure their availability to a wide range of trainees. This resulted in a 26% decrease in training costs during the year. 2020 saw an impressive 112% increase in training opportunities vs. 2019, with a 6% increase in training hours. The number of employees trained across the bank's workforce increased by 29%.

COVID-19 Response

As the COVID-19 pandemic spread to Egypt, Banque du Caire put the health and safety of all our staff at the forefront of its priorities. The bank ensured a safe work environment by thoroughly cleaning and disinfecting workplace and implementing a clear process for handling suspected and confirmed cases of COVID-19 among staff and throughout the bank's locations. The HR team continuously worked to raise staff awareness of preventative measures through a variety of targeted campaigns.

The bank conducted a total of 1,500 PCR tests for suspected COVID-19 cases among employees, providing hospitalization for all positive cases were accommodated in hospitals, in addition to availing the necessary medication regime to 200 employees who tested positive for the virus.

As part of its efforts, the bank instituted a reduction plan for the physical presence of staff in the bank premises, reviewed every two weeks, with a standard capacity of 50-70% at every location. For staff that were not working from the office, flexible remote work options were provided. This included taking meetings offline, providing internet and mobile banking services, and providing online training courses.

Forward-Looking Strategy

In understanding that investing in people and technology is the means by which successfully advance our HR policies, systems, and practices Banque du Caire will continue to invest in training and capacity building and partnering with management and business lines will be key to delivering sustainable corporate performance and progress moving forward.

In 2021, the bank plans to launch a restructuring, job evaluation, and capacity building project to ensure its current structure is in line with market best practices. Banque du Caire will also work on developing a detailed Total Reward Strategy, and will conduct studies into new retention tools.

16%

of employees received promotions

710

new hires

29%

y-o-y increase in number of employees trained

112%

y-o-y growth in training opportunities

INFORMATION TECHNOLOGY

Banque du Caire's IT group is spearheading the bank's transition to the future of banking, laying the groundwork that will allow the bank to distinguish itself from the competition with new digital offerings.

As the financial system progresses toward digital solutions and financial inclusion, Banque du Caire has positioned itself to compete with payment solutions offered by international companies like Apple, Google, and Amazon, in addition to local fintech startups. It is this rapid push toward more inclusive, efficient, and customer-centric digital solutions that has underscored the importance of investing in the bank's IT infrastructure and continuously upgrading its digital capabilities.

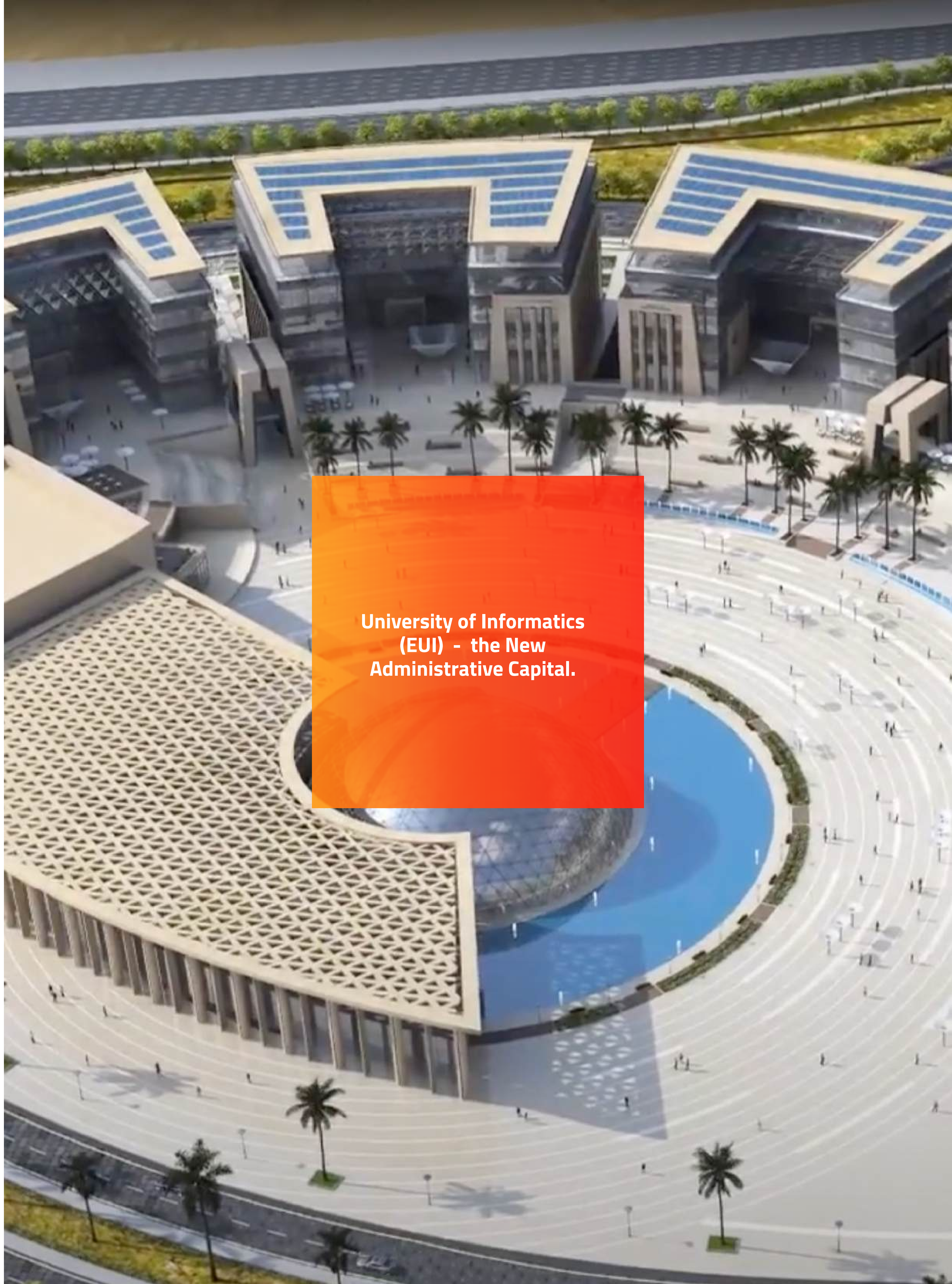
Banque du Caire's IT strategy guides the development of ecosystems that allow for the seamless introduction and inclusion of new digital services and products into the bank's technology capabilities and infrastructure. The bank's strategy is also focused on strengthening the technological foundations needed for business transformation, namely, empowering product innovation and control; enabling a customer experience that makes Banque du Caire's offerings the "bank of choice'; delivering the right product offering to the right customer at the right time through the empowerment of data analytics and rapid product manufacturing capabilities; empowering enhance operations and productivity; and modernizing and applying continual improvements to infrastructure. In addition, the strategy delivers improved IT security, quality assurance, and excellence delivered by improving staff skillsets to perform and leverage leading banking technologies through solid IT strategic planning and governance frameworks.

2020 Highlights

Throughout the last three years, the IT group has been restructured to allow it to serve the bank's objectives more effectively. In doing so, it continues to evolve to ensure it helps drive a modern service-delivery organization, from strategy, planning and architecture to development, quality assurance, and operations. During 2020, the IT group grew to include 180 professionals, 60 of which are specialized in several newly established areas such as Enterprise Architecture, Digital Channel Development, Data Architecture and Private Cloud and DevOps, as well as bolstering the current team's expertise in established areas like IT Business Relationship Management, IT Strategy and Governance, IT Business Systems, IT Banking Solution Transformations, IT Service Delivery, IT Operations, and IT Technology Systems. With more than 3,000 training hours, these teams have worked tirelessly to revamp the bank's legacy infrastructure, stabilizing and modernizing the systems and platforms that underpin the bank's operations, providing a high-level of operational stability needed to deliver new banking experiences and innovative products and services including new digital and payment solutions, initiatives for financial inclusion, and other innovations. The team also supports new branch openings and compliance with regulatory requirements.

In 2020, the group continue the establishment of the enterprise architecture capabilities, improving the digital frameworks for the bank's internet and mobile banking services and launched the corporate internet banking and lay the foundation for the bank's omnichannel architecture.

The year also witnessed the opening of the bank's first digital branch, which greatly enhanced customer experience by offering unique and tailored services for the first time in the Egyptian market such as instant card issuance. The group also supported the launch of the customer loyalty program



University of Informatics (EUI) - the New Administrative Capital.

as well as opening of new branches and the renovation others as well as further extending the ATM network. It also implemented key enterprise technology platforms such as the customer relationship management (CRM), enterprise service bus, business process management, and Robotic Process Automation (RPA) streamlined business workflow digitization. It also enhanced the bank's ability to introduce client segmentation and product offerings.

Furthermore, the group worked to realize a strategy that bolstered IT security, quality assurance, and overall IT staff capabilities to fortify the bank with leading technologies, strategic IT planning, and governance frameworks to meet its strategic objectives. It implemented the endpoint monitoring solution Nexthink to ensure a seamless experience for employees, through a cloud-native platform that manages employee engagement, offers real time analytics, and pinpoints issues and solutions to improve the employee experience. The bank additionally received the "Digital Transformation Leadership Across the MENA region'' award from Nexthink.

The IT group also completed the Digital Factory structure and implemented the required technology stack to ensure the digital customer journey is streamlined by utilizing the DevOps operation model. On the IT infrastructure front, following a complete overhaul and upgrade to the entire structure, the group embarked on a journey to implement private cloud frameworks and initiated the containerized infrastructure.

During the COVID-19 pandemic, the group played a substantial role to avail customers and employees with the required services and tools to ensure business continuity and support remote work:

Implemented the six-month loan postponement for more than 750,000 retail, microfinance, SME and corporate customers as per CBE regulations.

Enabled SMS communication channels for customer postponement request management and actioned related responses automatically.

Implemented all changes for ATM limits, fees, and charges as per CBE directives.

Implemented the online customer registration and verification for internet banking and QaheraCash to allow customers to access their account online, perform key financial transactions, and manage their cards effectively.

Purchased, configured, and distributed over 450 laptops and data lines to business teams to facilitate remote work.

Provided technology collaboration and communications platforms and established virtual meeting rooms for over 15 board and executive committees and more than 20 virtual meeting rooms for different business units.

Activated the Cisco soft phone (Jaber) for employee remote IP phones access, allowing employees to connect their IP phones to their home DSL.

Provided VPN accessibility to all critical systems and IT resources and vendors for critical support as well as daily operations.

Upgraded internet communication lines from 30 Mbps to 200 Mbps.

Outfitted a dedicated executive service desk support team with a dedicated hotline (911) and external phone number.

Forward-Looking Strategy

[text] Banque du Caire appointed Mckinsey to set up the bank's future digital strategy, among one of many strategic initiatives the group is actively working to fulfill. The bank's IT platforms and product capabilities are a key enabler of its long-term growth strategy, allowing the bank to become a customer centric institution that adapts quickly and dynamically to customer needs through robust, modern technology capabilities and infrastructure. The IT group will continue its efforts to realize Banque du Caire's IT strategy and to capitalize on the growing digitalization of banking services. As such, the bank will utilize big data and analytics projects in 2021 while capitalizing on automation and robotics technology to streamline processes and boost efficiencies. It will also work continuously on fully implementing the bank's new core banking system in collaboration with the Change, Transformation, and Reengineering division. In addition, the bank is planning to enhance the customer reach through the launch of BdC Chatbot over the different social media networks. The first Blockchain capabilities use cases are planned to go live in 2021, delivering innovative solutions of instant payment remittances across the globe. As part of the drive for continual IT digital capabilities and service improvements, a program for IT service management and excellence will continue into the year ahead by implementing the agile development methodology, Continuous Integration Continuous Deployment (CI/CD), and DevOps technologies. The IT group will also begin to expand its self-service offering and gain maximum insights through data analytics.

Banque du Caire's IT strategy guides the development of ecosystems that allow for the seamless introduction and inclusion of new digital services and products into the bank's technology capabilities and infrastructure.

LEGAL

As one of Egypt's leading financial institutions, Banque Du Caire retains a well-developed, business-oriented legal team which serves the bank's business needs and expansion plans while working to navigate the legal and regulatory environment in order to safeguard the bank's rights.

Banque du Caire's Legal division guides departments and employees through legal and regulatory affairs as per local laws, legislations, and directives and remains a core pillar of the bank's ongoing transformation strategy. The division is able to deliver quick and precise legal counsel to executive management, other divisions, and branches through its 12 distinct departments which include litigation, execution, attachments, investigation, advisory, contracts, estates and taxes, asset registration, legal support for real estate financing, small and medium loans, and international legal affairs, as well as the technical office and the administrative secretariat. Support is provided by way of the department's team of 110 attorneys and 77 administrative personnel, all of whom are highly qualified with an immense knowledge of the Egyptian banking sector. They assist the bank in abiding by its legal obligations, therefore driving successful operations and facilitating the bank's smooth transition into digitized operations, as per its ongoing digital expansion plan.

The division is also responsible for representing Banque du Caire before any legal, judicial, governmental and non-governmental bodies with which the bank deals, as well as preparing fast response mechanisms for all inquiries made by any divisions or individuals. It also invests in training all bank employees, to supply them with sufficient knowledge of legal and regulatory issues that have a bearing on their work. The legal division also drafts and enforces legal contracts, as well as reviews and updates the bank's regulatory paperwork in line with the latest developments in the Egyptian banking sector.

2020 Highlights

During the year, the division successfully performed all tasks, resolving bank-related disputes and ensuring that all bank divisions are abiding by internal and external regulatory policies. In addition, it was able to settle old debts that had formed part of the bank's portfolio for years. The division also played an active role in implementing the bank's transformation strategy through restructuring the legal affairs group and creating new departments, including the international legal affairs to meet the bank's increasing need for specialized legal support. The division continued to perform its mandates with the same accuracy in a timely professional manner even throughout the lockdown imposed as a result of the onset of the COVID-19 pandemic.

During 2020, following the promulgation of the new banks law, the team embarked on drafting a series of regulations in order to ensure compliance with all laws and directives applicable to Banque du Caire.

Forward-looking Strategy

As part of its efforts to support the bank's transformation strategy while navigating the COVID-19 pandemic, the division will continue facilitating all legal and regulatory requirements in order to support the bank's operations, in line with its modernization and digitization strategy. It will also seek to invest more time and effort in elevating individual competencies across all bank divisions and branches to accommodate the ongoing transition and uphold its operational standards as the bank moves into a new era.

In addition, in light of ongoing events, a key priority for the division will be to support operations as needed in order to navigate the ongoing conditions brought forth by the COVID-19 pandemic in order to ensure business continuity and ensure the wellbeing of its team.

CHANGE, TRANSFORMATION AND REENGINEERING

Organizations around the world are building and implementing enterprise change management capabilities to support their ability to adapt to dynamic business environments and increase project success rates. Accordingly, Banque du Caire's Project Management Office was introduced in 2018 under the umbrella of change management, transformation, and reengineering as part of the bank's overarching transformation strategy.

The division works closely with multiple business units to drive change across the bank's projects and programs. It is responsible for the efficient coordination and completion of all assigned tasks related to Banque du Caire's various projects in a timely manner according to scope and within budget. Additionally, the division monitors the progress of all projects on hand and ensures proper delivery, monitoring and reporting.

The division maintains certain standards and promotes conduct and practices to ensure proper governance culture widespread across the bank with respect to:

Portfolio planning, governance assurance, and reporting;

Integrated planning;

Status reporting and communication planning;

Risk and issue management;

Stakeholder management;

Financial management and benefits tracking;

Project demand and resource management;

Project quality assurance; and ensuring compliance with the organization's project management framework and document management policy

The division has developed a strategy that is directly aligned with that of the Board of Directors and reports directly to the Chairman. It leverages the skills of its team of 20 highly qualified and experienced individuals overseeing Banque du Caire's five key business lines: Corporate and Treasury, Digital and Infrastructure, Retail and SMEs, Capital Projects, along with Operations, Business Analysis and PMO.

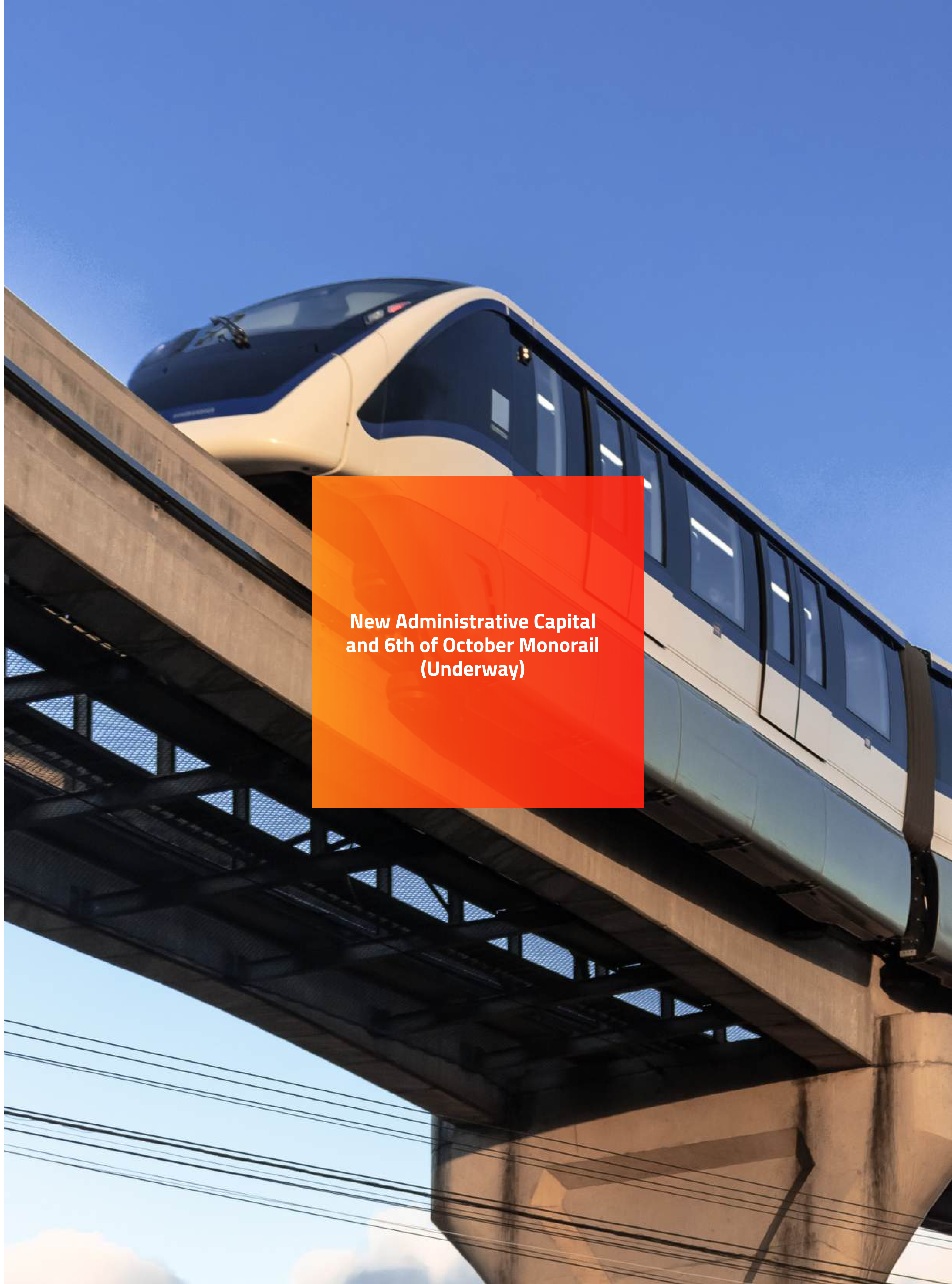
2020 Highlights

Despite the onset of the COVID-19 pandemic, the division was able to deliver successful initiatives across the bank, in line with its transformation strategy.

On the digital front, the division supported the bank in achieving a number of strides, including the launch of a full suite of online platforms for multiple bank customer segments. Among these platforms is a new internet banking program for corporate clients as well as a mobile banking application for retail clients and availing a number of key features on the existing internet banking platform.

As part of Banque du Caire's strategy to increase its market share in remittances, the division additionally launched a new e-remittance system, offering fully automated remittance services for our clients.

As part of its commitment to the promotion of nationwide financial inclusion, Banque du Caire launched the OPlus platform, which seeks to introduce agent banking across Egypt, whereby governmental payments are processed through prepaid cards "Meeza Oplus" available at all traffic units.



Another key milestone throughout the year was the inauguration of the bank's first digital branch at Mall of Arabia, allowing for the first time in the market instant account opening and debit card issuance services.

Internally, the division successfully delivered new and upgraded platforms for HR and Treasury, in addition to launching the CRM system, with a full complaints and customer 360 module, a steppingstone in digitizing the bank's service requests and workflows under one comprehensive platform. On the governance and risk side, the division supported the launch of a new risk system, CreditLens, and ensured its adherence to the CBE-mandated IBAN standard.

The division also formulated a comprehensive roadmap for the implementation of Banque du Caire's digital transformation strategy across all departments and operations. It leveraged the bank's relationships with leading consultants to identify and assess the bank's current operational procedures and identify an optimal path forward to transform the bank into a fully digital institution.

Additionally, the division's capital projects arm supported the bank's branch expansion program, with 12 new branches added to the bank's network in 2020. In parallel, the division reengineered a number of internal functions, including the Internal control unit, and reconciliation system, along with the revamp of the bank's website to ameliorate content and performance.

Leveraging its core experience in governance, the division further worked throughout the year to create a clear agenda for the bank's project pipeline, including prioritizing, budgeting and mapping all initiatives required to support Banque du Caire' s transformation strategy.

The year saw the establishment of a new business analysis department under the division, which is responsible for identifying business needs and determining feasible solutions to address them, including software system development; process improvements to existing operating procedures; organizational changes; strategic planning; and policy development. Moreover, the division invests in tailoring comprehensive training programs for all team members to ensure that the division is supported by a team of highly trained individuals to pave the way for sustainable growth and continued operational excellence.

Forward-Looking Strategy

In the past three years, the division provided the bank with the tools and tailored recipes for success, playing a key role in the bank's innovation and transformation through numerous milestones and successes.

Going into 2021, the division remains committed to supporting the bank in meeting its operational and growth targets and continuing the momentum set forth during the year, which goes hand in hand with implementing the bank's strategic initiatives. One of the key initiatives is the bank's regional expansion, where the division is playing a critical role in the establishing and operating a new payments company, which will be another arm for the bank to expand in Africa.

On the the digital transformation front, the division will continue to focus on delivering significant initiatives, including the launch of the second phase of the CRM platform and launching our first chatbot across multiple customer channels. The division will also help unveil the bank's new microfinance system that allows for seamless straight-through processing to offer microfinance clients unique facilities.

Under the bank's digitalization strategy, the division has set in motion two initiatives that will come to fruition in 2021: the bank's new digital factory, which will serve as a workspace for the digital team to continue developing new digital products; and the Instant Payment Network (IPN), which transfers between accounts instantly between banks.

The year will also see the bank launch a new middleware platform to facilitate intra-bank communication and guarantee the integrity of information across departments. In addition, to achieve the desired Enterprise Risk Transformation the bank will introduce a new loan origination system along with a collections system to facilitate information sharing across the bank and enhance client servicing along with the new credit control and utilization system.

In the coming year, the division leverage its success in Uganda to launch a new online banking platform along with a newly implemented core banking system at the representative office.

On the branch network expansion side, the capital projects team will continue to focus on growing the bank's branch network. Specifically, new launches will include SME-dedicated hubs; a new and expanded contact centre; and new locations to host our rapidly expanding sales team. The team will also oversee the implementation of our first branch in the New Administrative Capital along with progress on the building of Banque du Caire's new corporate headquarters in the New Administrative Capital.

Change, Transformation and Reengineering monitors the progress of all projects on hand and ensures proper delivery, monitoring and reporting.

FINANCE

Banque du Caire's Finance Group is responsible for the bank's financial management and is instrumental to its achieving the financial goals and strategic objectives set out by the board and senior management. By optimizing the bank's finances to maximize profitability and returns for shareholders, the division serves as the financial backbone of the institution.

The group's 102 highly qualified professionals work to provide key performance management analytics to guide the bank toward its goals, allowing the group to act as the bank's strategic business partner and financial advisor. Additionally, the group is responsible for financial planning, financial performance analytics and decision support, financial control, financial reporting, regulatory reporting, taxation, and investor relations, fulfilling its duties in line with the highest levels of financial integrity. The group also ensures its activities abide by the Egyptian Accounting Standards, CBE guidelines, and international best practices.

2020 Highlights

2020 was a significant year for Banque du Caire and the banking industry as a whole. Despite the challenges brought on by the pandemic as well as the shift to work-from-home situations for numerous members of staff, the Finance Group continued to play a key role in supporting the bank's growth and transformation journey, while at the same time executing several of the CBE's initiatives to stave off the impacts of the pandemic with the help of the bank's individual lines of business and several digital initiatives.

The Finance group acts proactively and focuses on forward-thinking planning and forecasting, producing a range of future scenarios (including their financial implications), building multiple scenarios to support decision-making to overcome COVID-19's negative side effects, and providing top management with best practices and pass ways towards a business quo situation to protect the bank's capital from unforeseen future debt impairment.

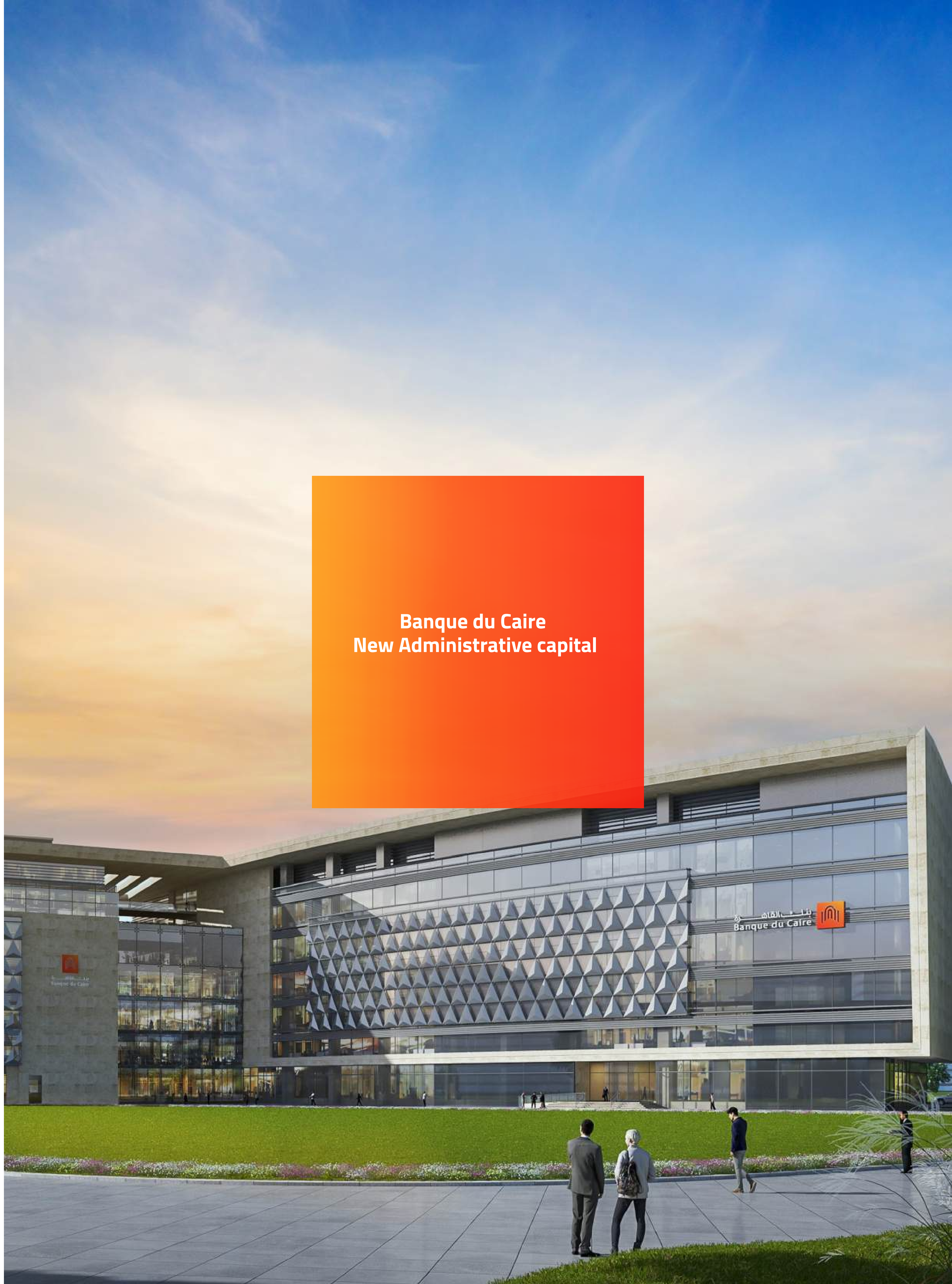
The group was also responsible for fulfilling the financial requirements for the bank's initial public offering (IPO), which was halted due to the pandemic's negative impact on market sentiment. It liaised with the Investor Relations department to help manage the relationship with all external advisors and key stakeholders involved in the IPO process.

On the people front, the group further strengthened its functions by hiring some of the best qualified individuals in the market to complement the changes that occurred in 2020 as a result of organizational shifts in management. The newly appointed CFO and financial controller are entrusted with the task of developing and training new and existing staff to ensure the efficient running of operations especially in consideration of the current work-from-home situation that has seen numerous staff in the division and throughout the bank to work remotely.

Forward-Looking Strategy

Looking ahead, the Finance group aims to continue its critical role as a trusted business partner, focusing on forward-thinking, planning and forecasting, effectively engaging with the bank's different departments to execute business strategy and drive growth. This will be achieved by continuing to provide and enhance analytics and insights, guiding performance management, influencing decision-making, identifying initiatives to enhance performance and returns, and ensuring robust cost and capital management. Most importantly, the group aims to maintain strict compliance with effective financial controls as well as successfully liaise with regulators, auditors, and the board.

The group aims to continue the capacity building of its team to maintain its key role as the bank's financial advisor while ensuring the continual improvement of the group's functional responsibility. It also aims to expand its Investor Relations department to continue effective communication with its key external stakeholders.



SUBSIDI-ARIES

Construction of Kalabsha Axis
Over the River Nile, Aswan

CAIRO BANK UGANDA LIMITED

Cairo Bank Uganda Limited, formerly Cairo International Bank, Uganda, helps drive investment in the Ugandan economy while providing Banque du Caire's clients with a strategic entry point into the COMESA market.

Cairo Bank Uganda Limited (CBU) is a commercial bank operating in Uganda, traditionally focused on conventional SME and retail finance. The bank, launched in 1995, serves a growing customer base of more than 17,600 clients, linking leading Egyptian corporations looking for investment opportunities with Ugandan firms in need of financing. The bank operates out of eight branches located across the country and currently employs more than 164 experienced and highly competent employees. Banque du Caire holds a 100% stake in CBU, having bought the remaining shares held by Banque Misr and the National Bank of Egypt.

2020 Highlights

CBU's comprehensive restructure process continued to take in shape in 2020, with the introduction of new key functions fundamental to the bank's strategic direction. The Business Development Function introduced a Product Development unit, which is mandated to spearhead and coordinate the development of all new products, track their performance, report to Executive Management on their viability, and monitor the performance of existing products. The unit has begun delivering, with the bank rolling out eight new products in 4Q2020 which have already attracted over 100 customers. The bank also launched a Marketing department in 4Q2020, tasked with improving the bank's brand positioning, aligning communication messages to the bank's strategic direction, and playing a key role in driving utilization, transaction volumes, and changing market perception of the bank. To determine and manage risks associated with the adoption of the latest IT systems, CBU hired a systems risk team.

Despite the challenges arising from the COVID-19 pandemic, the bank has been able to deliver a second successive year of strong operational and financial performance. CBU delivered above budget performance on all key fundamental financial parameters, with loans and advances closing at 8% above budget, deposits at 0.1% above budget, and a better-than-budgeted loss position of over UGX 5 billion. Operating revenue registered a 17% y-o-y growth, while the bank managed to keep the cost base below budget and flat y-o-y, despite the difficult operating environment caused by the pandemic. Gross non-performing loans rose marginally to 4.2%, still below the industry average of 7%, reflecting the bank's substantial efforts to address the quality of its portfolio. Critical to this performance was the successful rebrand from Cairo International Bank, Uganda, to Cairo Bank Uganda Limited, which was delivered on schedule despite the travel restrictions occasioned by the pandemic. Market reaction and perception has been positive, which management intends to leverage on to drive even better performance in 2021.

2020 saw the implementation of a core banking system, enabling management to rationalize certain roles to create and drive efficiencies within the bank, in addition to promoting resource optimization. The Human Resources department rolled out a full biannual performance appraisal system that has improved staff performance monitoring, implemented a new e-learning platform to improve uptake of internal training opportunities, and successfully retained key critical resources who are fundamental to the execution of the bank's strategy.

On the digital front, CBU implemented an advanced credit module (AA module) within the T24 Core Banking System, which has improved credit disbursements and monitoring. The IT and Operations department closed the year in advanced stages of rolling out an EMV-compliant ATM card management system, in line with the bank's strategic agenda of implementing the latest security standards. EMV is the new standard for authenticating debit and credit card transactions, and will provide the required set of security standards for transactions across the bank's network and all EMV-enabled channels in the country. The project is expected to be up and running before the end of 1Q2021.

Forward-Looking Strategy

CBU is keen to apply a comprehensive development plan focused on delivering sustainable growth, with a medium-term CAGR of more than 15% across all key performance areas. The bank plans to finalize the rollout of internet and mobile banking, upgrade the ATM card management system to EMV-enabled chip and pin cards, and strengthen its control environment and regulatory compliance. CBU will continue to improve the retention framework with improved financial performance, as staff retention remains at the heart of the bank's operational strategy.

Banque du Caire holds a 100% stake in CBU, having bought the remaining shares held by Banque Misr and the National Bank of Egypt.

CAIRO LEASING CORPORATION

Cairo Leasing Corporation (CLC) was established in March 2018 by Banque du Caire as a fully owned subsidiary, providing the bank's corporate clients with tailored leasing products and services to meet their capital expenditure needs on a range of assets including real estate, plants and machinery, transportation fleets, IT systems, and others.

The company was launched to complement Banque du Caire's corporate banking activities, allowing the bank to solidify its presence in Egypt's fast-growing leasing market. With a team of experienced professionals, CLC employs a finetuned operational model that promotes sound credit decisions and the development of innovative solutions. Since its establishment, CLC has been positively received in the market, growing its client base with some of Egypt's most prominent companies across key sectors.

CLC leverages Banque du Caire's reputation as one of Egypt's longest standing and most established banks to both expand its client reach and capitalize on the synergies inherent between the two organizations. The bank's support enables CLC to capitalize on its resources in order to generate maximum value for its stakeholders as they pursue their strategic business goals.

2020 Highlights

In its third year of operations, CLC continued to gain a greater foothold in the Egyptian corporate leasing space by fine tuning its business model and its client service offering. Despite the unprecedented challenges arising from the COVID-19 pandemic, the company continued to build strong relationships with large and mid-sized corporate clients, while maintaining a well-balanced portfolio. At the end of the year, CLC's total leasing portfolio had grown by an impressive 60% to EGP 3 billion.

The unprecedented circumstances of the year required an agile response in order for the company to continue to create value for clients. These challenges enabled management and employees to demonstrate their capabilities to their full potential, through improving operational productivity and product optimization strategies that saw the company delivery both financial and operational milestones.

During 2020, management focused its efforts on new business strategies, including a mass market and strong client relationships strategy that focuses on clients' new business needs, in line with changes in their business models and industries. The company gained multiple new clients and expanded its offering, quickly growing its client base beyond its traditional market of Cairo and growing to become one of the top five companies in Egypt's leasing space.

As part of its drive to build a sophisticated network in the leasing space, CLC deepened its partnership with other companies in the sector, participating in four large syndicated transactions during the year, amounting to a total of EGP 600 million. CLC successfully concluded a diversified commitment facility agreement with four banks amounting to a total of EGP 500 million to provide it with the required liquidity to help it meet its clients' needs.

CLC's efforts throughout the year resulted in a significant boost in its financial performance. Total leased assets reached EGP 3.9 billion by the end of the year, almost doubling from the EGP 2 billion reported last year, while paid-in capital increased by EGP 50 million to reach EGP 200M by the end of FY2020. Total leasing revenues amounted to EGP 210 million, instead of EGP 186 Million for year 2019 with 13% increase in sales. Net income attributable to shareholders reached EGP 32.9 million, up from EGP 27.4 million due to increasing leasing portfolio by 60% . At the same time, ROE averaged 16% for the year.

COVID-19 Response

As the COVID-19 pandemic spread to Egypt, CLC underwent a reassessment of its portfolio from a risk perspective to determine the most impacted sectors. The company, and the leasing industry as a whole, experienced a marked slowdown in the year's second and third quarters. To trigger a recovery, CLC worked to diversify credit facility limits granted to clients to avoid concentration risk and shifted its focus to target sectors that were slightly impacted by the pandemic, such as the F&B sector.

To ensure employee and client health and safety, CLC established and applied precautionary measures, reducing the company's labor force to 50% capacity and resorting to virtual meetings with the clients. The company also postponed all hiring and training programs. Combined, these measures resulted in reduced expense costs, with lower utilities costs. The company's budget was revised to further cut expenses, in coordination with the business team to maintain volumes and meet the company's targets. The hard work and commitment of the company's teams, along with management's efforts, resulted in CLC reaching 105% of its targets.

2020 Forward-Looking Strategy

In light of the company's robust performance and diversification efforts, CLC is set to continue to forge ahead with the continued backing and support from Banque du Caire. The company will also work to expand its service offering in the year to come. In 2020, the company was granted the initial license to add factoring to its suite of services, which will allow CLC to offer clients a unique set of bespoke financing solutions tailored to their cash flow needs and risk appetites. The addition to CLC's portfolio is expected be fully operational in mid-2021. The company will continue to fulfil its pledge to pursue sustainable operations, driving lasting value to all business partners. With its wealth of resources, systems, and processes, CLC is poised to become one of Banque du Caire's flagship companies and an industry benchmark.

CORPO-RATE GOV-ERNANCE

Tahya Masr Bridge

CORPORATE GOVERNANCE

Banque du Caire has adopted corporate governance frameworks that are in line with international best practices to ensure that transparency, sustainability and efficiency are at the core of all bank operations

In pursuit of professional integrity and adding value to its stakeholders, Banque du Caire makes use of a robust corporate governance framework, aligned with international best practices across all operations. The bank ensure compliance with all Egyptian laws and regulatory requirements and holds its employees to the highest ethical standards.

The bank makes use of its governance framework in order to safeguard the interests of all stakeholders including customers, shareholders, employees, and the communities in which it operates. This commitment to integrity across all its operations is reflected in the bank's institutional culture, spurring all employees to perform their duties with diligence. Additionally, by adhering to the highest ethical standards, Banque du Caire promotes a transparent, ethical, and corruption-free environment within Egypt's banking industry.

Over 2020 in light of the challenging environment brought about by the COVID-19 pandemic, the bank has had to quickly adapt to new technologies that would allow the board to continue to conduct meetings and pursue their oversight on the bank with the same stalwart commitment. All meetings during the year took place virtually and the bank deployed an e-voting structure for any and all meetings that required the functionality.

Board of Directors

Banque du Caire's Board of Directors is composed of nine members including the Chairman, two Vice Chairmen, and six independent Non-Executive Members. Each member of the board is committed to their role in supporting the bank's operations, ensuring that its activities are both ethical and compliant with relevant laws and overseeing its growth strategy. The bank boasts a young and diverse board and leverages their experience to set and uphold strategies, key policies, and frameworks as well as risk management oversight. The board members' varying perspectives allow for a dynamic decision-making environment to assist them in guiding the bank's institutional vision.

- Mr. Tarek Fayed, Chairman of the Board
- Mr. Amr El Shafei, Executive Vice Chairman
- Mr. Hazem Hegazy, Executive Vice Chairman
- Ms. Amal Esmat, Non-executive Board Member
- Mr. Tamer Wagih, Non-executive Board Member
- Mr. Rami El Borai, Non-executive Board Member
- Mr. Wael Ziada, Non-executive Board Member
- Mr. Ashraf Bakry, Non-executive Board Member
- Mr. Hisham Sanad, Non-executive Board Member

Board Committees

To support it in fulfilling its role, Banque du Caire's board has several committees with individual charters and mandates that set out its responsibilities and composition requirements. The committees hold regular meetings throughout the year along with ad hoc meetings whenever necessary to assist the board in effectively fulfilling its responsibilities.

Audit Committee

This committee assists the board in fulfilling its oversight duties regarding the bank's financial reporting process and internal control systems. It supervises Banque du Caire's internal audit process, compliance function, and external audit process. This committee met nine times in 2020.

1. Mr. Wael Ziada, Non-executive Board Member
2. Ms. Amal Esmat, Non-executive Board Member
3. Mr. Hisham Sanad, Non-executive Board Member

Executive Committee

The Executive Committee oversees BDC's corporate and investment portfolio with the aim of ensuring quality and allocation of funds in line with overarching strategic goals. The committee met 12 times in 2020.

1. Mr. Tarek Fayed, Chairman of the Board
2. Mr. Amr El Shafei, Executive Vice Chairman
3. Mr. Hazem Hegazy, Executive Vice Chairman
4. Ms. Hala El Kasar, Chief Risk Officer
5. Mr. Mohamed Aly, Treasurer
6. Mr. Mohamed Ibrahim, Chief Financial Officer

Risk Management Committee

The Risk Management Committee oversees the bank's risk assessment and management functions, ensuring compliance with board-approved risk strategies and policies. The committee met seven times in 2020.

1. Ms. Amal Esmat, Non-executive Board Member
2. Mr. Ramy El Borai, Non-executive Board Member
3. Mr. Hisham Sanad, Non-executive Board Member

Remuneration Committee

The Remuneration Committee advises the board on appropriate compensation for board members and executive officers. This committee ensures that Banque du Caire's compensation schemes are consistent with the bank's strategic goals and that they enable the institution to recruit and retain top talent. The committee met four times in 2020.

Corporate Governance and Nominations Committee

This committee assists the board in its general governance oversight responsibilities and its effort to promote a culture of integrity and rigorous corporate governance within the bank. Additionally, the committee assists in identifying and nominating candidates for director positions. The committee met once in 2020.

1. Mr. Ashraf Bakry, Non-executive Board Member
2. Mr. Tamer Wagih, Non-executive Board Member
3. Mr. Ramy El Borai, Non-executive Board Member

Investment Policy Committee

The committee is responsible for following up on the implementation of the bank's investment policy to achieve high returns by creating an investment portfolio with diversified asset classes. The committee met once in 2020.

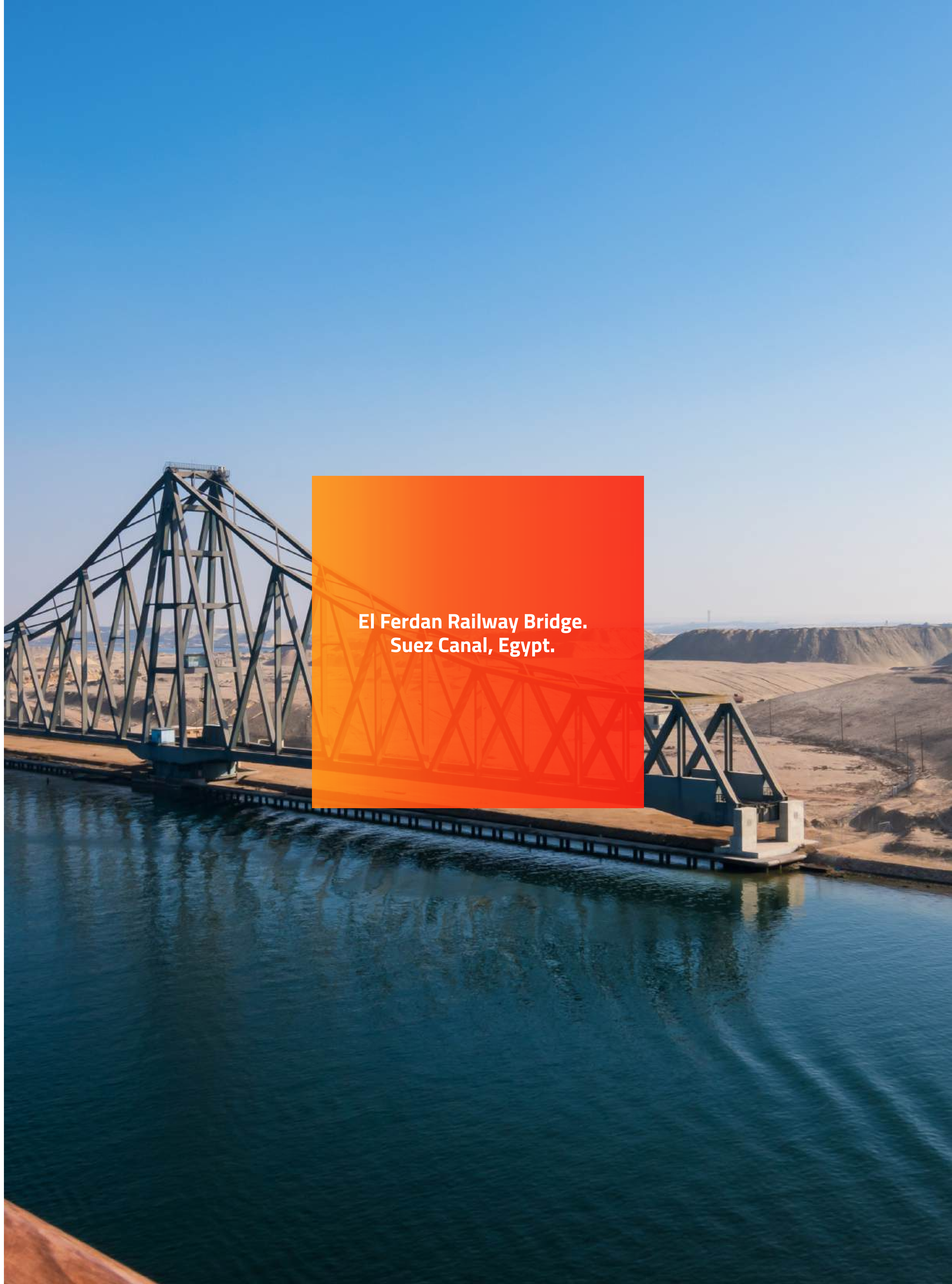
1. Mr. Rami El Borai, Non-executive Board Member
2. Mr. Tamer Wagih, Non-executive Board Member
3. Ms. Amal Esmat, Non-executive Board Member

Banking Information Systems and Technology Committee

The committee oversees the development of digital banking services, monitoring their operational efficiency and accuracy. Additionally, the committee seeks to avoid risks and ensure uninterrupted availability of the services as well as data protection. The committee met four times in 2020.

1. Mr. Hesham Sanad, Non-executive Board Member
2. Mr. Ashraf Bakry, Non-executive Board Member
3. Mr. Wael Ziada, Non-executive Board Member

The bank makes use of its governance framework in order to safeguard the interests of all stakeholders including customers, shareholders, employees, and the communities in which it operates.



El Ferdan Railway Bridge. Suez Canal, Egypt.

RISK MANAGEMENT GROUP

Risk management is the lynchpin of Banque du Caire's strategy to operate a sustainable institution, and the bank's Risk Management group formulates vigorous risk management strategies that protect the bank from a variety of risks to help the institution meet its strategic goals

Banque du Caire was one the earliest adopters of risk management across the local bank landscape in Egypt by establishing a dedicated risk management function in 2009. Risk management is one of a bank's core pillars for operational excellence across its functions, and Banque du Caire has worked tirelessly to ensure its risk management framework is in line with international best practices. The bank's aim to remain a sustainable institution hinges on its ability to identify and assess potential risks, develop and execute action plans that prevent and mitigate these risks, and continuously report and review its risk management practices to ensure a streamlined process. It leverages a highly experienced team of risk officers to formulate the Risk Management group's risk evaluation, reporting, and managing practices throughout the institution.

Banque du Caire's Risk Management group is continuously updating the policies and frameworks that dictate the bank's risk management strategy to ensure a sustainable balance between risk and return throughout its operations. For risk management policies to be effectively implemented and abided by, the board and management have created an atmosphere across the entire entity that promotes and views that risk management is an individual responsibility to be upheld by every employee throughout the bank.

Banque du Caire ensures that every employee at all levels participates in a comprehensive risk awareness training program to maintain the exceptional risk culture within the bank. The training program is an all-encompassing curriculum that prepares all employees for a multitude of risk prevention and mitigation scenarios and how to navigate the dynamic and evolving culture of risk management in the bank. By having employees who have been trained to have an extensive knowledge of risk management ensures that both the board and management maintain comprehensive and effective oversight of the bank's risk frameworks and processes.

Risk Management System

Banque du Caire believes that effective risk management requires:

- **Accountability:** including identification and escalation of risks by all individuals in the organization.
- **Ownership:** risk characterization, assessment, management, mitigation, and monitoring within each business line.

The Risk Management group at Banque du Caire is chiefly responsible for implementing the outlined risk management strategy and the abiding frameworks and policies that dictate it as set by the board and executive management. The group consists of a highly skilled team of risk officers that perform a broad spectrum of risk analysis covering credit risk, market risk, liquidity risk, and operational risk. Additionally, the group is responsible for maintaining the overarching risk culture and environment across all banking functions by regularly reporting key risk awareness indicators to the Risk Management Committee. These include the overall risk profile, limits, concentrations, and thresholds that guide Banque du Caire's risk environment.

Risk Group Governance

Risk Drivers

Risk drivers include but are not limited to:

- Economic environment
- Regulatory or government policy

- Competitor or market evolution
- Business decisions
- Process or execution error
- Internal and external fraud
- IT security breaches
- Natural disasters

Banque du Caire considers employees as the first-line of defense for identifying potential risks for the bank, therefore the bank successfully tailored a risk identification process that gives employees tools to identify material risks inherent to the bank, catalogue them in a central repository, and review highly material risks on a regular basis. Moreover, the bank's second line of defense reviews and challenges the first line's identification of risks, maintains the central repository, and provides consolidated bank-wide results to the Risk Committee and Bank Management.

The bank's strategy for establishing a comprehensive risk framework aims to address and target early risk detection, assessment, and for defining suitable mitigation actions as well as ongoing monitoring for any changes in the risk and control environment.

Types of Risks

Banque du Caire's main risks are categorized and grouped in the following risk types:

Credit Risk

The Credit Risk Management function of the bank is primarily responsible for monitoring, measuring, managing, and limiting risks associated with credit across the bank's various lines of business and operational functions. The parameters and methodologies that the bank utilizes to assess the materiality level of credit risk is highly dependent on the type of asset and its associated risk management and collection processes.

Banque du Caire has implemented a well-structured credit rating system, utilizing the Obligor risk rating system to assign credit ratings to borrowers based on a comprehensive evaluation process. Maintaining a tight and consistent evaluation process allows the bank to proactively manage credit risk and accurately assign a risk rating reflecting creditworthiness and a probability of default based on financial indicators, qualitative assessments, and macroeconomic analysis. The bank's risk rating system complies with the standards set by the Basel Committee, which warrants regular reviews of creditworthiness for credit clients with credit facilities.

The bank also applies the Early Warning Signals (EWS) process, which enables the bank to take corrective action before the position becomes irretrievable and to improve the bank's ability of recovery in the case of default. A multitude of financial and non-financial performance indicators are the base of the bank's EWS, and these indicators cover a wide spectrum of industries to help better determine the appropriate course of action for every case.

Banque du Caire acknowledges that independence and integrity are the binding pillars of successful risk management across an institution. Over the years, the bank has continuously developed and tailored credit policies and practices that are designed to preserve the approval and decision-making processes. The policy framework establishes credit approval authorities, concentration limits, risk-rating methodologies, portfolio review parameters, and guidelines for management of distressed exposures.

Credit risk remains one of most significant risk factors a financial institution can face. Due to the materiality of credit risk, the organization has established an appropriate credit risk environment that implements a solid measurement and monitoring process that ensures adequate control over credit risks the bank may face. The framework that the bank continuously develops includes an umbrella of activities, such as defining risk appetite, tailoring credit limits, and setting credit policies and processes for all business lines, namely corporates, SMEs, FIs, NBFIs, retail, and microfinance.

Market Risk

Market Risk Management is primarily responsible for managing, measuring and monitoring all positions exposed to market risks and to ensure that the necessary limits are set to reduce and limit those risks related to the activities of the Treasury Group, money market, investment sector and securities such as interest rates risk, currency and exchange rates risk, volatility risk and investment risk. The Market Risk Management function defines market risk policies and procedures and reports to the bank's Chief Risk Officer.

Treasury Middle Office (TMO)

The Treasury Middle Office monitors and controls the entirety of the Treasury group's positions on a daily basis, as well as monitoring prices and CBE reserve ratios to ensure that Banque du Caire is in line with the CBE's updated policy changes and regulatory requirements.

Liquidity Risk

The liquidity risk function's primary objective is to provide assessment, measurement, monitoring, and control of liquidity risk across the bank. At an aggregate level, Banque du Caire's goal is to maintain sufficient funding in amount and tenor to ensure that the bank is able to meet all payment obligations and to provide an appropriate amount of cash and high-quality liquid assets, even in times of stress.

Interest Rate Risk in the Banking Book (IRRBB)

The primary responsibility of the IRRBB function is to monitor, assess, and control potential interest rate risk that arise form adverse market movements, it is imperative to accurately monitor the associated interest rate risk due its material effects on Banque du Caire's financial position.

Operational Risk (ORM)

Operational risk is the risk associated with loss due to errors, breaches, interruptions, or damages — either intentional or accidental — caused by people, internal processes, systems, or external events.

Banque du Caire takes a comprehensive approach to ORM due to the inherent nature of operational risk within the bank's functions. The bank's approach aims at identifying and preventing fraudulent acts, business interruptions, cybersecurity attacks, non-conformant employee behavior, non-compliance with applicable laws and regulations, or failure of vendors to perform in accordance with their agreements. Events such as these have a direct impact on the bank's operations and ability to deliver products and services to its stakeholders.

Banque du Caire has developed a structured risk and control self-assessment process to avoid financial losses, dispute, and regulatory fines, as well as other material damages the bank could face. The bank's comprehensive framework surrounding ORM positions them strategically to identify, assess, mitigate, and manage operational risk across all banking activities.

Moreover, the bank takes additional steps in the ORM process by assessing the control environment across the bank's business lines. By monitoring and analyzing materially harmful events the bank has faced or could face, the bank is better positioned to plan for all future areas of operational risk by targeting weak areas of control the bank can strengthen. Additionally, Banque du Caire's assessment of information technology risk stems from the bank's comprehensive regulatory policies and frameworks that are in line with international standards including ISO 31000 for Risk Management, ISO 27005 for Information Security Risk Assessment Management, and the COBIT framework.

Banque du Caire's ORM framework is fully integrated across all functions of the bank with the purpose of overseeing the monitoring, self-assessment, and independent processes of material operational risks. Additionally, the bank works to bolster the risk culture among all employees to further enhance the process of identifying risks and how to effectively manage them.

The bank has developed a structured Key Risk Indicator (KRI) process that effectively integrates with ORM tools. KRIs are predefined metrics used to monitor identified risk exposures over time and measure the amount of exposure to a given risk or set of risks, as well as the effectiveness of any controls that have been implemented to reduce or mitigate a given risk exposure. During the COVID-19 crisis, the KRI process played a crucial role in monitoring and measuring the risks arising from the pandemic through developing a specific KRI to track the number of confirmed COVID-19 cases across the bank. This KRI helped the bank measure and detect the impact of the pandemic on it early on and take appropriate action whenever there was a breach in the upper thresholds of the KRI.

In facing the pandemic, Banque du Caire's key focus was on how to be more resilient. Consequently, the Business Continuity department developed a comprehensive ongoing plan to ensure business and operational continuity, while ensuring staff safety and wellbeing. The plan included:

- Providing extra locations by mapping departments' staff in various premises.
- Ensuring all precautionary measures are considered in all bank's premises.
- Implementing, communicating, and updating a staff reduction plan throughout the bank's departments and branches every two weeks by splitting all teams into onsite, work from home, chronic diseases and pregnancy cases, vacations, and VPN teams while overcoming any obstacles to ensure business continuity.
- Establishing the necessary procedures to be followed in case of any positive or suspected cases in any of the bank's premises.
- Providing daily updates to the Crisis Management committee about the impact of the pandemic, figures, as well as weekly KRI monitoring and recommendations.

Outsource (Third-Party)

Risk Outsource or third-party risk is the risk associated with transactions that occur through third-party vendors the bank deals with. The bank monitors the relationships with all third-party vendors to ensure the continued sustainability of the business and avoid any negative impact on business performance. Banque du Caire has developed a comprehensive third-party management policy to ensure clear reporting and accountability chains, appropriate classification and optimization of vendor portfolios, managing transitions among third-party vendors, and monitoring the relationship between the bank and these vendors.

Cybersecurity Risk

The bank's ability to protect customer assets is a key area Banque du Caire strives to manage efficiently and effectively. Cybersecurity threats are a dynamic and ever-evolving area of risk; therefore, the bank invests heavily in an array of technological resources that protect and maintain its digital infrastructure and confidential assets.

Banque du Caire's cybersecurity defenses are designed to protect the bank from malicious cybersecurity attacks by unauthorized parties attempting to gain access to confidential information, destroy data, disrupt or degrade service, sabotage systems, or cause other damage. Continuing to understand and invest in the digital risk environment is a key priority for Banque du Caire to further enhance the bank's technological defenses against all potential cyber threats and malicious attacks.

Impact of Risks

There may be many consequences of risks manifesting, including quantitative consequences namely: reduction in earnings and capital, liquidity outflows, fines, penalties, or qualitative impacts, such as reputation damage, loss of clients, and regulatory and enforcement actions.

Risk Appetite

Banque du Caire utilizes the Internal Capital Adequacy Assessment Process (ICAAP) to inform the board of the bank's risks, how the bank is going to tackle and mitigate these risks and the appropriate level of capital and liquidity levels required in relation to the bank's risk appetite. By employing ICAAP, the bank ensures that it is operating under a rigorous set of measures that align with its risk strategy.

The bank has also developed an appropriately detailed and rigorous stress and scenario testing framework to assess its ability to withstand losses. When assessing the bank's capital needs, the bank considers the impact of economic cycles and sensitivity to other external risks and factors. All testing processes are conducted under tight supervision by executive management, as well as monitored and reported on a regular basis to ensure that the stress testing methodologies and resulting outcomes align with the bank's overarching strategy.

Banque du Caire also manages the credit risk portfolios of clients in major economic sectors on a regular basis by utilizing the Target Market and Risk Acceptance Criteria (TMRACs). TMRACs contribute to enhancing the bank's credit risk management and help to efficiently channel its resources toward viable target markets.

Risk Type	Mitigation Measures	Tools
Credit Risk	The bank works to ensure that loan and credit facility counterparties maintain healthy creditworthiness as well as present adequate collaterals	▪ Early Warning Signals (EWS) ▪ Obligor risk rating systems ▪ Facility risk rating ▪ Forward Looking Probability of Default (PDs) ▪ IFRS 9 ▪ Target Market and Risk Acceptance Criteria (TMRACs) ▪ Portfolio concentrations and thresholds ▪ Stress testing ▪ Collections and debit recovery
Market Risk	The bank continuously monitors the markets in which it operates to assess any market dynamics that could affect the bank in any material way	▪ Early warning indicators ratios ▪ VAR ▪ Interest rate stress tests ▪ IRRBB ▪ FX stress test in CAR
Operational Risk	The bank maintains operational resilience by actively recognizing potential crises as well as safeguarding data protection	▪ Key risk indicators ▪ Risk and control self-assessment ▪ Heat map ▪ Loss collection database ▪ Information risk management (IRM) ▪ BCM (Business Continuity Management) ▪ Fraud Risk **Operational risk awareness programs** ▪ ORAP (Approval Process)

Risk Type	Mitigation Measures	Tools
Concentration Risk	The bank adheres to its recognized risk profile by maintaining a balanced exposure across its loan and credit portfolio	▪ Target Market and Risk Acceptance Criteria (TMRACs) ▪ Portfolio concentration and thresholds ▪ Individual / granularity concentration ▪ ICAAP
Liquidity Risk	The bank accurately monitors capital adequacy in meeting its short-term and long-term obligations while examining the effects of various scenarios on the bank's liquidity positions	▪ LCR ▪ NSFR ▪ LCR & NSFR stress test ▪ Liquidity stress tests ▪ Maturity GAPs

2020 Highlights

2020 was a challenging year for the banking sector, putting the risk function at the center of the bank's operations. Several measures were taken to ensure proactive and sound risk management amid the growing uncertainties during the year. For instance, Banque du Caire's risk profiling and appetite were revisited, while corporate borrowers were re-profiled. Each industry was assessed based on its prevailing threats and opportunities in light of the pandemic and the evolving business environment, and actions were taken accordingly to maintain a healthy portfolio.

2020 witnessed the revamping and restructuring of the Risk Group. This included establishing the Policy & Portfolio Management department, in charge of developing risk policies and procedures, setting risk appetite and risk tolerance limits, setting the early warning signals and risk triggers policy, setting the stress testing framework, preparing Internal Capital Adequacy Assessment Process (ICAAP), conducting industry studies, monitoring portfolio related behavior and setting thresholds, and ensuring proper governance across risk functions in terms of organization structure, roles and responsibilities, and committee structure. The CBE Credit Information department was also established during the year, tasked with consolidating and verifying all data reported to the CBE and I-Score, to ensure accurate credit reporting and the availability of accurate data.

In line with Banque du Caire's strategy, the ORM sector began the KRI process to implement an ambitious plan to cover all the bank's business lines and support and control functions in order to identify key process, risk, and control indicators with their thresholds (low, medium, high) to provide an early signal of increasing risk exposures in various areas of the bank.

Forward-Looking Strategy

Going into 2021, the bank aims to maintain an optimal balance between growth and developmental objectives vs. risk targets, in order to efficiently deploy resources and ensure long-term sustainability. To proactively manage credit accounts, an early warning signals (EWS) system on both the client and portfolio levels is under development. This includes the early detection and mitigation of credit risk through identifying probable risks such as changes in client creditworthiness at an early stage, to support timely intervention. The framework includes the recommended corrective actions before the client's position becomes irretrievable. We aim to further improve our portfolio management techniques, reach full automation of the Credit Administration function, develop an advanced MIS analytical and reporting tool, and implement a credit control and utilization monitoring tool.

The Multi-Purpose Station in Damietta Port

COMPLIANCE GROUP

Banque du Caire works to uphold rigorous compliance structures that ensure the bank's operations run effectively and in accordance with both local and international best practices

Banque du Caire's Compliance Group is driven by a structured and comprehensive set of frameworks that align with the bank's wider overarching strategy of streamlining functions and efficiently navigating its risk environment. The framework, policies, and procedures within the group dictate the bank's ability to identify, evaluate, recommend, and report a spectrum of compliance-related risks that may include operational and financial losses, internal system failures, or damages to the bank's reputation that stem from failing to comply with applicable laws and regulations. Banque du Caire is constantly working on updating and adding new policies to the framework under the group to ensure alignment with international best practice.

The Compliance Group is an independent function, primarily responsible for reporting regularly to the Audit Committee and in-direct to the CEO and the Chairman regarding disciplinary issues across the bank's diverse scope of activities. The Compliance Group works closely with the Internal Audit and Risk departments to ensure that all business lines are functioning in accordance with CBE regulations and Banque du Caire's Compliance Charter. The group allows the bank to protect itself against a wide spectrum of risks by preparing quarterly periodic reports to ensure that the organization is operating in line within the appropriate compliance space and is aware of any changes that arise.

A pivotal tool in the bank's compliance arsenal is Banque du Caire's Compliance Charter, which outlines the bank's compliance framework and associated policies. The charter dictates the structure of Banque du Caire's compliance space, ensuring that the set policies and framework are implemented and monitored regularly across the bank's functions. Given the sheer size of the bank's transactions across regional and international markets, Anti-Money Laundering and Terrorism Financing (AML) is one of the key mandates for the Compliance Group. The Compliance Group has established a rigorous monitoring process and pays close attention to the relevant watchlists and sanctioned countries list for all cross-border transactions. The Compliance Group also ensures that the bank is compliant with the Foreign Account Tax and Compliance Act (FATCA) to ensure that all accounts are compliant with regulations set forth by the US Internal Revenue Service (IRS).

2020 Highlights

The Compliance Group continued to build on its success from the year previous and strengthened the frameworks and policies that shape Banque du Caire's stringent compliance atmosphere. Despite the challenges that plagued the bank, the group was able to continue to navigate risks and compliance issues with ease and efficiency guided by the stalwart commitment of management to ensure that business continuity was in no way impacted.

In 2020, the group created a new department under the compliance umbrella dedicated to AML training and system testing in order to comply with new MLCU regulations released by the regulator in February 2020. These regulations ensure that the bank has reflected in its internal policies the relevant frameworks that guide the nation's push toward digitalization of the banking system.

The group continued to coordinate and support the Board of

Directors, management, and the Governance Committee to establish governance frameworks and regulatory policies that are in line with international best practice across the bank's functions.

Forward-Looking Strategy

Banque du Caire's Compliance Group will continue to coordinate with Risk Management Group on investing in the education of the bank's staff regarding the importance of upholding their surrounding compliance and regulatory frameworks and policies to the highest of standards. The Compliance Group will work to cultivate an environment that boasts an iron-clad corporate governance and compliance framework that shelters and protects the bank against potential risks and liabilities. At the same time, it will work to continually update the frameworks that guide the bank in line with regulatory requirements, in particular ones that stem from the national push toward digitalization and financial intermediation. We will continue to assess the group's internal structures to ensure we align with the bank's overarching strategy and risk appetite.

Banque du Caire's Compliance Group is driven by a structured and comprehensive set of frameworks that align with the bank's wider overarching strategy of streamlining functions and efficiently navigating its risk environment.

INTERNAL AUDIT GROUP

Banque du Caire's Internal Audit group works to uphold world-class compliance and audit structures across all of the bank's operations

Banque du Caire's Internal Audit group, which ensures that all bank operations are conducted in line with the highest ethical and legal standards, continues to be an integral part of the bank's control structure. Under direct supervision from the Audit Committee and Chairman, the group's responsibilities include ensuring compliance with regulatory and internal regulations, policies, and guidelines to allow for sustainability and transparency in the implementation of the bank's strategy.

The group creates, updates, and reports on internal policies and procedures in line with global best practices by providing risk-based assurance, advice, and insight to all departments across the bank. The group also seeks to improve the adequacy and effectiveness of the bank's internal control systems, operational framework, and risk and governance by providing key information and recommendations. This system allows management to react to emerging risks, make strategic decisions, and formulate the bank's long-term strategy efficiently, with reliable and valuable input from the audit group.

The group seeks to constantly improve the effectiveness of governance, risk management, and control processes, while ensuring that the bank adheres to proper execution, documentation, and compliance. The Internal Audit group is able to perform its responsibilities successfully due to its team of highly qualified professionals whose diverse skillsets range from generalist auditors to specializations across the financial sector. These skills afford them the tools necessary to conduct analytical reviews and assessments throughout all operations and ensure that the bank is able to meet its strategic objectives.

2020 Highlights

Throughout the year, Internal Audit continued to build on its audit and inspection competencies and pressed on with the bank's strategy to align its internal structures with world-class governance and compliance standards. The division put in place an effective, dynamic annual plan for the year, in line with the bank's internal reorganization agenda. The plan was regularly reviewed throughout the year to respond to shifting benchmarks both within the bank as well as the external environment.

The year also saw the bank effectively monitor its risk management system, ensuring the effectiveness of the bank's risk assessment objectives while identifying and assessing risks that arose during the year. The division was also tasked with the review of a number of key functions within the bank, including monitoring the efficiency of

control systems, compliance with relevant policies, use of resources, use of computer systems, and the quality of the bank's credit portfolio, among others.

The Internal Audit group also worked to coordinat with oversight bodies, including external auditors, to determine the most efficient and effective frameworks to aid the bank in meeting its internal restructuring agenda.

The team conducted regular field inspections, investigations, and other audit responsibilities required by the Board of Directors, Audit Committee, and executive management in order to promote an effective compliance culture throughout the bank. The group also worked to ensure that all employees were kept up to date and trained on global best governance practices and how to ensure compliance with the bank's principles of integrity, as well as government regulations as pertaining to financial institutions.

Forward-Looking Strategy

Over the next three years, Banque du Caire plans to take active steps to further improve its internal audit functions as it works to modernize the bank. This is set to include the introduction of a risk-based methodology framework to govern the entire function as well as a standalone IT-Audit division to go hand-in-hand with the bank's digitalization strategy. The bank will also encourage the pursuit of further qualifications for its audit staff, inducing CIA, CISA, CFE, CQA, and credit course training programs as it works to build their capacity across various fraud detection techniques and enhance the bank's overall control and risk culture. The group will also follow the integrated assurance program through solidifying relationships and coordination between various control departments, improve its internal administrative function, and build on its track record of success in the industry.

As the bank adapts to ongoing conditions and cushioning the impact of the COVID-19 pandemic, Internal Audit functions will have an important role to play by supporting the crisis management team, reassessing risk categories, prioritizing audit plans, measuring the efficiency and effectiveness of productivity, and prioritizing audit plans even through periods of remote work in order to ensure business continuity.

Banque du Caire's Internal Audit group, which ensures that all bank operations are conducted in line with the highest ethical and legal standards, continues to be an integral part of the bank's control structure.

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

BUILDING SUSTAINABLE FOUNDATIONS ACROSS

Banque du Caire places social and environmental responsibilities at the heart of its priorities, and ensures they are firmly considered when developing policies, procedures, and initiatives

To further integrate sustainable practices in its business operations, Banque du Caire expanded its corporate social responsibility and environmental sustainability agendas in 2020. During the year, the bank's action plans sought to enable and empower multiple community segments, and placed special focus on Upper Egypt where 90% of its initiatives take place. It also places youth and working mothers at the forefront of these segments, and so develops multiple programs to enable them and improve their quality of life. The bank also designs these initiatives so that they meet various needs and cover different challenges or circumstances that may face members of the community. Community support initiatives also include the bank's microfinancing projects, an area it specializes in and takes pride in being able to secure for all community members generally, and youth and mothers particularly. These initiatives allow participants to obtain different types of employment and funding for their projects, thereby providing them with opportunities for sustainable income generation.

Environmental sustainability was also considered a key pillar in the bank's sustainable development strategy in 2020, and is an integral part of its overall agenda. It supports multiple initiatives that aim to increase environmental protection and raise people's awareness on relevant subject matters. Among the bank's relevant efforts in this area is its full, sustainable digital transformation and decreasing use of paper products. Multiple initiatives that aim to preserve the environment are overseen by the bank as well, as detailed below, and all locations, including headquarter and branches, are now prepped in accordance with environmentally friendly and energy saving best practices.

Banque du Caire also continued to align its efforts with Egypt's Vision 2030 for sustainable development in 2030, and remained a participant of the United Nations Global Compact (UNGC). Since 2016, the bank has vowed to uphold the compact's 10 principles, which are rooted in the areas of human rights, labor, environment, and anti-corruption, alongside thousands of company's worldwide. By benchmarking its efforts against national and international guidelines and practices, the bank aims to continue delivering value for its beneficiaries and the environment, while generating maximum value for its customers and shareholders.

It is central to Banque du Caire that its initiatives stem from actual societal needs, and it always aims to achieve tangible sustainable results and catalyze comprehensive community development. As such, the bank was launched several diversified community support initiatives in 2020.

COVID-19 Relief

Economic Support

Throughout 2020, Banque du Caire invested in several community support measures and initiatives and supported the national plan to mitigate the spread of the virus; offset its economic repercussions; and provide relief to impacted segments. Under the national initiative launched by the Federation of Egyptian Banks, the bank redirected EGP 40 million previously earmarked for promotional and advertising campaigns to support daily laborers during their downtime.

Medical Support

The bank invested in equipping Ahl Masr Foundation's quarantine building with 200 beds and all medical equipment re-

quired to support infected patients. In addition, and with special focus on Upper Egypt, it also provided hospitals in need with ventilators for their isolation rooms and intensive care units, and provided medical teams with personal protective equipment.

Food Support

In collaboration with non-governmental organizations (NGOs), emergency food supplies were delivered to over 22 thousand families that depend on irregular employment, a category especially affected by the spread of the virus.

Awareness Support

The bank sponsored the "Egyptian Youth Volunteers'' initiative in collaboration with the Ministry of Youth and Sports, which were extensive campaigns launched at Cairo metro and railway stations to raise awareness on prevention measures that limit the spread of the virus.

Health

In 2020, Banque du Caire supported a large number of public hospitals and university hospitals across the country that include Al Qasr Al Einy, Banha University Hospital and Ayady Al Mostaqbal Hospital by developing their facilities and equipping them with medical devices. The bank also made donations to multiple large-scale entities that include Ahl Masr Hospital for burn victims, the Magdi Yaacoub Heart Foundation, 57357 children's cancer treatment hospital, Al Nas hospital, Banha University hospital, Baheya hospital, and the Rotary Club Union's floating hospital. It also provided the Baheya Foundation with funds to assist them in conducting the very first pet mammograms in the Middle East.

Education

Banque du Caire believes in the indisputable right to education and accordingly commits itself to initiatives that provide support in the area. Next to assisting underprivileged public university students, it also offers scholarships to high-achievers in various fields of study and collaborates with influential educational entities across the country to increase joint offerings. In 2020, the bank offered scholarships at the Arab Academy for Science, Technology & Maritime Transport, Zuweil City of Science and Technology, and Nile University. It also signed a protocol with the Ministry of Higher Education and Scientific Research in Egypt through which it will offer scholarships to distinguished students at the nation's new non-profit universities which include King Salman International University, Al Galala University, and New Mansoura University. The protocol includes the establishment of state-of-the-art information technology laboratories at the three universities to provide practice opportunities for students during their education. Further to its endeavors in supporting higher education, Banque du Caire formed a partnership with Rotary Club Fayoum to renovate and renew the People with Disabilities school in Assiut to ensure that students are afforded a well-equipped, safe and successful learning environment. It also distributed around 1,000 school bags to underprivileged students as part of its Back to School campaign efforts.

Environment

In alignment with President Abd El Fattah El Sisi's Go Green initiative, Banque du Caire launched Bgreen in 2020. The initiative raised awareness among customers, suppliers, and employees on the importance of environmental sustainability. It focused on key topics that included climate change, and implemented initiatives that included recycling projects in 150 schools in collaboration with the Ministry of Education in Egypt; a beach cleanup initiative during the summer season in collaboration with Banlastic; and a Nile cleanup initiative. The bank also supported the Torathna expedition through Bgreen by supporting microfinance businesses that embrace sustainable practices and are environmentally friendly. Additionally, the bank supported the presidential initiative for youth, "Daragat", by providing discounts on the prices of bicycles to encourage greener transportation alternatives. Furthermore, and within its own operation, the bank created a roof-top garden at its administrative building and began recycling its electronic equipment.

Economic Empowerment

Training and Financing Community Members

Banque du Caire cooperates with NGOs to promote learning and development, create more job opportunities, and economically empower different segments of the community. In collaboration with them, the bank provided 500 training opportunities on handcrafts for beneficiaries in Sohag governorate, and financed 2,000 small projects for struggling youth and mothers in the form of interest-free loans. The bank also participated in "Project Hope'' this year, in collaboration with MBC Hope, to empower Egyptian women in the field of entrepreneurship and support promising female-led ventures that indirectly benefit 650 women. The year-long project offered an integrated training program that included workshops, lectures, trainings, learning opportunities at the hand of field experts to support participants, fuel their business prowess, and enable them economically.

The bank also signed a cooperation agreement with renowned Jewelry designer Azza Fahmy to launch the "Revival of Handcrafts'' projects, where 750 individuals so far received intensive training workshops on manufacturing and designing jewelry. The project benefited entrepreneurs and artists looking to gain knowledge and expertise, and even execute their designs under the management of Azza Fahmy.

Special Businesses

In 2020, the bank placed emphasis on its support of people with special needs across all Egyptian governorates. In cooperation with El Hassan Foundation, it launched 25 income-generating businesses for the benefit of people with special needs.

Empowering Individuals

In partnership with Al Orman Foundation, the bank provided small business owners with non-returnable loans to bolster their operations and support their sustainable economic development.

Supporting Egypt's Economy

Banque du Caire made several donations in 2020 to support national projects and bolster the country's economy, the most prominent of which was a donation to the Tahya Misr fund earmarked for the new Arts and Culture city located within the New Administrative Capital.

Community Support

Developing Villages

Assisting in developing rural communities places highly on Banque du Caire's list of priorities, and so the bank has continued to participate in projects in 2020 that rehabilitate schools; upgrade healthcare units; deliver clean drinking water; implement infrastructure plans; and provide vocational trainings that generate sustainable income for community members. The latest of these projects was executed in a village within Al Minya governorate under the title "The One Profession". Through the project, the bank provided beneficiaries with refrigerators and boats that enable them to practice fishing as a profession.

Dispatching Caravans

Banque du Caire remained committed to dispatching caravans during Ramadan – 8th consecutive year – and throughout winter months – 6th consecutive year – to cover community members' needs during these times. The bank also provided around 15 thousand beneficiaries with meat during Eid Al-Adha (the Bairam) through Sukuk. These initiatives covered many governorates across the country, with special focus on Upper Egypt.

Promoting Sports

To support athletes and promote the importance of sports among its communities, Banque du Caire participated in the "Your Bike… Your Health'' marathons in collaboration with the Ministry of Youth and Sports. The bank also developed and upgraded youth centers across the country to provide members with better facilities, the latest of which was Babel youth center in (area, governorate).

Supporting Children

The bank is committed to supporting orphaned children and children with special needs in its strive to improve their conditions and provide them with appropriate tools for their development. In 2021, it collaborated with Al Orman Foundation to provide the children with school bags and supplies.

Providing Supplies

In 2020, the bank launched its community support initiative, Nour Ala Nour, to bring food supplies to underprivileged individuals and families in Al Arish city, North Sinai Governorate.

Internal Communications

Tsharek Campaign

[text] Banque du Caire's people are involved members of their community who seek channels through which they can be proactive and provide support. As such, the bank established a staff volunteering program to engage employees in its multiple CSR activities. The program was well received and is scheduled to continue operating next year.

GRI Ambassador Training

[text] The bank follows the standards of the Global Reporting Initiative (GRI) when disclosing its sustainability efforts across its operations.

During the year, the bank's action plans sought to enable and empower multiple community segments, and placed special focus on Upper Egypt where 90% of its initiatives take place.

FINANCIAL STATE-MENTS

Port Said Tunnel
(3rd July Tunnel)

AUDITORS' REPORT

Translation
Originally issued in Arabic

BDO Khaled & Co.	KPMG Hazem Hassan	Accountability State Authority
Public Accountants & Advisers	Public Accountants & Consultants	Central Department of Banking Supervisior

AUDITORS' REPORT

To the shareholders of Banque Du Caire (S.A.E)

Report on the Separate Financial Statements
We have audited the accompanying separate financial statements of Banque Du Caire (S.A.E) which comprise the separate financial position as at December 31, 2020 and the related separate statements of income, other comprehensive income, cash flows and changes in Shareholders' equity for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate 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 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 auditors' 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 assessments, 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.

Translation
Originally issued in Arabic

Opinion
In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Banque Du Caire (S.A.E) as of December 31, 2020 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

The Bank maintains proper books of accounts, which include all that is required by law and by the statutes 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, are in agreement with the Bank's accounting records within the limit that such information is recorded therein.

BDO Khaled & Co. BDO Public Accountants & Advisors

Auditors

ENAS El Sherif

Mohamed Mortada Abd ElHamed	Salah El Din Mosaad El Missary	Enas Abdallah El Sherif
Fellow of the Egyptian Society of Accountants and Auditors	Financial Regulator Authority No. 364	Member of the Egyptian Society of Accountants and Auditors.
Central Auditing Organization register No. 308	**KPMG Hazem Hassan**	**Accountability State Authority**
Accounting and Auditors register No. 5911	Public accountants & Consultants	
Financial Regulator Authority No. 157		
BDO Khaled &Co.		

KPMG Hazem Hassan
Public Accountants and Consultants
(10)

Cairo in March 7, 2021

Separate Financial position

As at 31 December 2020

(All amounts - EGP' 000)

	Note No.	31/12/2020	31/12/2019
Assets			
Cash and balances with Central Bank	(15)	12,907,004	11,740,666
Due from banks	(16)	24,956,044	31,208,440
Loans and advances to banks	(17)	967,952	480,077
Loans and advances to customers	(18)	85,020,463	74,120,328
Financial derivatives	(19)	2,571	3
Financial investments			
At fair value through other comprehensive income	(20)	52,715,894	40,738,519
At amortized cost	(20)	20,720,233	18,943,019
At fair value through profit and loss	(20)	52,909	47,699
Investments in subsidiaries and associates	(21)	594,283	542,703
Intangible assets	(22)	138,886	39,878
Other assets	(23)	5,567,430	3,886,968
Deferred tax assets	(30)	370,637	331,500
Fixed assets	(24)	1,312,441	1,034,763
Total assets		**205,326,747**	**183,114,563**
Liabilities and Equity			
Liabilities			
Due to banks	(25)	13,416,826	8,283,335
Customers' deposits	(26)	162,777,351	150,987,305
Financial derivatives	(19)	3,430	4,990
Other loans	(27)	6,768,131	2,882,317
Other liabilities	(28)	2,608,215	4,013,275
Other provisions	(29)	584,546	615,161
Current income tax payable		184,179	142,018
Deferred tax liabilities	(30)	155,120	100,094
Retirement benefit liabilities	(31)	1,246,565	1,083,573
Total liabilities		**187,744,363**	**168,112,068**
Equity			
Issued and paid up capital	(32)	5,250,000	2,250,000
Capital Increase Amount		--	3,000,000
Reserves	(33)	3,255,348	2,309,361
Difference between the present value and face value for subordinated deposit		2,721,627	1,316,854
Net profit for the year and retained earnings	(33)	6,355,409	6,126,280
Total equity		**17,582,384**	**15,002,495**
Total liabilities and Shareholders' equity		**205,326,747**	**183,114,563**

The accompanying notes from (1)to (41) are an integral part of these separate financial statements and are to be read therewith.
Auditors' Report (attached).

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate Income Statement

For the year ended 31 December 2020

(All amounts - EGP' 000)

	Note No.	31/12/2020	31/12/2019
Interest and similar income	(6)	20,514,014	21,548,652
Interest and similar expense	(6)	(10,461,386)	(13,204,766)
Net interest income		**10,052,628**	**8,343,886**
Fee and commission income	(7)	1,688,978	1,587,044
Fee and commission expense	(7)	(84,498)	(46,950)
Net fee and commission income		**1,604,480**	**1,540,094**
Net interest, fee and commission income		**11,657,108**	**9,883,980**
Dividend income	(8)	61,799	47,402
Net Trading Income	(9)	25,091	2,588
Gains (Losses) from financial investments	(20)	138,005	42,991
(charged) of expected credit losses	(12)	(2,388,081)	(843,679)
Administrative expenses	(10)	(4,805,116)	(3,942,193)
Other operating revenues (expenses)	(11)	160,670	98,711
Net profit before income tax for the year		**4,849,476**	**5,289,800**
Income tax expense	(13)	(1,694,161)	(1,341,745)
Net profit for the year		**3,155,315**	**3,948,055**
The weighted earnings per share	(14)	**1.06**	**3.12**

The accompanying notes from (1) to (41) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate Other Comprehensive Income Statement

For the year ended 31 December 2020

(All amounts - EGP' 000)

	Note No.	31/12/2020	31/12/2019
Net profit for the year	(1)	3,155,315	3,948,055
Amount transferred to retained earnings (net of tax)	(2)	866	200,134
Items not reclassified in profit and loss			
Net Change-movement in fair value reserve for equity instruments at fair value through other comprehensive income		(46,992)	(195,719)
Items reclassified in profit and loss			
Net Change in fair value reserve for debts instruments at fair value through other comprehensive income		132,652	354,248
Total other comprehensive income items for the year, net of tax	(3)	**85,660**	**158,529**
Total comprehensive income for the year, net of tax	(1+2+3)	**3,241,841**	**4,306,718**

The accompanying notes from (1)to (41) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate Statement of Cash flows

For the year ended 31 December 2020

(All amounts - EGP' 000)

	Note No.	31/12/2020	31/12/2019
Cash flows from operating activities			
Net profit before income tax		**4,849,476**	**5,289,800**
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation	(24)	217,444	127,663
Amortization	(22)	32,307	15,852
Expected credit losses charged	(12)	2,388,081	843,679
Other provisions charged	(29)	151,319	227,244
Impairment for other assets formed	(23)	61,642	19,456
Other provisions no longer required	(29)	(125,999)	(8,300)
Gains from the sale of fixed assets	(11)	(157)	(1,853)
Gains from the sale of assets reverted to the bank	(11)	--	(22,646)
Foreign currency translation differences of other provisions	(29)	(3,532)	(26,385)
Other provisions used other than loans' provisions	(29)	(52,475)	(17,459)
Proceeds from other provisions other than loans provisions	(29)	72	583
Reverse Impairment loss for associates companies	(20)	19,837	5,132
Dividends income	(8)	(61,799)	(47,402)
Foreign currency translation differences sovereign debt instruments provision	(33)	(4,419)	(14,035)
Valuation of investment at fair value through profit and loss	(9)	(4,797)	(5,387)
Reverse of amortization of Premium/Discount of issuing financial investments	(20)	525,226	(14,116)
Operating profit before changes in assets and liabilities provided from operating activities		**7,992,226**	**6,371,826**
Net (Increase) Decrease in assets			
Due from banks	(16,15)	(2,186,565)	(1,433,408)
Investments at fair value through profit and loss	(20)	-	(23,468)
Loans and advances to banks	(17)	(494,208)	55,848
Loans and advances to customers	(18)	(13,291,718)	(13,648,047)
Financial derivatives	(19)	(2,568)	(3)
Other assets	(23)	(1,740,252)	(1,000,034)
Net Increase (Decrease) in liabilities			
Due to banks	(25)	5,133,491	(8,646,605)
Customers' deposits	(26)	11,790,046	19,712,755
Financial derivatives	(19)	(1,560)	4,990
Other liabilities	(28)	(1,626,152)	2,011,009
Retirement benefit liabilities	(31)	162,992	135,739
Income taxes paid		(1,410,962)	(1,120,434)
Net cash flow provided from operating activities		**4,324,770**	**2,420,168**

Separate Statement of Cash flows cont.

For the year ended 31 December 2020

(All amounts - EGP' 000)

	Note No.	31/12/2020	31/12/2019
Cash flows from investing activities			
Payments to purchase fixed assets and preparation of branches	(24)	(497,359)	(791,201)
Proceeds from the sale of fixed assets	(11)	218	1,853
Proceeds from the sale of financial investments at fair value through OCI	(20)	150,817,979	3,170,622
Payments for purchases of financial investments at fair value through OCI	(20)	(160,596,363)	(23,560,749)
Proceeds from the sale of financial investments at amortized cost	(20)	5,200,401	7,229,784
Payments for purchases of financial investments at amortized cost	(20)	(6,969,161)	(4,140,194)
Payments for investments in subsidiaries and associates	(21)	(71,417)	(249,596)
Payments to purchase intangible assets	(22)	(131,315)	(34,640)
Proceeds from the sale of assets reverted to the bank		--	28,500
Dividends received		61,797	47,402
Net cash flows (used in) investing activities		**(12,185,220)**	**(18,298,219)**
Cash flows from financing activities			
Proceeds from other loans	(27)	2,316,376	608,955
Payments for other loans	(27)	(25,788)	(81,902)
Dividends Paid	(33)	(2,050,480)	(1,346,676)
Subordinated deposit _ Banque Misr		3,000,000	-
Payments Subordinated deposit _ Banque Misr		-	(2,000,000)
Capital increased		-	3,000,000
Net cash flows provided from financing activities		**3,240,108**	**180,377**
Net (decrease) in cash and cash equivalent during the year		(4,620,342)	(15,697,674)
Beginning balance of cash and cash equivalent		36,300,323	51,997,997
Cash and cash equivalent at the end of the year		**31,679,981**	**36,300,323**
Cash and cash equivalent are represented in the following:			
Cash and due from the Central Bank of Egypt		12,907,004	11,740,666
Due from banks		24,965,378	31,216,192
Treasury bills and other governmental notes		35,374,774	30,526,573
Due from the central bank of Egypt within the mandatory reserve percentage		(9,368,285)	(6,805,970)
Deposits with banks with maturity more than 3 months		--	(373,759)
Treasury bills and other governmental notes (with maturity more than 3 months)		(32,198,890)	(30,003,379)
Total cash and cash equivalent	(35)	**31,679,981**	**36,300,323**

The accompanying notes from (1)to (41) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Separate Statement of changes in shareholders' equity

For the year ended 31 December 2020

(All amounts - EGP' 000)

	NOTE	Issued and paid up capital	Capital Increase	Reserves	Difference between the present value and Face value for subordinated deposit	Net profit for the year and retained earnings	Total
Balance as at 31 December 2018 before adjustments		**2,250,000**	**--**	**2,421,095**	**2,453,230**	**3,472,552**	**10,596,877**
Impact of IFRS9 adoption		--	--	(491,065)	--	23,468	(467,597)
Balance as at 1 Jan 2019 after adjustments		**2,250,000**	**--**	**1,930,030**	**2,453,230**	**3,496,020**	**10,129,280**
Dividends for the year 2018		--	--	--	--	(1,346,676)	(1,346,676)
Paid to increase Capital			3,000,000	--	--	--	3,000,000
Transferred to legal reserve		--	--	124,043	--	(124,043)	--
Transferred to general banking risk reserve		--	--	47,121	--	(47,121)	--
Transferred to capital reserve		--	--	89	--	(89)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	49,549	--	--	49,549
Difference between the present value and face value for subordinated time deposit		--	--	--	(1,136,376)	--	(1,136,376)
Net Change in other comprehensive income		--	--	158,529	--	200,134	358,663
Net profit for the year ended 31 December 2019		--		--	--	3,948,055	3,948,055
Balance as at 31 December 2019		**2,250,000**	**3,000,000**	**2,309,361**	**1,316,854**	**6,126,280**	**15,002,495**
Dividends for the year 2019		--	--	--	--	(545,480)	(545,480)
Transfer to capital		3,000,000	(3,000,000)	--	--	--	--
dividends to shareholders		--	--	--	--	(1,505,000)	(1,505,000)
Transferred to legal reserve		--	--	197,310	--	(197,310)	--
Transferred to general banking risk reserve		--	--	677,409	--	(677,409)	--
Transferred to capital reserve		--	--	1,853	--	(1,853)	--
Expected Credit Loss on debt instruments at fair value through OCI		--	--	(16,245)	--	--	(16,245)
Difference between the present value and face value for subordinated time deposit		--	--	--	1,404,773	--	1,404,773
Net Change in other comprehensive income		--	--	85,660	--	866	86,526
Net profit for the year ended 31 December 2020		--	--	--	--	3,155,315	3,155,315
Balance as at 31 December 2020	(32,33)	**5,250,000**	**--**	**3,255,348**	**2,721,627**	**6,355,409**	**17,582,384**

The accompanying notes from (1)to (41) are an integral part of these separate financial statements and are to be read therewith.

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed

Notes to the Separate financial statements

For the year ended 31 December 2020

(All amounts stated in the notes are in thousands of Egyptian pounds unless otherwise stated)

1. General Information:

Banque Du Caire S.A.E. was established as a commercial bank on 17 May 1952 under the provisions of the National Commercial Law for 1883 that was later replaced by the Commercial Law No. 17 for 1999 on 17 May 1999.

The address of its registered head office is as follows: 6 Dr. Moustafa Abo Zahraa Street, Nasr City, behind Accountability State Authority, Cairo, Egypt.

Banque Du Caire offers its banking services that related to its activity in Egypt through 241 branches, offices and units. The Bank employees 8,639 employees at the statements preparation date for the year ended 31 December 2020.

On May 2007, Bank Misr acquired all shares of Banque Due Caire, and its ownership has transferred to bank Misr on Egyptian Stock Exchange.

On May 2009 the Minister of Finance approved selling 5 shares stock to Misr for Investment and Misr Abu Dhabi for Real State. As a result, the bank became subject to Egyptian Companies Law No. 159 of 1981 and its Executive Regulations.

On March 28, 2010, the amendment of the Bank's Articles of Association was approved for Law 159 of 1981 in the Office of Investment Documentation under the Registration Document No. 176 of 2010 and its impact by commercial registration on 30 March 2010.

On May 2010, Banque misr established Misr Financial Investment Company with 99.999% of its contribution share capital to act as its investment arm.

On June 2010, Banque misr transferred some of long term investments (including Banque Du Caire) to Misr Financial Investment Company.

On 19 December 2010, Banque Du Caire's Extraordinary General Assembly approved transferring Banque Du Caire's ownership to Misr Financial Investment Company.

On 27 June 2010 Extraordinary General Assembly approved amendment on article of association (article 42) amending the fiscal year to start on 1st of January instead of 1st of July and ends on 31 December instead of 30 June of the following year.

On 15 December 2016 Extraordinary General Assembly approved amendment on article of association (article 6) which increase bank's capital by the value of retained earnings amounting by EGP 650 million, and determine the bank's authorized capital by EGP 10 billion, and determine the bank's issued capital by EGP 2,250 billion divided into 562,500 thousand shares with a par value of EGP 4 each and the bank's shareholders structure became as follows:

Misr Financial Investment company	562,499,985 shares
Banque Misr	8 shares
Misr Abu Dhabi for Real Estate company	7 shares

On 29 December 2016 article 6 capital increase has been amended in the commercial register and at investment prospectus latest publication number 43396 issued on 30 January 2017 amending article7.

On 15 July 2018, Extraordinary General Assembly approved to amend article 6 to add Banque Misr instead of Misr Investment Company.

On 19 December 2019, the Extraordinary General Assembly of "Misr Financial Investments SAE'' approved by the Financial Supervisory Authority on 11 Feb 2020 By noting in the Commercial Register on February 20, 2020 that the company name has been changed to "Misr Capirtal SAE.'' without any change in other data.

On 22 September 2019, Central Bank in Egypt approved amendment on article of association (article 6) which related to increase of Issued Capital and Shareholders Structure.

On 22 September 2019, Extraordinary General Assembly approved on Capital Increase by 3 Billion EGP to increase from EGP 2.250 billion to EGP 5.250 billion, all of the increase related to Banque Misr.

- Article of association (6) became as follows:

"The authorized Capital amounted to EGP 10 Billion, and The issued Capital amounted to EGP 5.250 Billion distributed to 1,312,500 Thousand share with Face Value EGP 4 per each and Bank's shareholders structure as follows:

Banque Misr	750,000,008 shares
Misr Capital company	562,499,985 shares
Misr Abu Dhabi for Real Estate company	7 shares

- Capital increase has been amended in the commercial register at 2 Feb 2020.

- On 4 October 2020 article 6 has been amended in investment prospectus as follows:-
- determined the bank's authorized capital by EGP 10 billion, and determine the bank's issued capital by EGP 5,250 billion divided into 2,625,000 thousand shares with a par value of EGP 2 each and the bank's shareholders structure became as follows:-

Name	No.of shares	Face value by EGP
Banque Misr	1,500,000,016	3,000,000,032
Misr Capital	1,124,999,970	2,249,999,940
Misr Abu Dhabi for Real Estate company	14	28
Total	**2,625,000,000**	**5,250,000,000**

The Board of Directors approved the separate financial statements for the year ended 31 December 2020 on 04/03/ 2021.

2. Summary of significant accounting policies:

Following are the significant accounting policies applied in the preparation of Separate financial statements. These policies have been consistently applied for all years presented unless otherwise stated.

2.1. Basis of preparing separate financial statements:

The separate financial statements have been prepared accordance with the instructions of the central bank of Egypt (CBE), approved by the board of directors on16 December 2008 with the addition of the requirements of IFRS 9 Financial Instruments in accordance with the instructions issued by the Central Bank of Egypt on 28 January 2018 and issued the final instructions for the preparation of the financial statements of banks in accordance with the requirements of International Financial Reporting Standard No. 9 on 26 February 2019,the separate financial statements have been prepared in accordance with provision of relevant local law.

The Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments'' starting from January 01, 2019, the following summarize the main accounting policies changes resulted from applying the required instructions also, the disclosure of significant judgments and estimates related with impairment in value at financial risk management disclosures

The 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 investments in subsidiaries and associates are presented in the Bank's separate financial statements and accounted for at cost less impairment losses. The Bank's separate financial statements are read in therewith consolidated financial statements as at and to obtain complete information on the Bank's financial position and the results of its operations, its cash flows and changes in its ownership rights.

The financial statements at December 31, 2018 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 starting from January 01, 2019, the financial statements have been prepared according to Central Bank of Egypt (CBE) instructions dated on February 26, 2019 to prepare financial statements according to IFRS 9 "Financial Instruments'.

The accounting policies set out below have been changed by the management to comply with the adoption of mentioned instructions.

2.2. Investments in subsidiaries and associates:

Investments in subsidiaries and associates are accounted for using the cost method; which represent the bank direct ownership shares and not based on financial results and not on net assets of the invested in companies 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. Subsidiary Companies:

Subsidiaries are entities (including Special Purpose Entities / SPEs) over which the bank exercises a direct or indirect control over its financial and operating policies to obtain benefits from its activities. The Bank usually has a shareholding of more than half of its voting rights, and with existence and effect of future voting rights that can be exercised or transferred at the present time are taken into consideration when evaluating whether the Bank has the ability to control the Company.

2-2-2 Associate Companies:

Associates are entities over which the bank exercises a direct or indirect significant influence without reaching the extent of control. Normally the bank holds ownership equities ranging between 20% and 50% of the voting rights.

Purchase method of accounting has been applied for the bank's acquisition of subsidiaries and associates when initial recognized (on the date of acquisition); the acquisition date is the date on which the acquirer obtains control or significant influence of acquire "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.

Investments in subsidiaries and associates are accounted for using the cost method; According to this method, the investments are recognized at an acquisition cost, including any goodwill, and any subsequent impairment losses in the value are deducted from it. The income of the bank from the distribution of profits of the subsidiary and Associate companies is recorded in the income statement when the companies have approved the distribution of these profits and the bank's right to collect them is proven

2.3. Segment reports

A business segment is a group of assets and operations engaged in providing products or services that are subject to risk and return that are different from those of other business segments.
A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risk and returns different from those of segments operating in other economic environments.

2.4. Foreign currencies translation

2.4.1. Functional and presentation currency

Bank's financial statements are presented in Egyptian pounds, which is the bank's functional and presentation currency.

2.4.2. Transactions and balances denominated in foreign currencies

- The bank holds its accounts in Egyptian pounds. Transactions in foreign currencies during the financial year are recorded using the prevailing exchange rates at the date transactions. Monetary assets and liabilities in foreign currencies are re-translated at the end of the year using the prevailing exchange rates at that date.
- Foreign exchange gains and losses resulting from settlement of such transactions and as well as the differences resulting from the re-evaluation are recognized in the income statements under the following items:
  - Net trading income for assets / liabilities classified for trading purpose.
  - Other operating revenue (expenses) for the remaining items.
- Changes in the fair value of the financial instruments with monetary nature in foreign currencies, classified as financial investments at fair value through other comprehensive income (debt instruments), are analyzed into evaluation differences resulting from changes in the amortized cost of the instrument, differences resulting from the changes in the prevailing exchange rates and differences resulting from the changes in the instrument's fair value. The evaluation differences resulting from the changes in the amortized cost are recognized in the income statement within "Interest and similar income". The differences relating to changes in exchange rates are recognized in "other operating income (expenses). "Differences resulting from changes in fair value are recognized under "fair value reserve – financial investments at fair value through other comprehensive income" in the shareholders' equity.
- The translation differences resulting from non-monetary items include profits and losses resulting from changes in fair value such as equity instruments held in fair value through profits and losses, while translation differences resulting from equity instruments classified as financial investments at fair value through other comprehensive income are recognized with "fair value reserve-financial investments at fair value through other comprehensive income " under the shareholders' equity

2.5. Financial Assets and liabilities

2.5.1 Recognition and initial measurement

The Bank recognizes financial assets and liabilities on the date that the Bank becomes a party to the contractual terms of the financial instrument.

The financial asset or liability is initially measured at fair value. Those that are not subsequently measured at fair value through profit or loss are measured at fair value plus transaction cost that is directly attributable to the acquisition or issue.

2.5.2 Classification

A- Financial assets

- On initial recognition, the Bank classifies financial assets into financial assets at amortized cost, financial assets at fair value through other comprehensive income or at fair value through profit or loss.
- The financial asset is measured at amortized cost if both of the following conditions are met and have not been allocated by the management of the Bank upon initial recognition at fair value through profit or loss:
  - The financial asset is retained in a business model whose objective is only to maintain the financial asset for the collection of the contractual cash flows.
  - The contractual terms of the financial asset, on specific dates, result in contractual cash flows of the asset that are only the principal of the financial instrument and the proceeds.
- The debt instrument is measured at fair value through other comprehensive income and was not allocated at initial recognition at fair value through profit or loss if both of the following conditions are met:
  - The financial asset is held in a business model whose objective is to collect contractual cash flows and sell the financial asset.
  - The contractual terms of the financial asset, on specific dates, result in contractual cash flows of the asset that are not only the principal of the debt and the return.
- Other financial assets are classified as investments at fair value through profit or loss.

In addition, at initial recognition, the Bank may allocate irreversibly a financial asset as measured at fair value through profit or loss, although it meets the criteria for classification as a financial asset at cost or at fair value through other comprehensive income, if doing so would prevent or substantially reduce the inconsistency that may arise in accounting measurement.

Business model assessment

Debt instruments and equity instruments are classified and measured as follows:

Financial instrument	Methods of measurement according to business model		
	Amortized cost	Fair value	
		Through other comprehensive income	Through profit and loss
Equity instruments	N/A	One-time option upon first recognition it is not reversed	Regular treatment of equity instruments
Debt instruments	Business model Assets held for collection Contractual cash flows	Business model Assets held for collection Contractual cash flows and sale	Business model Assets held for trading

The Bank prepares, documents and approves Business Models in accordance with the requirements of IFRS 9 and reflects the Bank's strategy for managing financial assets and cash flows as follows:

Financial assets	Business model	Basic characteristics
Financial assets at amortized cost	Business model financial assets held for collection contractual cash flows	▪ The objective of the business model is to retain financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds ▪ A sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument ▪ Less sales in terms of rotating and value. ▪ The Bank performs clear and reliable documentation of the rationale for each sale and its compliance with the requirements of the Standard.
Financial assets at fair value through other comprehensive income	Business model of financial assets held for the collection of contractual cash flows and sales	▪ Both the collection of contractual cash flows and sales are complementary to the objective of the model. ▪ Sales are relatively high (in terms of turnover and value) compared to the business model held for the collection of contractual cash flows
Financial assets at fair value through profit and loss	Other business models include (trading - management of financial assets at fair value - maximizing cash flows by selling)	▪ 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 ▪ Management of financial assets at fair value through profit or loss to avoid inconsistencies in accounting measurement.

- **The Bank assesses the objective of the business model at the portfolio level where the financial asset is retained as reflecting the way the business is managed and the manner in which the management is provided. The information to be taken into account when evaluating the objective of the business model is as follows:**
  - The documented policies and objectives of the portfolio and the implementation of these policies in practice. In particular, whether the management strategy focuses only on the collection of the contractual cash flows of the asset and maintaining a specific rate of return to meet the maturities of the financial assets with the maturity dates of the liabilities that finance these assets or generate cash flows through the sale of these assets.
  - How to evaluate and report on portfolio performance to senior management.
  - Risks affecting the performance of the business model, including the nature of the financial assets held within that model and the manner in which these risks are managed.
  - How to determine the performance assessment of business managers (fair value, return on portfolio, or both).
  - The periodically, value and timing of sales in prior years, the reasons for such transactions, and expectations regarding future selling activities. However, information on sales activities is not taken into account separately, but as part of a comprehensive assessment of how the Bank's objective of managing financial assets and how to generate cash flows is achieved.
  - Financial assets held for trading or managed and their fair value performance are measured at fair value through profit or loss as they are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets together.

- Assess whether the contractual cash flows of the asset represent payments that are limited to the principal amount of the instrument and the proceeds.

For the purpose of this valuation, the Bank defines the original amount of the financial instrument as the fair value of the financial asset at initial recognition. The return is defined as the time value of money and the credit risk associated with the original amount over a specified year of time and other basic lending risk and costs (such as liquidity risk and administrative costs) as well as profit margin.

To assess whether the contractual cash flows of an asset are payments that are limited only to the asset of the financial instrument and the yield, the Bank takes into consideration the contractual terms of the instrument. This includes assessing whether the financial asset includes contractual terms that may change the timing or amount of contractual cash flows, thereby not meeting that requirement. In order to conduct such an assessment, the Bank shall consider:

- Potential events that may change the amount and timing of cash flows.
- Leverage characteristics (rate of return, maturity, currency type).
- Terms of accelerated payment and term extension.
- Conditions that may limit the ability of the Bank to claim cash flows from certain assets.
- Features that may be adjusted against the time value of money (re-setting the rate of return Periodicity).

Financial liabilities

- When the initial recognition of the Bank classifies its financial liabilities to financial liabilities at amortized cost, financial liabilities at fair value through profit and loss, based on the objective of the business model of the Bank
- All financial liabilities are recognized initially at fair value at the date on which the Bank becomes a party to the contractual terms of the financial instrument.
- Financial liabilities classified at amortized cost are subsequently measured at amortized cost using the effective yield method.
- The financial liabilities are measured at fair value through profit and loss are subsequently carried at fair value and recognized the change in the fair value of the change in the degree of the Bank's credit rating in the list of other comprehensive income while the remaining amount of the change is displayed in the fair value in the list of profits and losses.

2.5.3. Disposal

A) Financial Assets

- The financial asset is derecognized when the contractual right to receive cash flows from the financial asset expires or when the Bank has transferred the right to receive the contractual cash flows in a transaction in which the risks and rewards of ownership are transferred substantially to another party.
- When a financial asset is derecognized, the difference between the carrying amount of the asset (or the carrying amount of the portion of the asset disposed of) and the aggregate of the consideration received (including any new asset acquired less any new obligation incurred) and Consolidated gains or losses previously recognized in the fair value reserve for financial investments at fair value through other comprehensive income.
- any cumulative gain or loss recognized in other comprehensive income related to investment in equity instruments designated as investments at fair value through
- Other comprehensive income statement is not recognized in profit or loss when the asset is derecognized so that the differences relating to it are transferred directly to retained earnings. Any share created or retained from the asset eligible for disposal (meeting the exclusionary terms) is recognized as a separate asset or liability.
- When the Bank enters into transactions by which it transfers assets previously recognized in the statement of financial position but retains substantially all or all of the risks and rewards associated with the transferred asset or part thereof. In such circumstances, the transferred asset is not excluded.
- For transactions where the Bank neither substantially retains substantially all the risks and rewards associated with ownership of the asset and retains control over the asset, the Bank continues to recognize the asset within its continuing association with the financial asset. The Bank's continuing correlation with the financial asset is determined by the extent to which the Bank is exposed to changes in the value of the transferred asset.
- In some transactions, the Bank retains the obligation to service the transferred asset against a commission, at which point the transferred asset is derecognized if it meets the exclusion criteria. An asset or liability for a service contract is recognized if the commission is greater than the appropriate amount (asset) or less than the appropriate amount (obligation) to perform the service.

B) Financial liabilities

- The Bank will derecognize the financial obligations when the contract is disposed of, canceled or terminated.

2.5.4. Amendements to Financial Assets and Financial liabilities

A) Financial Assets

- If the terms of a financial asset are adjusted, the Bank assesses whether the cash flows of the asset being modified are materially different. If the cash flows are materially different, the contractual rights to the cash flows from the original financial asset are considered to have expired and the original financial asset is derecognized. A new financial asset is recognized at fair value and the resulting value is recognized as a result of adjustment of the total carrying amount as profit or loss in profit or loss. If the amendment is due to financial difficulties for the borrower, the profits are deferred and presented with the compound of impairment losses while the losses are recognized in the statement of profit and loss.
- If the cash flows of the asset recognized at amortized cost are not materially different, the adjustment does not result in the disposal of the financial asset.

B) Financial liabilities

The Bank adjusts its financial liability when its terms of reference are modified and the cash flows of the modified obligation are substantially different. In this case, a new financial liability is recognized based on the modified terms at fair value. The difference between the carrying amount of the old financial obligation and the new financial liability is recognized on the adjusted terms in the statement of profit and loss.

Off setting Financial Assets and Financial liabilities

Financial assets and liabilities are offset in case the bank has a legal right in force to undertake the offsetting of the recognized amounts and it intends to settle the amounts on a net basis or to receive the asset and settle the liability simultaneously.

Agreements for purchasing treasury bills with commitment to resell and the agreements for selling treasury bills with commitment to repurchase are presented based on the net basis in the balance sheet within the item of treasury bills and other governmental notes.

2.5.5. Fair value measurement

- The Bank determines the fair value on the basis that it is the price to be acquired for the sale of an asset or to be paid for the transfer of an obligation in an orderly transaction between the market participants on the measurement date, taking into account when measuring fair value, the characteristics of the asset or liability, the characteristics are taken into consideration when pricing the asset and / or liability at the measurement date. These characteristics include the condition and location of the asset and the restrictions on the sale or use of the asset to market participants.
- The Bank uses the market approach to determine the fair value of financial assets and liabilities as this approach uses prices and other relevant information arising from market transactions involving assets, liabilities or a group of assets and liabilities that are identical or comparable. The Bank may therefore use valuation techniques consistent with the market approach, such as market multipliers derived from comparable groups. The choice of the appropriate multiplier within the range would therefore require the use of personal judgment, taking into account the quantitative and qualitative factors of the measurement.
- When the market cannot be relied upon in determining the fair value of a financial asset or a financial liability, the Bank uses the income method to determine the fair value by which future amounts such as cash flows or income and expenses are transferred to a current amount (discounted) Current market about future amounts.
- Where the fair value of a financial asset or a financial liability cannot be relied upon, the Bank uses the cost approach to determine the fair value to reflect the amount currently being requested to replace the asset in its current condition (the current replacement cost) to reflect the fair value The cost borne by the market participant as a buyer of an alternative asset has a similar benefit since the market participant as a buyer will not pay in the original more than the amount for which the benefit is exchanged for the asset.

The valuation techniques used in determining the fair value of a financial instrument include:

- Declared prices of similar assets or liabilities in active markets.
- Interest rate swaps by calculating the present value of expected future cash flows based on the observed yield curves.
- The fair value of future currency exchange contracts using the present value of the expected cash flow value using the future exchange rate of the currency in question.
- Analysis of cash flows discounted in determining the fair value of other financial instruments.

2.6. Financial derivative instruments and hedge accounting

- Derivatives are recognized at fair value at the date of entering into the derivative contract and are subsequently re-measured at their fair value. Fair value is obtained from quoted market prices in active markets, recent market transactions or valuation techniques such as discounted cash flow models and option pricing models, as appropriate. All derivatives are stated as assets if their fair value is positive or included in liabilities if their fair value is negative.

Derivative contracts are not separated when the derivative is linked to a financial asset and the derivatives contract is therefore fully classified with the associated financial asset.

The method of recognition of gains and losses arising from changes in fair value depends on whether the derivative is designated as a hedging instrument and the nature of the hedged item. The Bank allocates certain derivatives as any of the following:

1. Fair value hedges of recognized assets and liabilities or commitments (fair value hedges).
2. Hedges of the expected future cash flows attributable to a recognized asset or liability, or attributable to a forecasted transaction (cash flow hedges).
3. Net investment in foreign operations (net investment coverage).

- Hedge accounting is used for derivatives designated for this purpose if they qualify for accounting as hedging instruments.
- At the inception of the transaction, the Bank documents reliably the relationship between hedged items and hedging instruments, as well as the objectives of risk management and strategy from entering into various hedge transactions. The Bank also establishes, at the inception of the hedge, on an ongoing basis, the underlying documentation to assess whether the derivatives used in hedge transactions are effective in meeting changes in the fair value or cash flows of the hedged item.

2.6.1. Fair value hedges

- Changes in the fair value of designated derivatives eligible for fair value hedges are recognized in the statement of profit and loss with any changes in the fair value attributable to the risk of the underlying asset or liability.
- The effect of effective changes in fair value of interest rate swaps and related hedged items is recognized under "net income from return". While the effect of effective changes in the fair value of future currency contracts is recognized under 'Net instrument income at fair value through profit or loss.
- The effect of ineffectiveness in all contracts and related hedged items in the previous paragraph is recognized under "Net income of financial instruments at fair value through profit or loss' '
- If coverage no longer meets the hedge accounting requirements, the adjustment to the carrying amount of the hedged item that is accounted for in the amortized cost method is amortized by taking it to profit and loss over the year to maturity. Recognition of equity is continued through adjustments to the carrying amount of the hedged equity instrument until it is derecognized.

2.6.2. Cash flow coverage

- The other comprehensive income statement recognizes the effective portion of changes in the fair value of designated derivatives eligible for cash flow hedges. Gains and losses relating to the ineffective portion of the statement of profit and loss are recognized immediately in "Net income of financial instruments at fair value through profit or loss'."
- Amounts accumulated in the other comprehensive income statement are carried to the income statement in the same year in which the hedged item has an impact on profit or loss. Gains or losses relating to the effective portion of currency swaps and options are taken to "net income of financial instruments at fair value through profit or loss'."
- When a hedging instrument is due or sold, or if coverage no longer meets the conditions for hedge accounting, gains or losses accumulated in other comprehensive income at that time are recognized in other comprehensive income and recognized in the income statement when the transaction is ultimately recognized Predicted. If the forecast transaction is no longer expected to occur, then the gain or loss accumulated in other comprehensive income is immediately carried to the statement of profit and loss.

2.6.3. Net investment coverage

Is recognized in the other comprehensive income statement as the gain or loss from the hedging instrument relating to the effective portion of the hedge, while the gain or loss is recognized immediately in profit or loss in respect of the ineffective portion. Gains or losses accumulated in the other comprehensive income statement are carried to the income statement on disposal of foreign operations.

2.6.4. Derivatives not eligible for hedge accounting

- Gains and losses on "net income of financial instruments at fair value through profit or loss' ' are recognized in changes in the fair value of derivatives that are not eligible for hedge accounting, and are recognized in profit or loss as "net income from financial instruments at fair value through profit or loss' ' And losses arising from changes in fair value of derivatives managed in connection with financial assets and liabilities at fair value through profit or loss.

2.7. Net fair value of financial instruments at fair value through profit or loss
Net income of financial instruments at fair value through profit or loss represents gains and losses on assets and liabilities at fair value through profit or loss and includes changes in fair value whether realized or unrealized, interest, dividends and differences in exchange rate.

2.8. Loans and Debts
Loans and advances represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, with the exception of:

- Assets which the bank intends to sell immediately or in the short term, in which case. They are classified as assets held for trading or assets classified at inception at fair value through profit or loss.
- Assets classified as available for sale at initial recognition.
- Assets for which the bank will not be able to substantially recover all of value of its initial investment, for reasons other than creditworthiness deterioration.

2.9. Interest Income and Expenses

- Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest rate

The effective interest rate is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates 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. Once a financial asset has been classified as nonperforming or impairment then related, interest income is not recognized and it is allocated in marginal records off-balance sheet and it is recognized as income on monetary bases according to the following:

- When they are collected and after receiving all past due installments for consumption loans mortgage loans, and small loans business loans.
- When they are collected and after receiving all past due installments for consumption loans mortgage loans, and small loans business loans, the interest will be recognized as revenues when it's collected and that is after the full recovery of the overdue.
- Regarding to corporate loans, the cash basis is also followed, as the return calculated later in accordance with the terms of the loan scheduling contract is higher against the recognition of unearned interest on credit balances until 25% of the scheduling installments are paid, with a minimum regularity of one year. In the case of the client continues in regularity, the interest is recognized in the revenue which is calculated on the balance of the existing loan (return on the balance of the regular scheduling) without the marginal return. Before scheduling, which is not included in revenue until after paying the full balance that appears in the loan in the budget before scheduling

2.10. Fees and Commission Income
Fees due from servicing the loan or facility which is measured by amortized cost shall be recognized in the income when performing the service, while the fee and commission income related to non-performing or impaired loans shall not be recognized, as it shall be on off-balance sheet of the financial statements. Then it shall be recognized within the income pursuant to the cash basis when the interest income is recognized according to item (2-9). As for fees, which represent an integral part of the actual return of the financial assets in general, they shall be treated as an amendment to the effective rate of return.

Commitment fees on loans shall be postponed, if there is a probability that these loans will be withdrawn, taking into account that these fees which the bank receives are a compensation for the constant intervention to acquire the financial instrument. Then they shall be recognized by amending the effective rate of return on the loan. When the year of commitment expires without the loan being issued by the bank, these fees shall be recognized within the income at the expiry of the commitment's validity.

Fees on debt instruments measured at fair value shall be recognized within revenue at the initial recognition. Fees on the promotion of the syndicated loans shall be recognized within revenue when the promotion process is completed and the bank does not retain any portion of the loan or if the bank retains a portion for itself earning of the actual rate return which is available to other participants as well.

Fees and commission resulting from negotiations or the participation in negotiations on a transaction in favor of a third party shall be recognized within the income statement- such as the arrangement of the acquisition of shares or other financial instruments, or the acquisition or selling of premises- when the specific transaction is completed. The administrative consultations fees and other services are normally recognized based on the distribution over time relative to the service performance year. However, the financial planning management fees and conservation services fees, which are provided for long years of time, are recognized over the year during which the service is performed.

2.11. Dividend Income
Dividends are recognized in the income statement when decision is taken by the competent authority of declaring the right of collection.

2.12. Purchase and resale agreements and sale and repurchase agreements (repos and reverse repos):
Treasury bills sold under agreements that require the bank to repurchase but are included in treasury bills and other government notes are not excluded from the balance sheet. For treasury bills purchased under agreements obligating the bank to resell, the resale obligation is presented less the balances of treasury bills and other government notes on the financial position list. The difference between the selling and repurchase price or the purchase and resale price is recognized as a cost or return payable over the term of the agreements using the effective rate of return method.

2.13. Purchase and resale agreements and sale and repurchase agreements
The Financial instruments sold under repurchase agreements within the assets of the balances of treasury bills and other governmental notes in the financial position. Whereas, the liability (purchase and resale agreements) is deducted from the treasury bills and other governmental notes in the balance sheet. The difference between the sell price and repurchase price is recognized as a return over the year of the agreement by applying the effective interest rate method.

2.14. Impairment of financial assets

Impairment losses are recognized for the expected credit losses of the following financial instruments that are not measured at fair value through profit or loss:

- Financial assets that represent debt instruments.
- Due debts.
- Financial guarantee contracts.
- Loan commitments and similar debt instruments commitment
- Impairment losses on investments in equity instruments are not recognized.

Debt instruments related to retail banking and small and micro finance

The Bank consolidates debt instruments related to retail banking products and micro and small enterprises on the basis of groups with similar credit risk based on the type of banking product.

The Bank classifies debt instruments within the Retail Banking Group or micro and small enterprises into three stages based on the following quantitative and qualitative criteria:

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)
Financial Instruments Low Credit Risk	There is no Past due	Scope of risk accepted				
Financial instruments have significant increase in credit risk			Delay within 30 days from the due date of contractual installments	If the Borrower encounters one or more of the following events: ▪ The Borrower has applied for the conversion of short-term to long-term repayments due to adverse effects related to the borrower's cash flows. ▪ The bank canceled one of the direct facilities by the bank due to the high credit risk of the borrower. ▪ Extension of the time limit granted for payment at the request of the borrower. ▪ Recurring previous arrears during the previous 12 months. ▪ Negative future economic changes that affect the borrower's future cash flows		
Impaired financial instruments					When the borrower delays more than 90 days from the payment of his contractual installments	N/A

Debt instruments related to medium enterprises and projects

The Bank aggregates debt instruments relating to medium-sized enterprises and enterprises based on similar credit risk groups on the basis of the Borrower Client Unit.

The Bank classifies customers within each group into three stages based on the following quantitative and qualitative criteria:

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)
Financial Instruments Low Credit Risk	There is no Past due	Scope of risk accepted				
Financial instruments have significant increase in credit risk			Delay within 50 days from the due date of contractual installments	If the borrower is on the checklist and / or the financial instrument you experience one or more of the following events: ▪ Significant increase in the rate of return on the financial asset as a result of increased credit risk. ▪ Significant negative changes in the activity or financial or economic conditions in which the borrower operates. ▪ Request rescheduling. ▪ Significant negative changes in actual or expected operating results or cash flows. ▪ Negative future economic changes that affect the borrower's future cash flows. ▪ Early signs of cash flow / liquidity problems such as delays in service of creditors / business loans.		

Financial Instrument Classification	Stage 1		Stage 2		Stage 3	
	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)	Basic Selector (Quantitative Criteria)	Additional Limiter (Qualitative Criteria)
Impaired financial instruments					When the borrower delays more than 90 days from the payment of his contractual installments	When the borrower is unable to meet one or more of the following criteria, indicating that the borrower is experiencing significant financial difficulty. - The death or incapacity of the borrower. - The borrower's financial default. - Initiate scheduling as a result of the deterioration of the borrower's credit capacity. - Non-compliance with financial commitments. - Disappearance of the active market for the financial asset or one of the borrower's financial instruments due to financial difficulties. - Granting lenders privileges related to the financial difficulty of the borrower, which was not granted under normal circumstances. - The possibility that the borrower will enter bankruptcy or restructuring due to financial difficulties. - If the borrower's financial assets are purchased at a significant discount that reflects the credit losses incurred.

- The financial assets created or acquired by the Bank are classified as having a higher credit risk rating than the Bank's low risk financial assets on initial recognition at stage 2 directly.

2.14.1. Measurement of expected credit losses

The Bank evaluates debt portfolio portfolios on a quarterly basis at the portfolio level for all financial assets of Retails, corporate, and SMEs on annual basis with respect to the financial assets of institutions classified as a follow-up to control their credit risk. On a periodic basis, the criteria used to determine the significant increase in credit risk are reviewed and monitored periodically by the credit risk management.

The Bank assesses at each reporting date the impairment loss for financial instruments at an amount equal to the expected credit losses over the life of the financial instrument except for the following cases where the provision for impairment losses is estimated at an amount equal to the expected credit losses over the twelve months:

1) A debt instrument that has been identified as having a low credit risk at the date of the financial statements (debt instruments in the stage1).
2) Other financial instruments Credit risk at the reporting date has not increased significantly since the initial recognition (debt instruments in the stage1).

The Bank considers the expected credit losses to be a probable probability estimate of the expected credit losses, which are measured as follows:

The expected credit losses on financial assets are measured at the initial stage based on the present value of the gross deficit calculated based on the historical probability of default scenarios adjusted by the average forecast of macroeconomic indicators for the future twelve months multiplied by the value at default, taking into account the expected recovery rates when calculating the average Loss for each group of debt instruments with similar credit risk. Given the expected credit losses taking into account the amount and timing of payments, the credit losses arise even if the enterprise expects to pay in full but later after debt becomes payable under contractual terms. The expected credit losses over the twelve months are considered to be part of the expected credit losses over a lifetime arising from the defaulting events of a financial instrument and the potential within twelve months after the date of the financial statements.

- The expected credit loss of financial assets in the stage two is measured based on the present value of the total deficit calculated based on the historical probability of default scenarios adjusted by the average forecasts of the macroeconomic indicators for the life of the financial asset multiplied by the value at default, For each group of debt instruments with similar credit risk.
- Impaired financial assets at the balance sheet date are measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows.
- In calculating the specific loss rates, the Bank calculates the expected recovery rates from the present value of expected cash flows either from cash and in kind guarantees or historical or anticipated future repayment rates as follows:

  - For debt instruments classified as part of the stage one, the value of cash and cash equivalents, cash and other financial instruments that can be easily converted into cash in a short year of time (3 months or less) and without any change (loss) in value due to credit risk, after deduction of 10% against unforeseen circumstances.
  - For the debt instruments classified in the stage 2,3, only the types of guarantees shall be considered in accordance with the rules issued by the Central Bank of Egypt on 24/5/2005 regarding the determination of the creditworthiness of the customers and the formation of the provisions, while the value of such guarantees shall be calculated according to the rules of preparing The financial statements of the banks and the recognition and measurement bases issued by the Central Bank of Egypt on December 16, 2008, after deducting 10% and 20% of the cash collateral and the present value of the future cash flows of the in-kind collateral, respectively.
  - For debt instruments held by banks operating outside Egypt, the probability of failure is determined on the basis of the credit rating of the head office of the bank operating outside Egypt and no more than the credit rating of the head office country, The loss rate is 45%.

- For the instruments held by the banks operating in Egypt, the probability of failure is calculated on the basis of the classification of the bank by the external international rating institutions. The branches of the Egyptian banks abroad are treated as the main center. The branches of the foreign banks operating in Egypt, The loss rate is calculated at 45%.
- For debt instruments issued by non-banks, the probability of failure is calculated on the basis of the rating of the issuer of the financial instrument by the external international rating institutions and no more than the credit rating of the issuing country in the case of external entities, the loss rate is calculated at 45%.
- Impairment provision on financial assets recognized in the financial position is deducted from the value of the financial asset at the time the statement of financial position is prepared, while the provision for impairment relating to loan commitments, financial guarantee contracts and contingent liabilities is recognized under other provisions of the financial position obligations.
- For financial guarantee contracts, the Bank estimates the expected credit loss on the basis of the difference between the expected payments to the guarantee holder less any other amounts that the Bank expects to recover.

Upgrading from the stage 2 to the stage 1

The bank shall not transfer the financial asset from the stage2 to the stage1 until all the quantitative and qualitative elements of the initial stage have been met and the total cash receipts from the financial asset are equal to or greater than the total amount of the installments due to the financial asset, if any the accrued interest as there has been continues 3 month. From continuing to meet the conditions.

Upgrading from the stage3 to the stage2

- The bank does not transfer the financial asset from the stage three to the stage two unless all of the following conditions are met:

1) Completion of all quantitative and qualitative elements of the stage two.
2) Repayment of 25% of the balances of the outstanding financial assets, including unearned suspended interest according to circumstances.
3) Regularity in paying for at least 12 consecutive months.

The year of recognition of the financial asset within the latter category of the stage2

The year of recognition (classification) of the financial asset within the last category of the stage2 shall not exceed nine months from the date of its conversion to that stage.

2.14.2.Restructured financial assets:

If the terms of a financial asset are renegotiated or modified or a new financial asset replaced by a current financial asset due to the financial difficulties of the borrower, an assessment is made as to whether the financial asset should be derecognized and the expected credit losses are measured as follows:

- If the restructuring will not lead to the disposal of the current asset, the expected cash flows from the adjusted financial asset are used when calculating the cash deficit in the current asset. The expected credit losses are calculated on the life of the instrument.
- If the restructuring will result in the disposal of the present asset, the expected fair value of the new asset is treated as final cash flows from the current financial asset when derecognised. This value is used to calculate the cash deficit from the current financial asset, which is deducted from the expected date of derecognition of the asset at the reporting date using the original effective interest rate of the current financial asset.

Presentation of the expected credit loss provisions in the statement of financial position

The provision for credit losses is presented in the statement of financial position as follows:

- Financial assets measured at amortized cost as a deduction from the total book value of the assets.
- Commitments for loans and financial guarantee contracts: Generally, as a provision.
- When the financial instrument includes both the user and non-user of the permitted amount of the instrument, and the Bank cannot determine the expected credit losses of the unused portion separately, the Bank presents a provision for collective loss to the user and non-user. The aggregate amount is presented as a deduction from the total book value of the user and any increase in the loss provision is shown on the total amount of the user as a provision for the unused portion.
- Debt instruments at fair value through other comprehensive income A provision for impairment is not recognized in the statement of financial position because the book value of such assets is their fair value. However, the provision for impairment is disclosed and recognized in the fair value reserve.

2.14.3. Debt Write Off:

Debt is written off (partly or fully) when there is no realistic possibility of repayment of that debt. In general, when the Bank determines that the borrower does not have the assets, resources or sources of income that can generate sufficient cash flows to repay the debts that will be liquidated, however, the impaired financial assets may remain subject to follow-up in light of the Bank's actions to recover the amounts due. Impairment allowance is charged to debts that are amortized whether or not they are provisioned. Any impairment loss is deducted from any previously written loans.

2.14.4. Financial assets at amortized cost

At the end of each financial year, the Bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset (or a group of financial assets) is impaired and impairment losses are incurred when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (the loss event) and the loss event affects the future cash flows of the financial asset (Or group of financial assets) that can be reliably estimated.

Indicators used by the Bank to determine the existence of objective evidence of impairment losses include:

- Significant financial difficulties facing the borrower or the debtor.
- Violation of the terms of the loan agreement such as non-payment.
- Predict the bankruptcy of the borrower or enter into a liquidation or re-structuring of the financing granted to him.
- The borrower's competitive situation deteriorated.
- The Bank, for economic or legal reasons related to the borrower's financial difficulties, grants him privileges
- or concessions that the Bank may not agree to grant under normal circumstances.
- Decline in the value of the guarantee.
- Deterioration of the borrower's credit situation.

An objective evidence of impairment of a group of financial assets is the existence of clear data indicating a measurable decrease in the expected future cash flows from this group since its initial recognition, although it is not possible to determine the decline for each asset individually, for example an increase in the number of defaults for a banking product.

The Bank assesses the year of confirmation of loss, the year between the occurrence of loss and the identification of each specific portfolio.

The Bank first assesses whether there is objective evidence of impairment of each financial asset alone if it is of individual importance, as is the estimation at the aggregate or individual level of financial assets that are not individually significant. In this regard, the following shall be considered:

- If the Bank finds that there is no objective evidence that a financial asset has been impaired, whether individually significant or not, then the asset is included in the financial asset having similar credit risk characteristics and is evaluated together to estimate impairment in value at rates Historical failure.
- If the Bank finds that there is objective evidence that a single financial asset is impaired, it is considered to estimate its impairment. If the result of the study is a loss of impairment, the asset is not included in the group for which impairment losses are calculated on a consolidated basis. If the previous study shows that there is no impairment loss in the value of the asset individually, the asset is then included in the group.
- The amount of impairment loss provision is measured as the difference between the carrying amount of the asset and the present value of expected future cash flows discounted using the original effective yield rate of the financial asset. The carrying amount of an asset is reduced using the allowance for impairment losses and the impairment loss on credit losses and the reversal of impairment losses are recognized as a separate item in the income statement.
- In addition to the impairment charge recognized in the income statement as mentioned in the previous paragraph,
- to calculate the provisions required for impairment of these loans and advances as Assets at credit risk measured at amortized cost - including credit related commitments (Contingent Liabilities) - on the basis of credit rating ratios determined by the Central Bank of Egypt. If the provision for impairment losses calculated in accordance with these ratios is increased for the purpose of preparing the financial statements of the Bank, the excess shall be deducted as a general reserve for bank risk within equity in respect of retained earnings. This reserve is Periodically adjusted to increase or decrease as appropriate. This reserve is not available for distribution except with the approval of the Central Bank of Egypt. Note 33 (a) shows movement at the expense of general bank risk reserve during the financial year.
- If the loan or investment is held to maturity and carries a variable rate of return, then the discount rate used to measure any impairment loss is the effective yield rate in accordance with the contract at the date that objective evidence of impairment of the asset is determined. For practical purposes, the Bank may measure impairment losses on the fair value of the instrument using quoted market prices.
- For financial assets that are secured, when calculating the present value of expected future cash flows from a financial asset, the expected cash flows that may result from the sale and sale of the collateral and after deducting related expenses are taken into account.
- For the purpose of estimating impairment at a aggregate level, financial assets are grouped into similar groups in terms of credit risk characteristics, on the basis of the Bank's internal rating process, taking into consideration the type of asset, industry, geographical location, type of collateral, arrears position and other relevant factors. These characteristics are related to the estimated future cash flows of groups of these assets as an indication of the ability of debtors to pay the amounts due under the contractual terms of the assets under consideration.
- When estimating the impairment of group of financial assets based on historical default rates The estimated future cash flows of the Group are estimated on the basis of the contractual cash flows of the Bank's assets and the historical loss of assets with credit risk characteristics similar to the assets held by the Bank. The amount of historical losses is adjusted based on current data to reflect the impact of the current conditions that were not available during the year during which the historical losses were determined, as well as to eliminate the effects of the conditions that existed in historical years and are no longer present.
- The Bank ensures that changes in the cash flows of a group of financial assets reflect changes in relevant reliable data from year to year (such as changes in unemployment rates, real estate prices, repayment position and any other factors indicating changes in the probability of loss in the group) The Bank conducts a yearly review of the method and assumptions used to estimate future cash flows.
- The carrying amount of financial assets at amortized cost is reduced by the amount of impairment losses for all financial assets measured at amortized cost which recognized at preparing financial position. While the impairment Losses related to Loans Commitments, Financial guarantees Contracts and Contingent Liabilities have been recognized in Other Provisions Item in Financial Position Liabilities.

2.15. Investment Properties

The investment properties represent lands and buildings owned by the Bank In order to obtain rental returns or capital appreciation and therefore does not include real estate assets which the bank operates through or those that have been ceded to the bank as settlement of debts and it are treated as fixed assets and the bank applies cost value method in the way applies with other similar fixed assets

2.16. Intangible Assets (Computer Software)

- Software developing and maintenance fees are recognized as expense in the income statement when paid and it is recognized as intangible asset as expenses related to specific programs under the bank's control and it is expected to realize economic gains for more than 1 year
- Developing which leads to improvement and increase in the original IT program are recognized as expenses and it is added to the IT program cost IT programs costs- recognized as an asset- are amortized through the year of expected benefit in no more than 3 years percent 33.3%.

2.17. Fixed assets

- the historical cost includes the charges directly related to acquisition of fixed assets items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefit associated with the item will flow to the bank and the cost of the item can be measured reliably.
- All other repairs and maintenance are charged to other operating expenses during the financial year in which they are incurred and fixed assets includes Lands and premises represents mainly of land and buildings related to head office, branches and offices.
- Land shall not be subject to depreciation, while depreciation of other fixed assets shall be calculated using the straight-line method to allocate the cost over the useful life Fixed assets depreciation percentage represented as follow:

			Additions fixed assets from 24 Nov 2019 are depreciation rate as follow:	
Buildings & Constructions	5%	20 year	2%	50 year
Furniture	20%	5 year		
Machinery & Equipment	20%	5 year		
Vehicles	25%	4 year	20%	5 year
Integrated Automated systems	20%	5 year		
Fixtures & fittings	33.3%	3 year	16.7%	6 year
Fixtures &fittings rental	33.3%	3 year	16.7%	6 year

- The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date. Assets that are subject to amortization are reviewed for determining the extent of impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- The recoverable amount is the greater of its value in use or the net salable value of the asset. Gains and losses on disposals are determined by comparing proceeds from sale with its carrying amount. These are included in other operating revenues (expenses) in the income statement.

2.18. Other assets:

This item includes the other assets have not been classified within the specific assets of the financial position, such as the accrued revenues, prepaid expenses including the overpayment taxes (excluding tax liabilities Payments under purchase of fixed assets, and the deferred balance for losses of the first day and not yet amortized, and current and non-current assets that have been transferred to the Bank to meet debt Deduction for impairment losses).

Insurance and covenants, gold bullion, commemorative coins, accounts under settlement, and balances not classified in any of the specified assets.

- The majority of other assets are measured at cost and where objective evidence of impairment exists in the value of the asset, the value of the loss for each asset is measured separately between the carrying amount of the asset and its net realizable value or the present value of estimated future cash flows discounted at the current market rate of assets Similar whichever is higher. The carrying amount of the asset is immediately recognized and the amount of the loss is recognized in the income statement under other operating income (expenses) If the impairment loss decreases in any subsequent year and the impairment can be objectively related to an event occurring after the impairment loss is recognized, the recognized impairment loss To the income statement provided that such de-recognition does not result in a carrying amount of the asset at the date of the reversal of the impairment loss that exceeds the amount to which the asset could have been had such impairment losses not been recognized.

With respect to the assets to which the bank is entitled to pay debts, the following shall be considered:

- In accordance with the provisions of Article 60 of the Law of the Central Bank and the banking system and the cash issued by Law No. 88 of 2003, it is prohibited for banks to deal in movable or real estate by buying, selling or barter other than the property designated for the management of the bank's business or recreation for workers and movable or property owned by the bank For a third-party debt recognized from the date of the write-down (i.e. the date of amortization) within assets owned by the Bank to meet debts and the Bank shall act accordingly as follows:
- Within one year from the date of the devolution of ownership to the movable.
- Within five years from the date of the devolution of property in relation to the property.
- The Board of Directors of the Central Bank of Egypt may extend the year if circumstances so require and may exempt some banks from this prohibition according to the nature of their activity.
- The assets acquired by the Bank are recognized as debts in accordance with the value of the Bank, which is the value of the debts that the Bank has decided to waive for these assets. If there is objective evidence that an impairment loss has occurred in the asset at a subsequent date of impairment, the loss per asset is measured separately by the difference between the carrying amount of the asset and its net realizable value or the present value of estimated future cash flows from the asset's use discounted at the current market rate of similar assets Top. The carrying amount of the asset is reduced through the use of an impairment account and the loss is recognized in the income statement under "other operating income (expense)". If the impairment loss is reduced in any subsequent year and it is possible to associate that decrease objectively with an event occurring after the impairment loss is recognized, then the impairment loss previously recognized is recognized in the income statement provided that such a recovery does not result in the impairment loss The asset could have been made to it if such impairment losses had not been recognized.
- In light of the nature of the movable or immovable property of the Bank and subject to the provisions of the said Article, the movable or real estate shall be classified according to the Bank's plan or the nature of the expected benefit thereof within the fixed assets, real estate investments, shares and bonds or other assets available for sale as the case may be. Accordingly, the bases for the measurement of fixed assets, investment properties, shares and bonds are applied to assets acquired by the Bank in fulfillment of debts and classified under any of these terms.
- For other assets not included in any of these classifications and other assets available for sale are measured at cost or fair value determined by the Bank's authorized experts - less the selling costs - whichever is lower. The differences arising from the valuation of these assets are recognized in the income statement under " Other operating expenses), taking into account the disposal of such assets within the year specified in accordance with the provisions of the law. If these assets are not disposed of within the year specified in Article 60 of Law 88 of 2003, the general bank risk reserve is increased by 10% of the value of these assets annually. The net income and expenses of the assets owned by the Bank are recognized in the income statement under "other operating income (expenses)".

2.19. Impairment of non-financial assets

- Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that have an indefinite useful life except goodwill are not subject to amortization and are tested annually for impairment.
- An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount, the net realizable value represents the net selling value of the asset or its utilization value which is greater. For the purposes of estimation impairment, assets shall be linked to at the smallest available cash unit. Non-financial assets that have been impaired shall be reviewed to assess a reversal of the impairment to the income statement at each reporting date.

2.20. Lease

- All leasing contracts shall be considered operational leasing ones.

2.20.1. lease

Operating lease payments less any discounts granted to lessee is recognized as expenses in the income statement using the straight-line method over the contract term.

2.20.2. Leasing out

Operating lease assets are accounted for at the fixed assets caption in the balance sheet and depreciated over the asset expected useful life using the same method applicable to similar assets. The lease rent income less any discount granted to the lessee will be recognized in the income statement using the straight-line method over the contract term.

2.21. Cash and cash equivalent

For the purposes of presentation of the statement of cash flows, cash and cash equivalents include balances due within three months from date of acquisition, Cash and balances with Central Bank of Egypt other than the mandatory reserve, and current accounts with banks and treasury bills and other governmental notes.

2.22. Other provision

- Provisions for restricting costs and legal claims are recognized when: the bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.
- When there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determine taking into consideration the group of obligations as a whole, a provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.
- Provisions no longer required are reversed in other operating income (expense).
- Provisions are measured at the present value of the expected required expenditures to settle obligations after one year from financial statement date using the appropriate rate in accordance with the terms of settlement ignoring the tax effect which reflects the time value of money. If the settlement term is less than one year, the provision is booked using the present value unless time consideration has a significant effect.

2.23. Financial collateral contracts

These are contracts issued by the bank to guarantee loans or debit current accounts presented to banks' clients by other parties and in this case the bank is required to pay certain compensations to beneficiary against losses occurred due to delay in payments at maturity date according to the debt conditions. These guarantees are paid to banks, institutions and others on behalf of banks clients. They are initially recognized at fair value in the balance sheet at the date of granting the guarantee reflecting the guarantee fees some time later. bank commitment is measured initially by the amount of guarantee (after deducting calculated amortized recognized for guarantee fees in the income statement by using straight line method through the life of the guarantee) or the best estimate for requested payments to settle any financial obligation resulted from this guarantee which ever higher Estimates are based on previous experience of similar transactions, historical losses and it is supported by the management opinion .Any increase in obligation related to that guarantee is recognized at the income statement under other operating income (expenses)

2.24. Employee benefits

2.24.1. Employee benefits - Short Term

Represented in salaries, wages social insurance, paid annual vacations bonus if due within 12 months from the end of the fiscal year as well as non-financial benefits such as medical care, housing, transportation providing free goods and services for current employees

Employee benefits - Short Term's recognized in the income statement as expenses for the relevant year

2.24.2. Early Retirement Benefits

The benefits of early Retirement are the compensation payable to employees referred to early retirement. The Bank recognizes such compensation as a liability and expense only when the Bank is demonstrably committed to performing any of the following:

A- Termination of the employment of an employee or group employees prior to the normal retirement date or
B- The compensation of early Retirement as a result of an offer to encourage voluntary employment.

The Bank is demonstrably committed to pay termination only when there is a detailed system for termination of service and there is no actual possibility to withdraw this system.

The detailed system includes the following as a minimum:

A- The position and work of the employees whose services will be ended and their approximate number.
B- The compensation of the Retirement for each category or job.
C- The date of the system will be applied, the implementation must occur as soon as possible, and the year of completion of the implementation should be such that material changes to the system are excluded

2.24.3. Post-employment benefits - Medical Care

The bank provides medical care benefit to retired employees, where of this benefit condition of being in service until retirement age or to complete the minimum requirement of being in service and it is calculated as determined benefit system

- The commitment to the health care system for retirees is the current value of health care obligation in the history of financial statements after the necessary adjustments are made to oblige
- Retired employees medical care obligation is annually calculated (expected future cash flows) through Actuarial in the project unit credit method Retired employees medical care obligation current value is determined by deducting expected cash flows in respect to interest rate of government bonds in the same currency of benefits and in almost the same maturity dates.
- auctorial profit(loss) resulting from amendments, changes of auctorial expectations are recognized in the income statement for profits or loss exceeding 10% of the system assets or 10% of the estimated benefits determined at the year before which ever higher, where this increase in profit or loss is recognized in the income statement through the expected average remaining working years.

Previous service costs are recognized in the income statement as administrative expenses unless changes in the retirement policy indicates that employees should spent a certain vesting year in service, in this case the previous service cost are amortized in straight line method in their due year.

2.24.4. Retirement Benefit:

The benefits of the pension are represented in the Bank's share in the social benefits of its employees, which are paid by the Bank to the General Authority for Social Insurance in accordance with the Social Insurance Law No. 79 for the year 1975 and its amendments shares are paid for each period and they are recognized in the income statement as salaries and wages under administrative expenses for the period employees in service
The bank share is paid as a determined subscription. Accordingly, there is no additional liability to the bank other than its share in social insurance which is due to pay for the social insurance authority.

2.25. Income tax

- Income tax on the profit or loss for the year includes the tax of the current year, 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 income tax shall be recognized based on the net profit subject to tax through the application of the applicable tax rates at the date of preparing the balance sheet, in addition to the tax adjustments related to previous years.
- Deferred tax arising from temporary timing differences between the book value of assets and liabilities calculated according to the accounting principles, as well as its values shall be recognized according to the tax principles.
- The deferred tax value is based on the expected method to achieve or resolve asset values or obligations and use applicable tax prices , tax obligations are recognized for all temporary tax differences , while deferred tax assets are recognized for temporary tax differences , when a profit is likely to be achieved .
- The deferred tax shall be decreased with the portion from which the expected taxable benefit will not be achieved over the coming years. In case of the increase of the expected taxable benefits, the deferred tax assets shall be increased within the limit of previous reduction in the value of deferred tax assets Deferred tax assets and liabilities are offset if the bank has a legal right that permits it to offset current tax assets and liabilities and when deferred income taxes are due to the same tax administration.

2.26. Borrowing

Loans obtained by the bank shall be recognized at inception at fair value minus the cost of the loan obtaining. Subsequently, the loans shall be measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing year using the effective interest rate shall be recognized to the income statement.

2.27. Capital

2.27.1 Capital shares and its cost

The issuance expenses, directly attributable to the issuance of new shares or shares against the acquisition of an entity, or the issuance of options shall be presented as a deduction from the shareholders' equity in net proceeds after taxes.

2.27.2. Dividends distribution to the shareholders of the bank

Dividends shall be recognized through deducting the same from shareholders' equity in the year where the General Assembly meeting shareholder approves these dividends. They include the employees' share in profits and the remuneration of the board of directors prescribed by the article of association of the bank and the law, not recognize any commitment to the bank towards employees and members of the board of directors in retained earnings only when they are decided to distribute.

2.28. Custody Activity

The bank has a custodian activity were it manage assets related to individuals or custody purpose or retirement fund and it is not recognized at the financial position as it is not a bank asset or profit

2.29. Subordinated Deposits (from Central Bank of Egypt and Banque Misr)

The deposit is recognized at current value, calculated using a discount rate equal to the rate of return on government bonds that approximates the deposit term at the date of entry into force of the deposit. The difference between the face value of the deposit and its present value within the ownership rights is defined as face value difference from the present value of the subordinated deposit. The deposit shall be paid at the end of each financial year to the face value at the maturity date, face value on the date of maturity.

2.30. Comparatives

Comparative figures for financial assets and liabilities are reclassified to comply with the current year financial statements presentation.

3. Financial risk management

The bank is exposed to a variety of financial risks, while it practices its business and activities, and the acceptance of risk is considered the basis of financial business. Some risk aspects or a combination of risk are analyzed, assessed, and managed. The bank targets to achieve adequate balance between the risk and return, and to minimize likely adverse impacts on its financial performance. The most important types of risk are credit risk, market risk, liquidity risk and other operating risks. Market risk includes the risk of foreign exchange rates, interest rates and the other pricing risks.

The bank has developed risk management policies to define, analyze and control risk, and set, control and comply with its limits through a variety of reliable methods and up to date information systems. The bank conducts regular reviews and amendments of the risk management policies in order to reflect changes in the markets, products, and services, as well as the best up to date applications.

Risk management is carried out by Risk Management Division in the light of the policies approved by the Board of Directors. Risk division identifies, assesses, and hedges against the financial risk in close collaboration with the different operating units of the bank. The board of directors provides written principles for risk management as a whole, in addition to written policies, which cover defined risk areas such as credit risk, foreign exchange risk, interest- rate risk, and the use of derivatives and non-derivatives financial instruments. In addition, Risk division is responsible for the yearly review of risk management and control environment independently.

A. Credit Risk

The Bank is exposed to credit risk, which is the risk that a party will fail to meet its obligations. The credit risk is the most important risk to the Bank, so management carefully manages exposure to that risk. Credit risk is mainly the lending activities that result in loans, facilities and investment activities that involve the Bank's assets on debt instruments. Credit risk is also found in off-market financial instruments such as loan commitments. Credit risk management and control processes are concentrated in the Credit Risk Management Team, which reports to the Board of Directors, senior management and heads of activity units on a regular basis.

The credit risk group establishes requirements at the bank level to identify, evaluate, monitor and report on credit risk, while business / support units are responsible for credit risk in their units while integrating business strategies with the Bank's risk to recover.

Credit risk policies and procedures have been developed to provide control over credit portfolios by Periodicity assessing borrowers' credit position and setting the maximum risk limit for a specific borrower. Risks to individual and / or group exposures are monitored Periodicity on a portfolio-by-portfolio basis. The Bank's credit policy provides detailed guidelines for effective credit risk management, where best market practices and instructions issued by emergency entities are reviewed and updated from time to time based on regulatory experience.

Credit policy is designed to ensure that risk management strategies and objectives are fully identified, including:

- Strengthen and improve the Bank's ability to measure and reduce credit risk on a prudent basis to reduce credit losses.
- Strengthen and improve credit portfolio management procedures.
- Strengthen and improve the Bank's procedures for early identification of problem areas.
- Adherence to regulatory and industry best practices for credit risk management.

The policy addresses all activities and functions related to credit procedures covering coverage criteria. It contains the Bank's risk tolerance criteria and includes guidance on target markets (companies, businesses, SMEs and high solvency). The policy also defines the type of borrowers / industries to be desired. Some of the criteria relate to specific products and are monitored by the individual credit policy. Other sections generally include credit quality criteria, purpose and terms of facilities, unsolicited loans, credit analysis, risk concentration, repayment ability, compliance with laws and regulations, expected losses and documentation.

B. Portfolio Control

The portfolio is managed through portfolio diversification on purpose, industry / business sectors, ratings and geographical areas to avoid over-risking to specific economic sectors / credit products, which may be affected by adverse developments in the economy. In general, the Bank uses criteria for borrowers and business sectors to minimize risk concentration. The Bank's operations are concentrated in the Arab Republic of Egypt, which reduces the risks of currency exchange, although geographical concentration remains present but acceptable and within the Bank's risk tolerance.

Personal loan portfolio is diversified where relatively small risks are adopted for a large number of customers based on the bank's salary conversion or the existence of specific risk guarantees on the products / employees

A-1.Credit risk measurement

Loan Facilities to Banks and Customers

To measure credit risk related to loans and facilities to banks and customers, the Bank considers the following three components:

- Probability of default by the customer or third parties in meeting their contractual obligations.
- The current status of the direct facilities and the future development of the indirect facilities likely to result in the Bank's resulting balance at default.
- Loss given default

The Bank assesses the probability of delay at each customer level using internal rating methods for detailed classification of different categories of clients. These methods have been developed internally and statistical analyzes are taken into account with the professional judgment of the credit officer to reach an appropriate merit rating. The Bank's customers are divided into four categories of merit and reflect the merit structure the following table shows the probability of delay for each category of merit. This means that credit centers are transferred between categories of merit according to the change in the assessment of the probability of delay. If necessary, the Bank Periodicity assesses the performance of the rating methods and their ability to predict delays

- **Bank's internal rating categories:**

Rating of the Central Bank of Egypt	Credit rating according to the rating of the Central Bank of Egypt	Bank internal rating	Percentage allocation according to classification
Good debts	1	A+	0%
Good debts	2	A	1%
Good debts	2	B+	1%
Good debts	2	B	1%
Good debts	2	B-	1%
Good debts	3	C+	1%
Good debts	3	C	1%
Good debts	3	C-	1%
Good debts	4	D+	2%
Good debts	5	D	2%
Good debts	5	D-	2%
Normal watch-list	6	E+	3%
Normal watch-list	6	E	5%
Special watch-list	7	PE-	20%
Non-performing loan	8	NPE-	Cash flow
Non-performing loan	9	F	Cash flow
Non-performing loan	10	Z	Cash flow

These ratings have been reviewed and approved by management and the amount of provision for impairment of loans is determined in accordance with the expected cash flows for each individual customer.

The failure center depends on the amounts that the bank expects to be in place when the delay occurs. For example, for a loan, this is the face value. For commitments, the Bank shall include all amounts withdrawn in addition to the other amounts expected to have been drawn up to the date of delay, if any.

The default loss or sharp loss represents the Bank's estimate of the extent of the loss when the debt is claimed if the delay occurs. The expression is The debt loss ratio, and certainly different depending on the type of debtor, the priority of the claim, the availability of collateral or other means of credit coverage.

The management reports are issued for monitoring and follow-up on a monthly, quarterly, semi-annual and annual basis. These reports are comprehensive and wide-ranging and address various topics including:

- Portfolio quality, industry focus and major risks.
- Concentration of the product, credit control and concentration of shares held by the Bank as collateral.
- Follow-up of defaults, details of customer provisions and movement of the provision.

The retail portfolio consists of loans, credit cards, housing loans and car rentals.

Individuals are assessed based on predefined standards to assess their qualification for each of the products listed above. Customers' default loans are classified as non-performing loans based on the number of days of arrears (at the portfolio level).

The bulk of the retail loan portfolio is personal loans and is granted on the basis of the transfer of the salaries of the borrowers to the bank and they are employees listed on the list of approved employers, mainly government employees. The main criterion for borrowing in this portfolio includes employers for the duration of the service and the predefined debt service rate. Products, Minimum Salary, Accredited Residential Loans and Car Rentals are generally guaranteed as the relevant assets are owned by the bank and are leased to the customers and thus greatly reduced the risk.

The Bank has developed a point-based scorecard for applications and a point-based scoring system for Internet behavior and external data to evaluate, monitor and track customer loans as this procedure is expected to make the credit risk management process more efficient and effective.

Corporate and commercial loans are not operational and provisions are made in the following cases:

- If the repayment of the original loan amount and interest payment was delayed for more than 90 days after the due date.
- If the overdraft exceeds the approved limit for more than 90 days or the current overdraft has been inactive for more than 180 days

Non-performing loan scores are transferred to non-performing scores (substandard, doubtful and loss) based on, in which the number of days of default and / or credit quality decline.

To determine whether the Company's risk assessment is low, the Bank determines whether there is any observable data indicating a decrease in the expected future cash flows. This evidence may include an indication that there are negative changes in the borrower's payment position. Management uses estimates based on historical experience with respect to loan losses that have credit risk characteristics, ie amount and timing - similar, when estimating cash flows. The methodology and assumptions used in estimating both future cash flows are reviewed regularly for differences between actual and estimated losses.

Personal loan assets are considered to be inactive and a provision for defaults in excess of 90 days after the due date is avoided.

Amounts resulting from expected credit losses - significant increase in credit risk

In determining whether the risk of default on financial instruments has increased substantially since their initial recognition, the Bank considers reasonable and supportive information that is available at no undue cost or effort. This includes quantitative and qualitative information and analysis based on the Bank's past experience and expert credit assessment, including future information.

Credit risk ratings

The Bank allocates a credit score for each risk based on the various data used to predict default risk and the application of judgments and estimates based on experience. Credit risk ratings are determined using quantitative and qualitative factors indicating default risk. These factors vary depending on the nature of the risk and the nature of the borrower.

Credit risk ratings are determined, and are calibrated so that the risk of default increases when risk is lower than the difference between credit ratings 2 and 1, such as when the difference in default risk is between credit ratings 8, 9.

The credit risk rating of each company is determined on initial recognition based on information available about the borrower. Exposures are subject to constant monitoring. This may result in the transfer of exposure to a different degree of credit risk. Exposure monitoring requires the use of the following data.

Corporate exposures	Retail exposures
Information is obtained during the yearly review of files - such as audited financial statements, management accounts, client, estimated budgets and projections. Examples of areas requiring specific concentration include gross profit margin, leverage rates, debt service coverage, and commitment to commitments, quality management, and changes in senior management.	Information obtained internally and customer behavior - such as the use of credit card facilities.
Data from reference credit agencies, press articles or changes in external ratings.	Solvency measures
Current bonds, and default rate swaps in the borrower, when available.	External data from reference credit agencies, including default information.
Actual and projected significant change in the borrower's political, regulatory and technical environment or commercial activities.	

- Set a schedule of default conditions

Credit risk ratings are the main approach to determining default conditions. The Bank collects and analyzes its credit risk and performance information by product and borrower and also by credit risk rating.

The Bank uses statistical models to analyze the data obtained and make estimates of the probability of default over the remaining life of the financial instrument and how it is expected to change as a result of time.

The analysis involves identifying and calibrating the relationship between changes in default rates and macroeconomic factors. For most exposures, key macroeconomic factors include oil price growth rate, GDP growth, government spending, stock price index and unemployment.

Based on economic data, and taking into account a variety of actual external information and forecasts, the Bank prepares its conceptualization of the "baseline'' of the future direction of the economic changes in question and a range of other potential forecast scenarios.

- Determine whether credit risk has increased significantly

Identification controls vary as to whether credit risk has increased significantly by portfolio and includes quantitative changes in probability of default and qualitative factors, including the probability of default on the portfolio.

Using estimates made by its experts and based on past experience, the Bank can determine that credit risk has increased substantially based on certain qualitative indicators of this, and that its impact has not been fully reflected in quantitative analyzes on a regular basis.

With regard to the probability of default on the portfolio, the Bank believes that the substantial increase in credit risk occurred 30 days after the date of default. The days of default are determined by making after the days of late since the earliest past due date on which the full payment has not been received.

The Bank monitors the effectiveness of controls used to identify significant increases in credit risk by undertaking regular reviews to ensure that:

- Controls are able to identify significant increases in credit risk before defaulting.
- The controls are inconsistent with the point in time when assets become overdue for 30 days.
- Lack of guaranteed fluctuations in the allowance for losses from the switch between 12-month default (stage 1) and lifetime default (stage 2).
- Definition of default

The following criteria are used to determine if a borrower is defaulting:

- The borrower has a 90-day (or more) default.
- Has an obligation for which the Bank has withheld interest.
- Has an obligation (s) that are normally structured with a loss to the Bank.
- Has an obligation classified as non-operating by the Bank.
- Has an obligation that the bank has written off in whole or in part.

In assessing whether a borrower is defaulting, the Bank considers indicators:

- Quality - like any breach of pledges.
- Quantity - such as the case of late payment, and non-payment of any other obligations to the same issuer to the bank.
- Based on internally generated data obtained from external sources.

The input to the assessment is whether the financial instrument is defaulted and its significance varies over time to reflect changes in circumstances.

The definition of default is very much in line with the definition applied by the Bank for statutory capital purposes.

- Inclusion of future information

The Bank includes the future information in its assessment whether the credit losses of any instrument have increased significantly since the initial recognition and measurement of the expected credit losses. Based on various actual information and projections, the concept of the "basic situation'' of the future direction of the economic variables involved and a range of other potential projections is readily envisaged. This requires the preparation of two or more additional scenarios and a study of the possibilities for each outcome. External information includes economic data and forecasts published by rating agencies.

The "base case'' represents the most likely outcome and is consistent with the information used by the Bank for other purposes such as strategic planning and budgeting. Other perceptions represent the most optimistic and pessimistic results. Periodicity, the Bank conducts stress tests for the most severe shocks in order to determine the criteria for determining the best perceptions.

The Bank identifies and documents the principal drivers of credit risk and credit losses for each portfolio. Using historical data analysis, it estimates the relationship between macroeconomic factors, credit risk and credit losses. These economic scenarios used as at 31 December 2019 include a set of the following key indicators:

- GDP growth - Unemployment rates.
- Government spending - Stock price index.

The projected relationship between key indices, default and loss rates in the various portfolios of financial assets has been developed on the basis of historical data analysis over the past 10 to 15 years.

- Measuring expected credit losses

The basic inputs to measure expected credit losses represent the structure of the terms of the following variables:

- The probability of default.
- Loss ratio on default.
- Exposure when defaulting on payment.

The above indicators are generally extracted from internally generated statistical models and other historical data, and adjusted to reflect future information, as described above.

The probability of default estimates are estimates at a given date that are calculated using statistical classification models and are evaluated using classification tools associated with various other party categories and exposures. These statistical models are determined according to aggregated data. Market data can also be used, both internally and externally, that include quantitative and qualitative factors. And when available to get the probability of default to big companies. In the event that the counterparty or exposures move between the rating classes, this could lead to a change in the estimate of the PD in question.

The default loss ratio represents the amount of potential loss in the event of a default. The Bank estimates indicators of the history of claims recovery rates from troubled parties. The loss-on-default ratio models take into account the structure of the loss-on-default ratio, taking into account the structure, collateral, and collateral recovery costs that are an integral part of the financial asset. For secured retail loans, the value / type of the asset is a key indicator for determining the percentage of loss when defaulting. Estimates of the percentage of loss when defaulting are based on different economic scenarios, and are calculated on the basis of discounted cash flows using the actual commission rate as a discount factor.

Exposure at default is the expected exposure in case of default. The bank extracts "exposure when defaulted' from the current exposures to the counterparty and possible changes in the current amount allowed under the contract, including amortization. Exposure to failure to represent a financial asset represents its total carrying value. For loan obligations and financial guarantees, "exposure on default'' includes the amount withdrawn and possible future amounts that can be drawn down under the contract and that are estimated based on historical data and future expectations. For some financial assets, exposure is determined when default is made by evaluating a set of results of potential exposures at different times using visualizations and statistical methods.

As described above, and provided that the default probability is used for a maximum period of 12 months in relation to financial assets whose credit risk has not increased substantially, the bank measures the expected credit risk after taking into account the risk of default over the maximum contractual period (including extension options for the entity The borrower) whose range is exposed to credit risk even if, for risk management purposes, the bank has considered a longer period. The maximum contractual period extends to the date on which the bank is entitled to request a down payment or termination of the loan or guarantee obligation.

For open accounts and credit card facilities, which include both the loan and the component of the undrawn commitment, the bank will foresee expected credit losses over a period longer than the maximum contractual period if the bank's ability to request repayment or cancel the undrawn commitment does not limit the bank's exposure to credit risk During the contracted notification period. These facilities do not have specific terms or repayment periods, and are managed on a collective basis. The bank can, but this contractual right will not be implemented during the usual daily management, but only when the bank becomes aware, it can immediately cancel it with any increase in credit risk at the facilitation level. This longer period is estimated after taking into consideration the credit risk management measures that the bank expects to take and which will reduce the expected credit risks. This includes reducing the limits, canceling the facility and / or converting the remaining balance of the loan into a loan with specific payment terms.

Debt instruments

Concerning debt instruments, the bank uses the external foreign rating or equivalent rating to manage credit risk. If such ratings are not available, then the bank applies similar methods to those applied to credit customers and these investments in securities has been obtained better credit quality and at the same time provide an available source to meet financing requirements.

A-2 Risk Limit control and Mitigation Policies

The bank manages, mitigates, and controls credit risk concentration at the level of debtor, groups, industries, and countries.

- The bank structures the levels of credit risk tolerance by placing limits for the risk tolerance in relation to each borrower or a class of borrowers, and at the level of economic activities and geographical sectors. Such risk shall be constantly monitored and controlled and shall be subject to reviews on an annual basis or more frequently if necessary. Limits of credit risk at the level of borrower/ the group / producer, the sector and the country shall be quarterly approved by the board of directors.
- Also credit risk exposure is managed by the yearly analysis of the present as well as the possible borrower's ability on fulfilling their obligations and also by amendment of the lending limits if appropriate.

The following are some means of mitigating risk:

- Collaterals

The bank employs a range of policies and controls to mitigate credit risk. Among the methods implemented is to obtain collateral against the extended funds.

The bank has set guiding rules for defined types of acceptable collaterals.

Among the main types of collaterals to loans and advances are the following:

- Mortgage
- Mortgage of business assets such as equipment and goods.
- Mortgage of financial instruments such as debt instruments and equity.

Usually corporate lending is for a longer term and secured whereas credit facilities extended to individuals are unsecured. To reduce credit loss to its minimum, the bank seeks to get additional collaterals from the concerned parties as soon as indicators of a loan or facility impairment appear ,The collaterals taken as collateral for assets other than loans and facilities are determined by the nature of the instrument, and debt instruments and treasury bills are usually unsecured, with the exception of sets of financial instruments covered by similar assets and instruments that are secured by a portfolio of financial instruments.

- Derivatives

The Bank maintains prudent control over the net open positions of the derivatives, the difference between the purchase and sale contracts at the level of value and duration. The amount of credit risk at any given time is determined by the fair value of the instrument that is beneficial to the Bank, a positive fair value asset that is a fraction of the contractual / default value used to express the size of the existing instruments. This credit risk is managed as part of the total lending limit granted to the client with the expected risk due to changes in the market. Collateral against credit risk on these instruments is normally not obtained except for amounts requested by the Bank as marginal deposits from third parties.

The risk of settlement arises in situations where payment is made by cash, equity instruments or other securities or in exchange for the expectation of cash, equity instruments or other securities and daily settlement limits are set for each of the other parties to cover the risk of consolidated settlement arising from bank transactions any day

-Credit related commitments

- The main reason for credit related commitments is to ensure availability of funds upon client's request. Also the financial guarantees contract bear the same loans credit risk. Letters of credit that bank issued instead of its clients to grant a third party the right to withdraw a certain value according to terms and conditions usually guaranteed with goods traded so it bear a less risk degree that direct loan.
- Credit related commitments represent the unused portion from approved limit, financial guarantees contracts or letters of credit. The bank bear expected losses with amount of total unused commitments and that is for credit risk resulted from grant credit. Although the more viable loss actually is less than unused commitments and that is for credit related commitments is grant for clients with specific credit nature. Bank is observing the commitments until maturity and that is for the long-term commitments have more credit risk degrees than short-term commitments.

A-3 Provisioning policy (Measurement of expected credit losses)

The Bank'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 (stage1) 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 (stage2) 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 (stage3). The Bank 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:

Bank's Assessment	31/12/2020 Loans and advances (%)	31/12/2019 Loans and advances (%)
1- Stage 1	74.63%	79.96%
2- Stage 2	21.25%	16.26%
3- Stage 3	4.12%	3.78%
Total	**100%**	**100 %**

A-4 The General Model for Measurement of Banking Risk

In addition to the four-creditworthiness ratings shown in (note no. A-1), the management also prepares ratings in the form of more detailed subgroups, which are in line with the requirements of the Central Bank of Egypt. Assets exposed to credit risk shall be rated in these subgroups pursuant to detailed rules and terms, which depend largely on customer related information, business and activities, financial position and performance of payments thereof.

According to Central Bank of Egypt adjusted rules starting from first year which the bank commit to apply this rules, The bank calculates the provision required for the impairment of these assets exposed to credit risk which impairment value has been solely estimated including credit related commitments using cash flow discounted method and for the group of asset that the impairment has been estimated as a group, the impairment calculated by historical default rates method. In case the impairment loss provision required according to ORR issued from Central Bank of Egypt exceeds the provisions as required according to adjusted rules by Central Bank of Egypt, that excess shall be debited to retained earnings and carried to the general reserve for banking risk in the shareholders' equity section. Such reserves shall be regularly adjusted, by any increase or decrease so that the reserve shall always be equal to the amount of increase between the two provisions. Such reserve shall not be subject to distribution, Note (A-33) shows the "general banking risk reserve'' movement during the period. Following is an indication of corporate credit worthiness categories according to internal rating principles, compared to the rating principles of the Central Bank of Egypt, and of the required provision percentages for the impairment of assets exposed to credit risk:

CBE Rating	Rating's meaning	Provision Ratio required' According (CBE)(ORR)	Internal Rating According (CBE) (ORR)	Meaning of internal
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular follow up
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non-Performing loans
9	Doubtful	50%	4	Non-Performing loans
10	Bad debts	100%	4	Non-Performing loans

A-5 The Maximum Limit for Credit Risk before Collaterals and Segregated interest and provisions

Credit risk exposures of financial position items:

	31/12/2020	31/12/2019
Cash and balances with Central Bank	9,368,285	6,805,970
Due from banks	24,965,378	31,216,192
Loans and advances to banks	975,390	481,245
Loans and advances to customers:		
Retail:-		
-Overdraft accounts	1,870,004	1,027,593
-Credit cards	575,750	370,740
-personal loans	35,115,676	29,081,772
-Mortgage loans	2,529,771	2,123,264
Corporate:		
- Overdraft accounts	22,410,002	15,676,821
-Direct loans	15,480,117	16,003,481
-Syndicated loans	13,710,080	14,133,046
-Discount document	125,456	280,611
Financial investments at fair value through other comprehensive income		
-Debt instruments	51,072,174	40,196,015
Financial investments at amortized cost		
-Debt instruments	20,720,233	18,943,019
Other assets *	2,210,594	2,307,079
Total	**201,128,910**	**178,646,848**

The previous table represents the loans without taking into consideration Expected Credit Loss as disclosed in notes (15), (16), (17) and (18)

(*) The above – mentioned other assets represents in accrued revenues.

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

Due from banks	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	22,598,247	2,367,131	--	24,965,378
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**22,598,247**	**2,367,131**	**--**	**24,965,378**
ECL Provision	(6)	(9,328)	--	(9,334)
Net carrying amount	**22,598,241**	**2,357,803**	**--**	**24,956,044**

Due from banks	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	28,327,172	2,889,020	--	31,216,192
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**28,327,172**	**2,889,020**	**--**	**31,216,192**
ECL Provision	(15)	(7,737)	--	(7,752)
Net carrying amount	**28,327,157**	**2,881,283**	**--**	**31,208,440**

Treasury bills	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	27,766,706	7,608,068	--	35,374,774
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**27,766,706**	**7,608,068**	**--**	**35,374,774**
ECL Provision	--	(106,970)	--	(106,970)
Net carrying amount	**27,766,706**	**7,501,098**	**--**	**35,267,804**

Treasury bills	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	22,165,562	8,361,011	--	30,526,573
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**22,165,562**	**8,361,011**	**--**	**30,526,573**
ECL Provision	--	(111,516)	--	(111,516)
Net carrying amount	**22,165,562**	**8,249,495**	**--**	**30,415,057**

Governmental Treasury bonds	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	30,483,672	3,338,878	--	33,822,550
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**30,483,672**	**3,338,878**	**--**	**33,822,550**
ECL Provision	--	(105,707)	--	(105,707)
Net carrying amount	**30,483,672**	**3,233,171**	**--**	**33,716,843**

Governmental Treasury bonds	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	24,883,487	3,139,268	--	28,022,755
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**24,883,487**	**3,139,268**	**--**	**28,022,755**
ECL Provision	--	(119,950)	--	(119,950)
Net carrying amount	**24,883,487**	**3,019,318**	**--**	**27,902,805**

Corporate bonds	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	2,595,083	--	--	2,595,083
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**2,595,083**	**--**	**--**	**2,595,083**
ECL Provision	(2,819)	--	--	(2,819)
Net carrying amount	**2,592,264**	**--**	**--**	**2,592,264**

Corporate bonds	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	589,706	--	--	589,706
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**589,706**	**--**	**--**	**589,706**
ECL Provision	(275)	--	--	(275)
Net carrying amount	**589,431**	**--**	**--**	**589,431**

Loans and advances to Banks	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	314,642	660,748	--	975,390
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**314,642**	**660,748**	**--**	**975,390**
ECL Provision	(1,301)	(6,137)	--	(7,438)
Net carrying amount	**313,341**	**654,611**	**--**	**967,952**

Loans and advances to Banks	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	320,830	160,415	--	481,245
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	--	--
Total	**320,830**	**160,415**	**--**	**481,245**
ECL Provision	(993)	(175)	--	**(1,168)**
Net carrying amount	**319,837**	**160,240**	**--**	**480,077**

Loans and advances to Retail	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	37,668,795	801,320	--	38,470,115
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	1,621,086	1,621,086
Total	**37,668,795**	**801,320**	**1,621,086**	**40,091,201**
ECL Provision	(305,002)	(50,413)	(1,197,026)	(1,552,441)
Net carrying amount	**37,363,793**	**750,907**	**424,060**	**38,538,760**

Loans and advances to Retail	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	31,449,106	364,415	--	31,813,521
Normal watch-list	--	--	--	--
Special watch-list	--	--	--	--
Non-performing loan	--	--	789,848	789,848
Total	**31,449,106**	**364,415**	**789,848**	**32,603,369**
ECL Provision	(200,723)	(10,998)	(528,497)	(740,218)
Net carrying amount	**31,248,383**	**353,417**	**261,351**	**31,863,151**

Loans and advances to Corporate	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	27,676,964	15,979,932	--	43,656,896
Normal watch-list	--	--	--	--
Special watch-list	--	770,879	--	770,879
Non-performing loan	--	--	1,884,854	1,884,854
Total	**27,676,964**	**16,750,811**	**1,884,854**	**46,312,629**
ECL Provision	(266,185)	(2,865,666)	(1,819,252)	(4,951,103)
Net carrying amount	**27,410,779**	**13,885,145**	**65,602**	41,361,526

Loans and advances to Corporate	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Good debts	27,520,826	11,078,577	--	38,599,403
Normal watch-list	--	--	--	--
Special watch-list	--	1,031,891	--	1,031,891
Non-performing loan	--	--	1,915,240	1,915,240
Total	**27,520,826**	**12,110,468**	**1,915,240**	**41,546,534**
ECL Provision	(160,167)	(1,608,697)	(1,904,983)	(3,673,847)
Net carrying amount	**27,360,659**	**10,501,771**	**10,257**	**37,872,687**

Loans and advances to Small Corporate	31/12/2020			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	3,587,218	1,504,137	--	5,091,355
Normal watch-list	--	--	--	--
Special watch-list	--	2,475	127,772	130,247
Non-performing loan	--	--	191,424	191,424
Total	**3,587,218**	**1,506,612**	**319,196**	**5,413,026**
ECL Provision	(41,750)	(124,481)	(114,979)	(281,210)
Net carrying amount	**3,545,468**	**1,382,131**	**204,217**	5,131,816

Loans and advances to Small Corporate	31/12/2019			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
Credit rating				
Good debts	4,022,553	235,174	--	4,257,727
Normal watch-list	--	--	--	--
Special watch-list	--	--	192,697	192,697
Non-performing loan	--	--	97,001	97,001
Total	**4,022,553**	**235,174**	**289,698**	**4,547,425**
ECL Provision	**(1,728)**	**(1,048)**	**(136,895)**	(139,671)
Net carrying amount	**4,020,825**	**234,126**	**152,803**	**4,407,754**

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

Due from banks	31/12/2020			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2020	15	7,737	--	7,752
New financial assets purchased or issued	15	9,728	--	9,743
Financial assets have been matured or derecognized	(15)	(7,737)	--	(7,752)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	(9)	(400)	--	(409)
Balance at the end of the year	**6**	**9,328**	**--**	**9,334**

Due from banks	31/12/2019			
	Stage 1	Stage 2	Stage 3	Total
	12-Months	Life time	Life time	
ECL Provision at January 01, 2019	13,829	59,223	--	73,052
New financial assets purchased or issued	15	7,737	--	7,752
Financial assets have been matured or derecognized	(13,829)	(59,223)	--	(73,052)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	**--**
Transfer to stage 3	**--**	**--**	**--**	**--**
Foreign exchange translation differences	**--**	**--**	**--**	**--**
Balance at the end of the year	**15**	**7,737**	**--**	**7,752**

	31/12/2020			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
ECL Provision at January 01, 2020	--	111,516	--	111,516
New financial assets purchased or issued	--	--	--	
Financial assets have been matured or derecognised	--	(2,676)	--	--
Transfer to stage 1	--	--	--	(2,676)
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	(1,870)	--	(1,870)
Balance at the end of the year	--	**106,970**	**--**	**106,970**

	31/12/2019			
Treasury bills	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
ECL Provision at January 01, 2019	--	154,040	--	154,040
New financial assets purchased or issued	--	120,440	--	120,440
Financial assets have been matured or derecognised	--	(154,040)	--	(154,040)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	(8,924)	--	(8,924)
Balance at the end of the year	**--**	**111,516**	**--**	**111,516**

	31/12/2020			
Government Treasury Bonds	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
ECL Provision at January 01, 2020	--	119,950	--	119,950
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	--	(11,694)	--	(11,694)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	**--**
Foreign exchange translation differences	--	(2,549)	**--**	(2,549)
Balance at the end of the year	--	**105,707**	**--**	**105,707**

	31/12/2019			
Government Treasury Bonds	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	12-Months	**Life time**	**Life time**	
ECL Provision at January 01, 2019	--	28,151	--	28,151
New financial assets purchased or issued	--	125,033	--	125,033
Financial assets have been matured or derecognized	--	(28,123)	--	(28,123)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	**--**
Foreign exchange translation differences	--	(5,111)	--	(5,111)
Balance at the end of the year	**--**	**119,950**	**--**	**119,950**

Corporate Bonds	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2020	275	--	--	275
New financial assets purchased or issued	2,544	-	--	2,544
Financial assets have been matured or derecognized	--	-	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**2,819**	**--**	**--**	**2,819**

Corporate Bonds	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2019	--	--	--	--
New financial assets purchased or issued	275	-	--	275
Financial assets have been matured or derecognized	--	-	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Changes in the probability of default and loss in the case of default and the exposure at default	--	--	--	--
Changes on model assumptions and methodology	--	--	--	--
Loans written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**275**	**--**	**--**	**275**

Loans and advances to Banks	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2020	993	175	--	1,168
New financial assets purchased or issued	350	5,983	--	6,333
Financial assets have been matured or derecognized	--	--	--	--
Transfer to stage 1	--	--	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	(42)	(21)	--	**(63)**
Balance at the end of the year	**1,301**	**6,137**	**--**	**7,438**

Loans and advances to Banks	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2019	2,448	--	--	2,448
New financial assets purchased or issued	--	--	--	--
Financial assets have been matured or derecognized	--	(1,280)	--	(1,280)
Transfer to stage 1	(1,455)	1,455	--	--
Transfer to stage 2	--	--	--	--
Transfer to stage 3	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**993**	**175**	**--**	**1,168**

Loans and advances to Retail	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2020	200,723	10,998	528,497	740,218
New financial assets purchased or issued	88,820	11,728	132,548	233,096
Financial assets have been matured or derecognized	(38,881)	(1,733)	(153,555)	(194,169)
Transfer to stage 1	3,144	(2,726)	(418)	--
Transfer to stage 2	(22,493)	22,687	(194)	--
Transfer to stage 3	(501,177)	(88,563)	589,740	--
Changes	563,595	85,341	(22,120)	626,816
Precautionary provision*	11,271	12,681	122,528	146,480
Loans written-off during the year	--	--	--	--
Proceeds from written-off during the year	--	--	--	--
Foreign exchange translation differences	--	--	--	--
Balance at the end of the year	**305,002**	**50,413**	**1,197,026**	**1,552,441**

* it is configured to counteract the effects of the emerging corona virus (COVID19)

Loans and advances to Retail	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2019	181,402	9,384	176,522	367,308
New financial assets purchased or issued	78,693	3,201	61,157	143,051
Financial assets have been matured or derecognized	(30,635)	(1,388)	(90,632)	(122,655)
Transfer to stage 1	(10,591)	5,797	358,949	354,155
Transfer to stage 2	(3,173)	(335)	35,611	32,103
Transfer to stage 3	(14,973)	(5,661)	55,694	35,060
Loans written-off during the year	--	--	(81,920)	(81,920)
Proceeds from written-off during the year	--	--	13,134	13,134
Foreign exchange translation differences	--	--	(18)	(18)
Balance at the end of the year	**200,723**	**10,998**	**528,497**	**740,218**

Loans and advances to Corporate	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2020	160,167	1,608,697	1,904,983	3,673,847
New financial assets purchased or issued	154,873	1,453,731	10,732	1,619,336
Financial assets have been matured or derecognized	(39,451)	(167,758)	(53,454)	(260,663)
Transfer to stage 1	15,092	(15,092)	--	--
Transfer to stage 2	(14,412)	14,412	--	--
Transfer to stage 3	(278)	--	278	--
Loans written-off during the year	--	--	(39,054)	(39,054)
Proceeds from written -off	--	--	1,841	1,841
Foreign exchange translation differences	(9,806)	(28,324)	(6,074)	(44,204)
Balance at the end of the year*	**266,185**	**2,865,666**	**1,819,252**	**4,951,103**

*Include Precautionary ECL amount EGP 306,515 thousand, it is configured to counteract the effects of the emerging corona virus (COVID19)

Loans and advances to Corporate	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2019	328,065	1,837,547	1,499,604	3,665,216
New financial assets purchased or issued	146,859	773,752	65,601	986,212
Financial assets have been matured or derecognized	(169,173)	(259,980)	(258,723)	(687,876)
Transfer to stage 1	--	--	--	--
Transfer to stage 2	(84,057)	84,057	--	--
Transfer to stage 3	(192)	(638,526)	638,718	--
Loans written-off during the year	--	--	(617)	(617)
Proceeds from written -off	--	--	11	11
Foreign exchange translation differences	(61,335)	(188,153)	(39,611)	(289,099)
Balance at the end of the year	**160,167**	**1,608,697**	**1,904,983**	**3,673,847**

Loans and advances to small corporate	31/12/2020 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2020	1,728	1,048	136,895	139,671
New financial assets purchased or issued	41,063	120,135	39,379	200,577
Financial assets have been matured or derecognized	(1,195)	(3,857)	(53,986)	(59,038)
Transfer to stage 1	848	(5)	(843)	--
Transfer to stage 2	(683)	675	8	--
Transfer to stage 3	(11)	6,485	(6,474)	--
Loans written-off during the year	--	--	--	--
Proceeds from written -off	--	--	--	--
Foreign exchange translation differences	--	--	-	--
Balance at the end of the year*	**41,750**	**124,481**	**114,979**	**281,210**

*Include Precautionary ECL amount EGP 68,400 thousand, it is configured to counteract the effects of the emerging corona virus (COVID19)

Loans and advances to small corporate	31/12/2019 Stage 1 12-Months	Stage 2 Life time	Stage 3 Life time	Total
ECL Provision at January 01, 2019	1,563	4	33,720	35,287
New financial assets purchased or issued	1,989	1,039	116,241	119,269
Financial assets have been matured or derecognized	(3,570)	(1,898)	(8,990)	(14,458)
Transfer to stage 1	2,248	--	(2,248)	--
Transfer to stage 2	(20)	1,904	(1,884)	--
Transfer to stage 3	(55)	(1)	56	--
Loans written-off during the year	--	--	--	--
Proceeds from written -off	--	--	--	--
Foreign exchange translation differences	(427)	--	-	(427)
Balance at the end of the year	**1,728**	**1,048**	**136,895**	**139,671**

Off balance sheet items exposed to credit risk

	31/12/2020	31/12/2019
Financial guarantees	3,759,585	3,344,670
Non-revocable credit related commitments for loans and other liabilities	3,833,987	3,399,013
Letter of credit	4,597,761	3,795,706
Letters of guarantee	14,225,511	12,196,271
Accepted draft	1,596,839	1,535,276
Total	**28,013,683**	**24,270,936**

- The first table (A/5) represents the maximum limit of exposure as at 31 December 2020 and as at 31 December 2019, without taking into consideration any financial guarantees.
- As illustrated in the previous table 45.65% of the maximum limit exposed to credit risk arises from loans and advances to customers including the discounted documents (44.05% :31 December 2019), where investments in debt instrument measured at fair value through OCI and amortized cost represent 35.69% (33.10% :31 December 2019)
- The management has confidence in its abilities to continue of controlling and maintaining the minimum limit of credit risk resulted from loans, facilities, and debt instruments portfolios based on the following:
- 70.03% of the loans and advances portfolio are considered to be neither past due nor impaired
- (67.98%: 31 December 2019).
- 4.27% of loans and advances portfolio individually impaired (3.71%: 31 December 2019).
- Loans and advances that are not impaired represent 95.73 % from total loans portfolio (Dec 2019: 96.29 %) including past due loans but not impaired represent 25.70 %from total loans portfolio (Dec 2019: 28.31%).

A-6 Loans and advances

The following is the position of loans and advances' balances as regarding credit worthiness:

	31/12/2020 Loans and advances to customers	Loans and advances to banks	31/12/2019 Loans and advances to customers	Loans and advances to banks
Neither past due nor impaired	64,297,138	975,390	53,497,021	481,245
With past due but not impaired	23,600,718	--	22,280,784	--
Individually impairment	3,919,000	--	2,919,523	--
Total	**91,816,856**	**975,390**	**78,697,328**	**481,245**
(Less):Expected Credit loss provision	(6,784,754)	(7,438)	(4,553,736)	(1,168)
(Less): suspended interest	(652)	--	(4,257)	--
(Less):Unamortized bills discount	(10,987)	--	(19,007)	--
Net	**85,020,463**	**967,952**	**74,120,328**	**480,077**

- Total Expected Credit Loss provision of loans and advances to customers amounted EGP 6,784,754 thousands as at 31 December 2020 of which EGP 3,131,257 thousands represents impairment of individual loans (Stage 3) and the balance of EGP 3,653,497 thousands represents the provision of ECL (Stage 1 and Stage 2); (31 December 2019: ECL provision of loans and advances amounted EGP 4,553,736 thousands of which EGP 2,570,375 thousands represents impairment of individual loans and the balance of EGP 1,983,361 thousands represents the provision of ECL (Stage 1 and Stage 2)

Additional information on provision for ECL of loans and advances is provided in notes (18).

- During the current accounting year loans and facilities increased by 17.19%.

- Loans and advances Neither past due nor impaired:

The creditworthiness of the loans and advances portfolio with no past dues or impairment is assessed with reference to the internal assessment adopted by the bank.

31 December 2020	Retail				Corporate				
Grade \ Product type	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Loans andadvances to banks
1 Performing loans	1,870,004	539,338	33,352,827	2,486,311	2,292,880	4,832,237	3,205,923	48,579,520	975,390
2 Regular watching	--	--	--	--	1,867,531	7,309,166	6,534,748	15,711,445	--
3 Watch list	--	--	--	--	6,173	--	--	6,173	--
Total	**1,870,004**	**539,338**	**33,352,827**	**2,486,311**	**4,166,584**	**12,141,403**	**9,740,671**	**64,297,138**	**975,390**

31 December 2019	Retail				Corporate				
Grade \ Product type	Over drafts	Credit cards	Personal loans	Mortgage loans	Over drafts	Direct loans	Syndicated loans	Total Loans and advances to customers	Loans andadvances to banks
1 Performing loans	1,027,593	359,856	28,228,387	2,080,250	890,619	5,137,443	3,055,379	40,779,527	481,245
2 Regular watching	--	--	--	--	85,538	6,279,846	6,352,110	12,717,494	--
3 Watch list	--	--	--	--	--	--	--	--	--
Total	**1,027,593**	**359,856**	**28,228,387**	**2,080,250**	**976,157**	**11,417,289**	**9,407,489**	**53,497,021**	**481,245**

Loans and advances past due but not impaired:

These are loans and advances with delays up to 90 days but are not considered impaired unless there is another information to the contrary, a loans and facilities to customers with past dues but not impaired and the fair value of their collaterals are represented in following:

	Corporate			
31 December 2020	Overdrafts	Direct loans	Syndicated loans	Total Loans and advances to customers
Past dues up to 30 days	9,264,721	2,632,568	2,731,055	14,628,344
Past dues more 30 to 60 days	2,609,875	330,684	69,263	3,009,822
Past dues more 60 to 90 days	703,188	62,828	--	766,016
Past due more than 90 days	3,714,811	312,634	1,169,091	5,196,536
Total	**16,292,595**	**3,338,714**	**3,969,409**	**23,600,718**

	Corporate			
31 December 2019	Overdrafts	Direct loans	Syndicated loans	Total Loans and advances to customers
Past dues up to 30 days	10,897,290	4,420,731	3,184,083	18,502,104
Past dues more 30 to 60 days	1,425,466	69,445	617,774	2,112,685
Past dues more 60 to 90 days	309,054	68,117	546,711	923,882
Past dues more than 90 days	337,225	27,899	376,989	742,113
Total	**12,969,035**	**4,586,192**	**4,725,557**	**22,280,784**

Individually impaired loans

Loans and advances to customers

The loans and advances which are subject to impairment on an individual basis, before taking into consideration expected cash flow from the collateral amounted to EGP 3,919,000 thousand as at 31 December 2020 (31 Dec 2019: EGP 2,919,523 thousand).

Herein below, is the analysis of the gross value of loans and advances subject to impairment on individual basis including the fair value of collaterals the bank has obtained against these loans:

31 December 2020	Retail				Corporate			
	Overdrafts	Credit cards	Personal loans	Mortgages	Overdraft	Direct loans	Syndicated loans	Total
Individually impaired loans	--	36,412	1,762,849	43,460	2,076,279	--	--	3,919,000

- The fair value of collaterals held by the Bank against above loans is totaled EGP 250,639 thousand

31 December 2019	Retail				Corporate			
	Overdrafts	Credit cards	Personal loans	Mortgages	Overdraft	Direct loans	Syndicated loans	Total
Individually impaired loans	--	10,884	853,385	43,014	2,012,240	--	--	2,919,523

- The fair value of collaterals held by the Bank against above loans is totaled EGP 107,870 thousand
- At the initial recognition of loans and advances, the fair value of collaterals is evaluated based on the same financial assets evaluation method used and in subsequent years, the fair value is updated by the market prices or the similar assets' prices.

All collaterals held by the Bank against loans and advances that are subject to impairment represent Checks and order bills equal to their related booked debts.

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies is based on indications or criteria of credit performance of the borrower that is based on the personal judgment of the management, which indicate that payment will most likely continue, these policies are subject to continuous review. Restructuring is commonly applied to long-term loans, especially customers financing loans.

Loans, which have been subject to Renegotiation, have reached EGP 5,811,433 thousand as at 31 December 2020 (31 December 2019 EGP 8,214,997 thousand)

Loans and advances to customers

	31/12/2020	31/12/2019
Corporate		
- Overdraft loans	277,896	870,408
- Direct loans	64,744	6,125
- Syndicated loans	5,463,931	7,334,081
Retail		
Personal loans	4,862	4,383
Total	**5,811,433**	**8,214,997**

A-7 Debt instruments, treasury bills and other governmental notes

The following table represents an analysis of debt instruments and treasury bills and other governmental notes at the end of financial year, based on the assessment Evaluation agencies of the year:

Rating	Treasury bills at FVTOCI	Bonds & at FVTOCI	Bonds at amortized cost	Other investment at amortized cost	Total	Year
B+	35,374,774	15,697,400	20,664,120	56,113	71,792,407	Dec-20
B+	30,526,573	9,669,442	18,886,906	56,113	59,139,034	Dec-19

A-8 Acquisition of collaterals

- Acquired assets are classified under the "Other Assets' ' item in the financial position; the accounting policy disclosed in Note 2 is followed in the first recognition and subsequent measurement. These assets are sold or used for the purposes of the Bank whenever practicable and in accordance with the legal years set by the Central Bank of Egypt to dispose acquired assets.

A-9 The concentration of financial assets' risks exposed to credit risk Geographical sectors:

The following is breakdown of the bank's credit exposure at their book values categorized by geographical region at the end of the year.

The bank has allocated the risks to the geographical segments based on regions of the bank's clients

	Arab Republic of Egypt				
	Cairo	Alex and Delta – Sinai	Upper Egypt	Out of Arab Republic of Egypt	Total
Loans and advances to banks	157,321	--	--	818,069	975,390
Loans and advances to customers					
Retail :					
-Overdraft	531,118	1,182,568	156,318	--	1,870,004
-Credit cards	389,032	139,108	47,610	--	575,750
-Personal loans	12,749,109	13,558,454	8,808,113	--	35,115,676
-Mortgages loans	1,988,386	183,519	357,866	--	2,529,771
Loans to corporate:					
- Overdraft	17,890,959	3,855,170	663,873	--	22,410,002
-Direct loans	13,103,877	1,772,089	604,151	--	15,480,117
-Syndicated loans	12,804,150	61,002	844,928	--	13,710,080
Discounted documents	125,456	--	--	--	125,456
Financial investment at fair value through other comprehensive income					
-Debt instrument	15,697,400	--	--	--	15,697,400
-Treasury bills and other governmental notes	35,374,774	--	--	--	35,374,774
Financial investment at amortized cost					
-Debt instrument	20,720,233	--	--	--	20,720,233
Other assets*	1,952,968	147,324	110,302	--	2,210,594
Total at 31/12/2020	**133,484,783**	**20,899,234**	**11,593,161**	**818,069**	**166,795,247**
Total at 31/12/2019	**113,959,697**	**16,207,190**	**9,976,554**	**481,245**	**140,624,686**

*The above - mentioned other assets represents in accrued revenues.

Business segment

The following table represents analysis the Bank's main credit exposure at book value, distributed according to the Bank's customers' business and activities.

	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Loans and advances to banks	975,390	--	--	--	--	--	--	975,390
Loans and advances to customers								
Retail:								
- Overdrafts	--	--	--	--	--	--	1,870,004	1,870,004
- Credit cards	--	--	--	--	--	--	575,750	575,750
- Personal loans	--	--	--	--	--	--	35,115,676	35,115,676
- Mortgages	--	--	2,529,771	--	--	--	--	2,529,771
Corporate:								
- Overdrafts	--	1,342,110	200,153	3,342,831	2,710,950	14,813,958	--	22,410,002
- Direct loans	--	1,718,366	1,878,444	649,001	1,711,886	9,522,420	--	15,480,117
- Syndicated loans	--	4,645,143	2,390,785	208,873	5,542,967	922,312	--	13,710,080
Discount documents	--	101,060	--	--	--	--	24,396	125,456
Financial investment at fair value through other comprehensive income								
-Debt instruments	2,595,083	--	--	--	13,102,317	--	--	15,697,400
-Treasury bills	--	--	--	--	35,374,774	--	--	35,374,774
Financial investment at amortized cost								
-Debt instruments	--	--	--	--	20,720,233	--	--	20,720,233
- Other assets*	--	--	--	--	--	2,210,594	--	2,210,594
Total as at 31 December 2020	**3,570,473**	**7,806,679**	**6,999,153**	**4,200,705**	**79,163,127**	**27,469,284**	**37,585,826**	**166,795,247**
Total as at 31 December 2019	**601,927**	**6,618,211**	**7,330,467**	**3,586,397**	**68,325,125**	**23,682,454**	**30,480,105`**	**140,624,686**

* Other assets listed are represented in accrued revenues in which have categorized as other activities due to the unavailability of data required to be distributed properly.

B. Market risk

The Bank exposed to Market risk which is represented as fluctuations in fair value or future cash flow provided from changes in Market prices, The market risk produces from open positions for interest rates, currency and equity products, as each is subject to public and private movements in the market. And changes in the level of sensitivity to market rates or to prices, such as rates of return, exchange rates and prices of equity instruments. The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from dealing with clients directly or with the market. Non-trading portfolios include positions that primarily arise from the interest rate for assets and liabilities related to retail transactions, and these portfolios include foreign currencies Risks from financial investments at amortized cost, and also equity instruments Risks from financial investments designated as fair value through other comprehensive income

B-1 Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied.

The following are the most important measurement techniques used to control market risk

Value at Risk

The Bank applies a "Value at Risk' methodology (VAR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions the board of directors sets limits for value at risk which the bank can accept for trading and non-trading separately.

Value at risk is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose, but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VAR estimate. The VAR model assumes a certain 'holding period' until positions can be closed (10 Days). Before it could closing open positions and it's also assumed that the market movement during the holding period will follow the same pattern of movement that occurred during the previous ten days.The Bank assesses the historical movements in the market prices based on volatilities and correlations data for the past five years.

And the bank applies those historical changes in rates, prices and indicators, directly to the current centers - this method is known as historical simulation, and the actual outputs are monitored regularly to measure the integrity of the assumptions and factors used to calculate the value at risk.

The use of this method does not prevent the loss from exceeding these limits in the event of greater movements in the market. As the value at risk is considered an essential part of the bank's system in controlling market risk, the Board of Directors sets annual limits for the value at risk for both trading and non-trading operations and is divided into activity units, and the actual values at risk are compared to the objective limits by the bank and its review Daily by the bank's risk management. The quality of the value-at-risk model is continuously monitored through reinforcement tests of the value-at-risk results of the trading portfolio, and the results of those tests are reported to senior management and the board of directors.

Stress tests

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. The stress tests are designed to be suitable for the activity is tailored using standard analyzes for specific scenarios. The stress tests carried out by the bank's risk management department include stress testing Risk factors, as a set of sharp moves is applied to each risk category and the pressures of developing markets are tested, as developing markets are subject to for sharp movements and a special stress test, it includes possible events affecting certain centers or regions, such as what may be produced in a region due to liberation Restrictions on a currency. Senior management and the Board of Directors review the stress test results.

B-2 Summary of value at risk

VAR as per the risk type

	12 months till the end of current year 2020			12 months till the end of compared year 2019		
	Average	High	Low	Average	High	Low
Foreign exchange risk	6,206	28,291	432	6,335	25,238	169
VAR	6,206	28,291	432	6,335	25,238	169

B-3 The risk of fluctuations in foreign exchange rates

The bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows and the board of directors have set limits of foreign currencies in total value for each position at the end of the day and during the day, which are monitored on the spot The following table includes the book value of financial instruments distributed into its component currencies' and translated to EGP

31-Dec-20	EGP	USD	Euro	GBP	Other Currency	Total
Financial Assets						
Cash and balances with Central Bank of Egypt	11,861,913	861,537	103,907	16,622	63,025	12,907,004
Due from banks	8,912,080	15,654,059	45,266	236,300	108,339	24,956,044
Loans and advances to banks	--	967,952	--	--	--	967,952
Loans and advances to customers	76,552,917	7,908,838	558,708	--	--	85,020,463
Financial Derivatives	2,571	--	--	--	--	2,571
Financial investments						
At fair value through profit and loss	52,909	--	--	--	--	52,909
At fair value through other comprehensive income	41,126,150	10,645,698	943,987	--	59	52,715,894
At amortized cost	20,720,233	--	--	--	--	20,720,233
Investments in subsidiaries and associates	378,768	215,515	--	--	--	594,283
Total financial Assets	**159,607,541**	**36,253,599**	**1,651,868**	**252,922**	**171,423**	**197,937,353**
Financial liabilities						
Due to banks	1,811,873	11,018,667	584,860	217	1,209	13,416,826
Customers' deposits	138,991,706	22,371,665	1,039,289	252,338	122,353	162,777,351
Financial Derivatives	3,430	--	--	--	--	3,430
Other loans	3,862,664	2,905,467	--	--	--	6,768,131
Total financial Liabilities	**144,669,673**	**36,295,799**	**1,624,149**	**252,555**	**123,562**	**182,965,738**
Net Financial Position	**14,937,868**	**(42,200)**	**27,719**	**367**	**47,861**	**14,971,615**
31-Dec-19						
Total financial assets	**145,959,514**	**29,088,544**	**1,901,652**	**252,668**	**619,076**	**177,821,454**
Total financial liabilities	**131,471,528**	**28,695,276**	**1,645,114**	**247,060**	**98,969**	**162,157,947**
Net Financial Position	**14,487,986**	**393,268**	**256,538**	**5,608**	**520,107**	**15,663,507**

B-4 Interest rate risk

The bank is exposed to the impact of the fluctuations in the levels of interest rates prevailing in the market; include the cash flow risk of interest rate represented in the fluctuations of future cash flow of a financial instrument due to changes in the interest rate of the mentioned instrument. Whereas the interest rates fair value risk is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market. The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The board of directors set limits for the level of difference in the re-pricing of interest rate that the bank can maintain and bank's management monitors this daily.

The following table summarizes the extent of the bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments distributed based on the price of repricing dates or maturity dates whichever is sooner:

31-Dec-20	Up to 1 month	1-3 months	3 -12 months	1-3 Years	Over 3 Years	Due in next day	Non-bearing interest	Total
Financial Assets								
Cash and balances with Central Bank	--	--	--	--	--	--	12,907,004	12,907,004
Due from banks	22,335,334	2,420,845	--	--	6	--	209,193	24,965,378
Loans and advances to banks	--	267,445	707,945	--	--	--	--	975,390
Loans and advances to customers	2,052,068	20,693,232	10,988,971	11,970,888	23,046,718	23,064,979	--	91,816,856
Financial Derivatives	325	939	733	574	--	--	--	2,571
Financial Investments:-								
- At fair value through profit and loss	52,909	--	--	--	--	--	--	52,909
- At fair value through other comprehensive income	3,696,611	8,047,134	25,427,632	8,343,937	7,288,995	--	1,643,720	54,448,029
- At amortized cost	809,217	518,802	2,375,699	13,162,576	3,853,939	--	--	20,720,233
Total financial assets	**28,946,464**	**31,948,397**	**39,500,980**	**33,477,975**	**34,189,658**	**23,064,979**	**14,759,917**	**205,888,370**

31-Dec-20	Up to 1 month	1-3 months	3 -12 months	1-3 Years	Over 3 Years	Due in next day	Non-bearing interest	Total
Financial liabilities								
Due to banks	1,440,855	11,089,002	540,891	--	--	--	346,078	13,416,826
Customer's deposits	21,589,043	31,425,271	25,011,221	49,726,807	8,898,750	23,803,415	2,322,844	162,777,351
Financial Derivatives	286	1,390	1,519	235	--	--	--	3,430
Other loans	97,104	546,422	752,242	1,323,277	4,049,086	--	--	6,768,131
Total financial liabilities	**23,127,288**	**43,062,085**	**26,305,873**	**51,050,319**	**12,947,836**	**23,803,415**	**2,668,922**	**182,965,738**
Total interest re-pricing gap	**5,819,176**	**(11,113,688)**	**13,195,107**	**(17,572,344)**	**21,241,822**	**(738,436)**	**12,090,995**	**22,922,632**
As at 31 December 2019								
Total financial assets	**48,185,027**	**12,729,366**	**42,698,861**	**26,166,033**	**26,495,302**	**15,572,130**	**11,993,072**	**183,839,791**
Total financial liabilities	**49,325,969**	**12,318,185**	**27,353,892**	**36,137,717**	**10,401,076**	**24,128,172**	**2,492,936**	**162,157,947**
Total interest re-pricing gap	**(1,140,942)**	**411,181**	**15,344,969**	**(9,971,684)**	**16,094,226**	**(8,556,042)**	**9,500,136**	**21,681,844**

C. liquidity Risk

Liquidity risk occurs when the Bank does not have sufficient financial resources to meet its obligations arising from its financial liabilities as they fall due or to replace funds when they are withdrawn. Consequently, the bank may fail to meet obligations to repay depositors and fulfill lending commitments.

C-1 Liquidity risk management

Monitoring liquidity risk includes the following:

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

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

Risk Management Department also monitors unmatched medium-term assets, the level and type of un-drawn lending commitments, the usage of overdraft facilities and the impact of contingent liabilities such as standby letters of credit and guarantees

C-2 Funding approach

Sources of liquidity are regularly reviewed jointly by the Bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification within currencies, geographical area, depositors, products and tenors.

C-3 Non-derivative cash flows

The following table presents the undiscounted cash flows payable by the Bank under non-derivative financial liabilities, measured by the remaining contractual maturities and the amounts in the table represent the undiscounted contractual cash flows, while the bank manages the liquidity risk on the basis of the expected undiscounted cash flows, not contractual.

31 December 2020	Up to 1 month	One to three Months	Three months to one year	One year to three years	Over three Years	Total
Financial liabilities						
Due to banks	1,589,895	11,211,918	846,407	21,877	21,874	13,691,971
Customer's deposits	29,657,725	14,760,219	34,867,247	69,593,262	31,212,011	180,090,464
Other loans	102,991	85,054	473,988	1,696,509	4,852,976	7,211,518
Total liabilities (contractual maturity dates)	**31,350,611**	**26,057,191**	**36,187,642**	**71,311,648**	**36,086,861**	**200,993,953**
Total assets (contractual maturity dates)	**46,784,000**	**17,364,991**	**51,667,085**	**63,720,056**	**66,087,335**	**245,623,467**

31 December 2019	Up to 1 month	One to three Months	Three months to one year	One year to three years	Over three Years	Total
Financial liabilities*						
Due to banks	6,695,916	1,785,730	84,296	20,156	20,160	8,606,258
Customer's deposits	29,890,222	12,392,106	26,657,792	73,320,678	24,934,571	167,195,369
Other loans	157,329	38,031	408,650	1,071,691	1,627,756	3,303,457
Total liabilities (contractual maturity dates)	**36,743,467**	**14,215,867**	**27,150,738**	**74,412,525**	**26,582,487**	**179,105,084**
Total assets (contractual maturity dates)	**39,931,643**	**22,938,970**	**46,127,287**	**51,494,130**	**63,237,838**	**223,729,868**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from the Central Bank of Egypt and due from banks, treasury bills and other governmental notes, loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

D. Fair value of financial assets and liabilities

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented on the financial position at their fair value:

	Book Value		Fair Value	
	Current year 31/12/2020	Compared year 31/12/2019	Current year 31/12/2020	Compared year 31/12/2019
Financial Assets				
Due from banks	24,965,378	31,216,193	25,005,450	31,666,325
Loans to banks	975,390	481,245	975,390	481,245
Loans to customers				
- Retail	40,091,201	32,603,369	40,091,201	32,665,754
- Corporate Entities	51,725,655	46,093,959	51,725,655	46,093,959
Financial Investments				
- At amortized cost	20,720,233	18,943,019	20,901,830	19,106,030
Financial liabilities				
Due to banks	13,416,826	8,283,335	13,461,335	8,296,381
Customer deposits:				
- Retail	111,041,833	108,327,016	123,396,238	121,069,002
- Corporate Entities	51,735,518	42,660,289	51,748,348	42,706,732
Other loans	6,768,131	2,882,317	6,768,131	2,882,317

D-1 Financial instruments measured at fair value

Classified financial assets are measured as financial assets for the purpose of trading at fair value, with differences in fair value being included in the income statement within the net income from trading. "Also, debt instruments classified as financial assets at fair value through other comprehensive income are measured at fair value with fair value included The fair value of other comprehensive income statement is included in the fair value reserve.

For investments in equity instruments are restricted stock measuring Stock Exchange securities at fair value, according to the prices of the stated stock exchange in the history of separate financial statements As for the shares of unrestricted stock exchange "with the exception of investment strategy are assessed in one of the accepted technical methods discounted cash flow method, multiples value method and the inclusion of Valuation differences in other comprehensive income are included Fair value reserve; for strategic investments, the nominal cost or value is the fair value of those investments.

D-2 Financial instruments not measured at fair value

Financial investments at amortized cost

Financial investments at amortized cost include governmental securities and not quoted in active market. The fair value of these governmental securities at amortized cost and listed is disclosed based on its quoted price at the end of each financial period.

E. Capital management

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, 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. Data is submitted and filed with the Central Bank of Egypt on a quarterly basis. The Central Bank of Egypt requires the Bank to comply with the following:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-up capital.
- Maintaining realization the ratio between total value of the capital elements, and the risk-weighted average of the bank's assets and contingent liabilities. Minimum level of capital adequacy ratio reached 12.75% after adding capital conservation buffer and Domestic Systemically Important Banks.

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

Tier 1: basic capital which comprises:

(1) Paid-up capital (net of treasury stock)
(2) Retained earnings
(3) the outstanding reserves that the law and statute of the bank stipulate or the Central Bank of Egypt instructions for their formation after the distribution of profits (other than general reserve for banking risks & special reserve), less: any goodwill previously recognized and any carried forward losses, plus: the carrying amount of other comprehensive income Whether positive or negative.
(4)The additional basic capital consists of (Preferential stocks not accumulated, quarterly interim profits / (losses), minority interest, the difference between the nominal value and the present value of the subordinate deposit loan)
(5) Items that are deducted from the tier 1 of the capital base (exclusions from financial and non-financial companies, investment funds, support loans granted to the bank to external parties, intangible assets, net future profits resulting from securitization operations, pension benefits, and deferred tax assets are excluded)

Tier 2: subordinated capital which comprises:

(1) Equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage one which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities.
(2) Loans (subordinated deposits) within the prescribed percentage (50% of the first tranche after exclusions), the present value will be entered in full, provided that its consumption is taken into account at 20% of its value in each of the last five years for it.
(3) 45% from increase in fair value above the carrying amount of investments in subsidiaries and associates and 45% from special reserve.

The Denomination the capital adequacy ratio:

- Credit risk: The credit centers are listed after excluding the allocations required for the stage two and three and they are weighted according to the weight of the risks associated with each credit center, which reflects the credit risks associated with it, and taking into account the guarantees. The same treatment is used for amounts outside the statement of financial position after making adjustments to reflect the incidental nature and possible losses of these amounts

- Market risk:
- Banks must apply the standard method when calculating the capital requirement necessary to meet market risks through the cumulative construction of calculating the capital requirements for each type of market risk and then collect them to reach the total capital requirements needed to meet market risk as a whole in accordance with the central bank model.
- Banks must determine their investment in the trading portfolio when calculating the capital requirement necessary to meet market risks
- Financial instruments held for trading purposes must be free from any conditions that impede their circulation and be fully capable of covering them.
- **Market risk:** the bank maintains a capital to meet operating risks equal to 15% of the bank's average gross profit based on financial statements for the last three years

The following table summarizes the components of the basic and supporting capital and the ratios of the capital adequacy criterion according to Basel II.

1-The capital adequacy ratio	31/12/2020	31/12/2019
Tier 1 capital (Basic & additional capital)		
Issued and paid up capital	5,250,000	2,250,000
Capital Increase Amount	--	3,000,000
General reserve	187,291	187,291
Legal reserve	884,602	685,947
Other reserves	711,392	709,539
General risk reserve	68,481	68,481
Retained earnings	3,245,099	1,963,126
Profit for the year	3,188,371	3,962,408
Non-controlling interest	4,959	3,537
Difference between the present value and face value for subordinated time deposit	2,721,627	1,316,854
Total other comprehensive income items, accumulated	506,837	423,306
Total deductions from tier 1 capital common equity	(1,126,113)	(465,641)
Total qualifying tier 1 capital	**15,642,546**	**14,104,848**
Tier 2 capital (Supportive capital)		
Equal banking risk provisions	683,773	426,695
Subordinate deposits	2,750,336	683,146
45% of translation reserve	23,553	25,340
45% of the Increase in fair value than the book value for financial investments in associates and subsidiaries companies	1,095	8,311
Total Tier 2 (Supportive capital)	**3,458,757**	**1,143,492**
Total capital base after deductions	**19,101,303**	**15,248,340**
Risk weighted assets and contingent liabilities		
Total credit risk	99,713,048	83,199,943
Total market risk	1,309,013	1,249,847
Total operational risk	15,035,898	11,879,436
Total risk weighted assets and contingent liabilities	**116,057,959**	**96,329,226**
*** Capital adequacy ratio (%)**	**16.46%**	**15.83%**

The capital adequacy ratio prepared based on consolidated Financial statements

Leverage Ratio:

The Board of Directors of the Central Bank of Egypt issued, in its meeting on July 7, 2015, a decision approving the supervisory instructions for leverage, with the banks committing to the minimum prescribed percentage of (3%) as a binding supervisory ratio starting from 2018, in preparation for consideration of their consideration within the first pillar One of the decisions of Basel (the minimum capital adequacy standard) with the aim of preserving the strength and safety of the banking system and keeping abreast of international best practices in this regard.

The leverage reflects the relationship between the tier one of capital used in the capital adequacy standard (after exclusions), and the bank's assets (both inside and outside the financial statements) are not weighted by risk weights.

Ratio components

(A) The numerator components:

The numerator of the ratio consists of the tier 1 of capital (after exclusions) used to extend the capital adequacy standard currently applied in accordance with the Central Bank of Egypt instructions.

(B) The components of the denominator

The denominator of the ratio consists of all the assets of the bank inside and outside the budget according to the financial statements, which is called "bank exposures'' and includes the following total:

1- Exposures within the budget after deducting some of the exclusions, the tier one of the capital base
2- Exposures resulting from derivative contracts
3- Exposures resulting from securities financing operations
4- Extra budgetary exposure (weighted by conversion factors)

The tables below summarize the leverage financial ratio:

2-Leverage Ratio	31/12/2020	31/12/2019
Total tier 1 (capital after deductions)	**15,642,546**	**14,104,848**
Total on-balance sheet exposure	204,417,485	182,465,566
Total off balance sheet exposure	12,204,326	9,605,893
Total on and off balance sheet exposure	**216,621,811**	**192,071,459**
Leverage (%)	**7.22%**	**7.34%**

- According to letter of CBE on 15 Jan 2017, the board of directors of CBE's accepted on 28 December 2016 for the following decision: -

The bank applied the elimination of CBE subordinated deposits as well as the shareholders of the Bank in an exceptional manner with recognizing the difference in owner equity under the name "Different between the present value and Face value for subordinated deposit'' and the deposit at the end of each financial year so that the value to the face value on the date of maturity and so on the above mentioned differences.

4. Significant accounting estimates and assumptions

- The application of the accounting policies disclosed in Note No. (3) requires the bank to use the provisions of estimates and assumptions about the book values of some assets and liabilities that other sources are unable to provide. These estimates and their accompanying assumptions depend on historical experience and other related factors. Actual results may differ from these estimates. Assumptions and estimates are reviewed on an ongoing basis and accounting changes and accounting estimates are recognized either in the period during which the change occurs if their impact is limited to that period only, or in the period in which the change and future periods occur if the change in the accounting estimate affects both the current and subsequent periods. The following is a summary of the most important assumptions related to the future and unconfirmed sources of information at the end of the financial period, which are of great risk to lead to a fundamental adjustment to the book values of assets and liabilities during the next financial period.

a- Impairment losses for loans and advances (Expected credit loss)

- The Bank reviews the portfolio of loans and advances at least quarterly; The Bank uses discretionary judgment on determining whether it is necessary to record impairment loss in the income statement. The Bank has to identify if there is objective evidence indicating a decline in the expected future cash flows from loan portfolio before identifying any decline on individual basis.
- This evidence include data indicating negative changes in a borrower's portfolio ability to repay to the Bank or local or economic circumstances related to default. On scheduling future cash flows the management uses the past experience to determine the credit impairment loss for assets when there is objective evidence of 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 experience

b- Fair value of derivatives

- The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (as models) are used to determine fair values, they are validated and Periodicity reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. The financial derivatives at the end of the current financial year or the end of the previous year are not considered of relative importance for the items of the financial position list on these dates.

c- Investments at amortized cost

- Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified at Amortized cost as its business model to held the asset to collect Contractual cash flows

d- Income taxes

- The bank's profits subject to income tax therefor the bank uses essential estimations to determine the total tax burden for income. as there's difficult to determine the final tax for some transactions so the bank records tax liability as per according to probability of arising additional tax while tax examination. When there is a discrepancy between the final result of the Tax Authority and the amounts previously recorded, then these discrepancies will affect the income tax and deferred tax provision for the year, in which the discrepancy has been identified.

5. Segment analysis

A) Segment activity

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

Large, medium, and small enterprises:
Includes current accounts, deposits, overdraft accounts, loans, credit facilities, and financial derivatives activities.

Investment:
Includes mergers, purchase of investments and financing the restructuring of companies and financial instruments

Retail:
Includes current account, saving accounts, deposits, credit card, personal loans, and mortgage loans activities,

Other activities:
Includes other banking operations, such money management

B) By geographical segment

	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Assets & Liabilities according to geographical segments at 31 December 2020				
Geographical Segments Assets	171,961,127	22,112,635	11,252,985	**205,326,747**
Geographical Segments Liabilities	106,759,612	62,735,604	18,249,147	**187,744,363**
Geographical Segments Of Other Items				
Depreciation at 31 December 2020				**249,751**
Profit before tax				4 849 476
Tax				(1,694,161)
Profit for the year				**3,155,315**

	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Assets & Liabilities according to geographical segments at 31 December 2019				
Geographical Segments Assets	156,007,962	17,295,408	9,811,193	**183,114,563**
Geographical Segments Liabilities	90,641,695	61,167,090	16,303,283	**168,112,068**
Geographical Segments Of Other Items				
Depreciation at 31 December 2019				**143,515**
Profit before tax				5,289,800
Tax				(1,341,745)
Profit for the year				**3,948,055**

6. Net interest income

	31/12/2020	31/12/2019
Interest and similar income:		
Loans and advances :		
- banks	24,043	20,407
- customers	10,993,283	10,526,484
Total	**11,017,326**	**10,546,891**
Deposits and current accounts	1,635,545	4,874,841
Investments in debt instrument at fair value through other comprehensive income and at amortized cost	7,861,143	6,126,920
Total	**20,514,014**	**21,548,652**
Interest and similar expense:		
Deposits and current accounts:		
- banks	(320,083)	(473,165)
- customers	(9,959,774)	(12,597,049)
Total	**(10,279,857)**	**(13,070,214)**
Other	(181,529)	(134,552)
Total	**(10,461,386)**	**(13,204,766)**
Net Interest income	**10,052,628**	**8,343,886**

7. Net fee and commission income

	31/12/2020	31/12/2019
Fees and commissions revenues:		
Fees and commissions related to credit	978,250	877,577
Trust and custody fees	16,387	16,872
Other fees	694,341	692,595
	1,688,978	**1,587,044**
Fees and commissions expenses		
Brokerage fees	(43,000)	(32,091)
Other fees	(41,498)	**(14,859)**
Total	**(84,498)**	**(46,950)**
Net income from Fee and commissions	**1,604,480**	**1,540,094**

8. Dividend income

	31/12/2020	31/12/2019
Equity instruments at fair value through other comprehensive income	37,508	37,402
Subsidiaries and Associate companies	24,291	10,000
Total	**61,799**	**47,402**

9. Net trading income

	31/12/2020	31/12/2019
Debt instruments for trading	16,163	2,187
Changes in investment at fair value through profit and loss	4,801	5,387
Change in Currency Swap Contracts	4,127	(4,986)
Total	**25,091**	**2,588**

10. Administrative expense

	31/12/2020	31/12/2019
Employees cost		
Wages and salaries*	(2,392,998)	(2,053,777)
Social insurance	(118,937)	(108,965)
Other retirement benefits (Note 31)	(286,282)	(231,184)
	(2,798,217)	**(2,393,926)**
Other administrative expenses	(2,006,899)	(1,548,267)
Total	**(4,805,116)**	**(3,942,193)**

*The current year and comparative figures includes EGP 15,000 thousand representing the Bank's share in the contributions of the Bank's Special Insurance fund (3,750 thousand every three months).

11. Other operating revenues (expenses)

	31/12/2020	31/12/2019
Gains of translated monetary assets and liabilities in foreign currencies other than classified as held for trading items	235,410	302,765
Gains of sale property and equipment	157	1,853
Gains of sale of assets reverted to the bank in settlement of debts	--	22,646
Other provisions reversed (note : 23&29)	125,999	8,300
Other provisions charged (note : 23&29)	(212,961)	(246,700)
Other	12,065	9,847
Total	**160,670**	**98,711**

12. (charged) reversed of expected credit losses

	31/12/2020	31/12/2019
Loans and advances to customers	(2,391,583)	(844,434)
Due from Banks	(1,991)	63,374
Financial investments at fair value through OCI	11,826	(63,584)
Loans and advances to banks	(6,333)	965
Total	**(2,388,081)**	**(843,679)**

13. Income tax expense

	31/12/2020	31/12/2019
Current tax	(1,675,081)	(1,326,565)
Deferred tax (Note 30)	(19,080)	(15,180)
Total	**(1,694,161)**	**(1,341,745)**
Profit before income tax	4,849,476	5,289,800
Tax Rate	**22.50%**	**22.5%**
Income tax calculated on accounting profit	1,091,132	1,190,205
Expenses are not deductible	603,029	151,540
Net tax	**1,694,161**	**1,341,745**
Effective tax rate	**34.93%**	**25.36%**

14. The weighted earnings per share

The earnings per share is calculated by dividing the profit of shareholder equity by weighted average of common stock issued during the year.

	31/12/2020	31/12/2019
Net profit for the year attributable to distribution	**2,636,315**	**3,515,075**
The average number of issued shares	2,493,852	1,125,000
Earnings per share (EGP)	**1.06**	**3.12**

15. Cash and balances with Central Bank

	31/12/2020	31/12/2019
Cash	3,538,719	4,934,696
Balances at Central Bank of Egypt within the mandatory reserve ratio	9,368,285	6,805,970
Total	**12,907,004**	**11,740,666**
Non-interest bearing balances	**12,907,004**	**11,740,666**
Current balances	**12,907,004**	**11,740,666**

16. Due from Banks

	31/12/2020	31/12/2019
Current Accounts	209,194	252,407
Deposits	24,756,184	30,963,785
ECL provision for due from banks	(9,334)	(7,752)
Net	**24,956,044**	**31,208,440**
Central Bank of Egypt	8,188,470	24,638,846
Local Banks	12,824,165	4,768,128
Foreign Banks	3,952,743	1,809,218
ECL provision for due from banks	(9,334)	(7,752)
Net	**24,956,044**	**31,208,440**
Non-interest bearing balances	209,194	252,407
Balances with fixed interest	24,756,184	30,963,785
Total	**24,965,378**	**31,216,192**
Current balances	**24,965,378**	**31,216,192**

An analysis of the movement in the ECL provision for Due from banks during the year

	31/12/2020	31/12/2019
Balance at the beginning of the year	7,752	--
Impact of initial adopting for IFRS 9	--	73,052
Balance as at 01/01/2019-2020 after adjustments	**7,752**	**73,052**
Formed (reversed) ECL during year	1,991	(63,374)
Foreign currencies translation differences of provisions during year	(409)	(1,926)
Balance at the end of the Year	**9,334**	**7,752**

17. Loans and advances to banks (net)

	31/12/2020	31/12/2019
Time and Term Loans	975,390	481,245
Total	**975,390**	**481,245**
Less: Expected credit loss provision	(7,438)	(1,168)
Net loans and advances Banks	**967,952**	**480,077**
Non-Current balances	**975,390**	**481,245**

An analysis of the movement on the ECL provision for loans and advances to banks during the year

	31/12/2020	31/12/2019
Balance at the beginning of the year	**1,168**	**--**
Impact of initial adopting for IFRS 9	--	2,448
Balance as at 01/01/2020-2019 after adjustments	**1,168**	**2,448**
Charged (Reversed) ECL during year	6,333	(965)
Foreign currencies translation differences of provisions during the year	(63)	(315)
Balance at the end of the Year	**7,438**	**1,168**

18. Loans and advances to customers (net)

	31/12/2020	31/12/2019
Retail		
Overdraft accounts	1,870,004	1,027,593
Credit cards	575,750	370,740
Personal loans	35,115,676	29,081,772
Mortgage loans	2,529,771	2,123,264
Total	**40,091,201**	**32,603,369**
Corporate including small loans for economic activities		
Overdraft accounts	22,410,002	15,676,821
Direct loans	15,480,117	16,003,481
Syndicated loans	13,710,080	14,133,046
Discount documents	125,456	280,611
Total	**51,725,655**	**46,093,959**
Total loans and advances to customers	**91,816,856**	**78,697,328**
Less: Expected credit loss provision	(6,784,754)	(4,553,736)
unearned interest	(652)	(4,257)
Unearned discount of documents	(10,987)	(19,007)
Net loans and advances to customers	**85,020,463**	**74,120,328**
Total is distributed as follow:-		
Current balances	30,863,820	22,081,353
Non-current balances	60,953,036	56,615,975
Total	**91,816,856**	**78,697,328**

An analysis of the movement on the ECL provision for loans and advances to customers during year.

	31/12/2020	31/12/2019
Balance at the beginning of the year	4,553,736	3,582,768
Impact of initial adopting for IFRS 9	--	485,043
Balance as at 01/01/2020 -2019 after adjustments	**4,553,736**	**4,067,811**
Expected credit loss charged during the year	2,391,583	844,434
Provision used during year	(137,021)	(82,537)
Proceeds from written off debts during year	20,662	13,145
Foreign currencies translation of provisions differences	(44,206)	(289,117)
Balance at the end of the year	**6,784,754**	**4,553,736**

	31 December 2020			31 December 2019		
	Corporate	Retail	Total	Corporate	Retail	Total
Balance at the beginning of the year	3,813,519	740,217	4,553,736	3,204,111	378,657	3,582,768
Impact of initial adopting for IFRS 9	--	--	--	496,393	(11,350)	485,043
Balance as at 01/01/2020-2019 after adjustments	**3,813,519**	**740,217**	**4,553,736**	**3,700,504**	**367,307**	**4,067,811**
Expected credit loss charged during the year	1,500,211	891,372	2,391,583	402,720	441,714	844,434
Provision used during year	(39,054)	(97,967)	(137,021)	(617)	(81,920)	(82,537)
Proceeds from written off debts during year	1,841	18,821	20,662	11	13,134	13,145
Foreign currencies translation differences of provisions during the year	(44,204)	(2)	(44,206)	(289,099)	(18)	(289,117)
Balance at the end of the year	**5,232,313**	**1,552,441**	**6,784,754**	**3,813,519**	**740,217**	**4,553,736**

19. Financial derivatives

	31/12/2020		
	Contractual amount / default	Asset	Liabilities
Derivatives held for trading			
Currency forwards	194,806	2,571	2,265
Currency swaps	76,795	--	1,165
Total	**271,601**	**2,571**	**3,430**

	31/12/2019		
	Contractual amount / default	Asset	Liabilities
Derivatives held for trading			
Currency forwards	234,525	--	4,972
Currency swaps	104,254	3	18
Total	**338,779**	**3**	**4,990**

20. Financial investment

	31/12/2020	31/12/2019
Financial investments at fair value through other comprehensive income		
a) Debt Instruments		
- Listed debt instruments (at fair value-Stage2)	15,697,400	9,669,442
b) Treasury bills unlisted		
- Treasury bills at fair value – local currency(Stage 2)*	27,853,923	22,165,562
- Treasury bills– foreign currency	7,520,851	8,361,011
Total Treasury bills at fair value	**35,374,774**	**30,526,573**
c) Equity instruments		
- Listed debt instruments (at fair value-Stage1)	1,054,448	59
- Unlisted instruments (cost)**	395,175	349,876
d) Investment Certificates		
- Unlisted Certificate – recoverable cost (at fair value-Stage1)	194,097	192,569
Total financial investments at fair value through other comprehensive income (1)	**52,715,894**	**40,738,519**
Financial investments at amortized cost		
a) Debt Instruments-at amortized cost		
- Listed debt instruments	20,664,120	18,886,906
- Unlisted debt instruments ***	56,113	56,113
Total financial investments at amortized cost (2)	**20,720,233**	**18,943,019**
Financial investments at fair value through profit and loss		
Investment Certificates		
- Unlisted Certificate – recoverable cost (at fair value-Stage1)	52,909	47,699
Total financial investments at fair value through profit and loss (3)	**52,909**	**47,699**
Total financial investments (1)+(2)+(3)	**73,489,036**	**59,729,237**
Current balances	40,217,989	35,776,914
Non-current balances	33,271,047	23,952,323
Total	**73,489,036**	**59,729,237**
Fixed interest debt instruments	69,464,058	58,688,358
floating interest debt instruments	2,328,349	450,676
Total	**71,792,407**	**59,139,034**

* Treasury bills at fair value – local currency include mortgaged treasury bills for Central Bank of Egypt due to Mortgage, Machines and equipment and its face value amounted to EGP 1,964,275 thousands as of 31 December 2020 (31 December 2019: EGP 1,950,525 thousands)

** The following are the most significant financial investments - unlisted equity instruments that are measured at cost:

	31/12/2020	31/12/2019
African export – import bank	278,432	244,323

- The bank is unlisted.
- The main purpose of establishing the bank is funding and facilitating the trading business between African countries and the rest of the world, which makes it difficult to find similar listed banks.
- The bank owns a small share in African export – import bank (3%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The bank achieves positive net profit and net equity according to its financial statements, which are reflecting the absence of any indicators of impairment in the investment value.
- The AGM of Afreximbank that was held in June 2020 has endorsed the distribution of USD 78.83Mn in cash dividends. The bank chose to receive its share of dividends in the form of shares instead of cash, representing 104 shares bringing the bank's total number of shares to 4,282.

	31/12/2020	31/12/2019
Egypt – Europe Bank	84,218	84,218

- The bank is unlisted
- The main purpose of establishing the bank is to organize the trade with middle Europe and Egypt, the bank has only one branch that makes it difficult to find similar listed banks.
- The bank owns a small share in Egypt Europe bank (10%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The Net equity for the bank is Positive according to its financial statement, which is reflecting the absence of any indicators of impairment in the investment value.

	31/12/2020	31/12/2019
Arab trade financing program – ATFP	11,028	11,028

- Arab trade financing program is unlisted.
- Arab trade financing program aims to enhance and develops Arab trading, in addition to improve the competitive abilities of Arab exporters. This goal has been achieved by provide funding in the form of credit lines for exporters and importers to the member's countries through local organizations that has been designated by the central bank or any other concerned organization in Arab countries.
- The bank owns a small share in Arab trade financing program (0.33%), which restrains the bank from reaching accurate and detailed information to reach fair value of the investment.
- The bank achieves positive net profit and net equity according to its financial statements, which are reflecting the absence of any indicators of impairment in the investment value.

***Amount paid to the ministry of finance prepaid for the purchase of treasury bonds, in accordance with the presidential decision No, 1112 for year 1974 which states that 5% from distribution net profit to the public sector should be invested in governmental bonds or deposit it in an account in the ministry of finance, it was deposited in an account in the ministry of finance with 3.5% interest annual.

The following movements on financial investments through the year:

	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance of 1/1/2020	**40,738,519**	**18,943,019**	**59,681,538**
Additions	163,333,518	6,969,161	170,302,679
Disposals (sales / redemption)	(151,063,584)	(5,200,401)	(156,263,985)
Translation differences resulting from monetary assets	(84,331)	--	(84,331)
Net changes in the fair value	325,452	--	325,452
Amortization of (premium) and discount of issuance	(533,680)	8,454	(525,226)
Balance as at 31/12/2020	**52,715,894**	**20,720,233**	**73,436,127**

	Financial investments at fair value through other comprehensive income	Financial investments at amortized cost	Total
Balance of 1/1/2019	**21,383,740**	**21,982,358**	**43,366,098**
Impact of initial adopting for IFRS 9	71,183	(14,600)	56,583
Additions	74,807,521	4,122,276	78,929,797
Disposals (sales / redemption)	(54,202,935)	(7,164,933)	(61,367,868)
Translation differences resulting from monetary assets	(1,008,490)	--	(1,008,490)
Net changes in the fair value	(308,698)	--	(308,698)
Amortization of (premium) and discount of issuance	(3,802)	17,918	14,116
Balance as at 31/12/2019	**40,738,519**	**18,943,019**	**59,681,538**

Gains (losses) on financial investments

	31/12/2020	31/12/2019
Transferred from FV reserve resulting from selling financial investments (shares)	1,211	(470)
Gains from selling Treasury bills	74,180	17,598
Gains from selling financial investments at fair value through other comprehensive income	82,451	30,995
Losses impairment of associates	(19,837)	(5,132)
Total	**138,005**	**42,991**

21. Investment in Subsidiary and Associate Companies

31/12/2020 Company	Currency	Country of residence	Year	Assets	Liabilities	Revenues	Profit/ (Loss)	Share %	Value of the investment in EGP
Cairo Bank Uganda	USHS	Uganda	Dec-20	942,156	705,530	115,640	(11,469)	99,99	215,515
Cairo leasing	EGP	Egypt	Dec-20	1,799,796	1,551,833	527,919	32,919	97.99	195,999
Guards company for Security and guarding*	EGP	Egypt	Dec-20	11,112	5,019	32,856	1,293	40	1,920
Nile Holding Company for Development and Investment	EGP	Egypt	Dec-20	244,335	1,182	14,203	6,096	33.33	50,000
Financial Sector Mutual Fund	EGP	Egypt	Dec-20	132,724	6,244	11,646	(27,871)	46,28	58,529
Egy Service for Postal Services	EGP	Egypt	Dec-20	162,411	79,982	312,013	33,316	40	72,320
Port Said National Company for food security **	EGP	Egypt	2017	3,213	660	--	7	34	--
Total				**3,295,747**	**2,350,450**	**1,014,277**	**34,291**	**--**	**594,283**

31/12/2019 Company	Currency	Country of residence	Year	Assets	Liabilities	Revenues	Profit/ (Loss)	Share %	Value of the investment in EGP
Cairo Bank Uganda	USHS	Uganda	2019	830,543	600,928	100,553	(13,123)	99,99	193,234
Cairo leasing	EGP	Egypt	2019	1,246,318	1,068,859	186,064	18,563	97.99	146,999
Guards company for Securi-ty and guarding*	EGP	Egypt	2019	6,008	1,868	2,740	(660)	40	1,920
Nile Holding Company for Development and Investment	EGP	Egypt	2019	245,647	1,706	23,787	15,558	33	50,000
Financial Sector Mutual Fund	EGP	Egypt	2019	169,919	569	27,709	(14,103)	46,28	78,366
Egy Service for Postal Ser-vices	EGP	Egypt	2019	140,745	54,316	259,344	36,616	40	72,184
Port Said National Company for food security **	EGP	Egypt	2017	3,213	660	--	7	34	--
Total				**2,642,393**	**1,728,906**	**600,197**	**42,858**	**--**	**542,703**

* It has been active and registered at commercial register at 18/6/2019.

**Investments have been considered impaired in prior years.

-The following table shows the structure of subsidiaries & associates shareholders at 31/12/2020.

Company	Cairo Bank Uganda	Cairo leasing	Guards company for security and guarding	Nile Holding Company	Financial Sector Mutual Fund	Port Said National Company	Egy Service for Postal Services
	%	%	%	%	%	%	%
Bank Du Caire	99.99	97.99	40	33.33	46.28	34	40
National Bank of Egypt	--	--	--	33.33	--	29	40
Misr Bank	--	--	--	33.34	--	--	--
Misr Insurance Co.	--	--	--	--	24.26	--	--
Misr Life Insurance Co.	--	--	--	--	29.46	--	--
Principle Bank for Development & Agricultural Credit.	--	--	--	--	--	26	--
Port Said Development Fund	--	--	--	--	--	5	--
National Security Sector	--	--	30	--	--	--	--
Insurance Fund for employee at banque du caire	--	2	30	--	--	--	--
Other (Individuals & Corporate)	0.01	0.01	--	--	--	6	20
Total	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

22. Intangible Assets

Intangible assets represent the Bank's computer software programs as following:

	31/12/2020	31/12/2019
Beginning balance of the year		
Cost	151,480	116,840
Accumulated amortization	(111,602)	(95,750)
Net book value at the beginning of the year	**39,878**	**21,090**
Additions during the year	131,315	34,640
Amortization for the year	(32,307)	(15,852)
Net book value at the end of the year	**138,886**	**39,878**

23. Other Assets

	31/12/2020	31/12/2019
Accrued revenues	2,210,594	2,307,079
Prepaid expenses	302,774	299,943
Advanced payments under purchase of fixed assets	1,093,498	413,248
Assets reverted to the bank in settlement of debts.*	6,835	6,835
Insurance and custodies	24,027	18,022
Clearing transactions	228,366	479,547
Tax authority	177,722	128,581
Other debit balances	1,736,482	386,791
Impairment Provision for other assets	(212,868)	(153,078)
Total	**5,567,430**	**3,886,968**

* Assets reverted to the bank in settlement of debts included the amount 2,440 thousand EGP which represent assets not recorded yet under the bank's name and the legal procedures to be recorded are in process.

An analysis of the movement on the impairment provision for other assets during the year as following:

	31/12/2020	31/12/2019
Balance at the beginning of the year	**153,078**	**138,559**
Impairment charged at income statement of the year	61,642	19,456
Provision used during year	(1,852)	(4,936)
Foreign currency translation difference of provisions during year	--	(1)
Balance at the end of year	**212,868**	**153,078**

24. Fixed assets

	Land	Buildings & Constructions	Integrated automated systems	Vehicles	Machinery & Equipment	Furniture	Fixtures & fittings	Fixtures & fittings rental	Total
Balances at 01/01/2019									
Cost	77,883	433,374	502,056	48,140	49,998	113,643	132,177	20,389	1,377,660
Accumulated depreciation	--	(335,335)	(414,580)	(23,997)	(37,998)	(76,462)	(110,896)	(5,260)	(1,004,528)
Net book value	**77,883**	**98,039**	**87,476**	**24,143**	**12,000**	**37,181**	**21,281**	**15,129**	**373,132**
Additions	193,430	8,087	327,333	7,220	1,455	31,059	170,894	51,723	791,201
Transfers	--	--	21	--	(21)	392	(434)	42	--
Disposals	--	--	(5,948)	--	(543)	(837)	--	--	(7,328)
Disposals' accumulated depreciation	--	--	5,948	--	543	837	--	--	7,328
Transfers' accumulated depreciation	--	--	(10)	--	10	(55)	136	(81)	--
Depreciation	--	(13,253)	(61,431)	(8,955)	(3,632)	(14,313)	(19,428)	(8,558)	(129,570)
Net book value at 31/12/2019	**271,313**	**92,873**	**353,389**	**22,408**	**9,812**	**54,264**	**172,449**	**58,255**	**1,034,763**
Balances at 01/01/2020									
Cost	271,313	441,461	823,462	55,360	50,889	144,257	302,637	72,154	2,161,533
Accumulated depreciation	--	(348,588)	(470,073)	(32,952)	(41,077)	(89,993)	(130,188)	(13,899)	(1,126,770)
Net book value at 31/12/2019	**271,313**	**92,873**	**353,389**	**22,408**	**9,812**	**54,264**	**172,449**	**58,255**	**1,034,763**
Net book value at 01/01/2020	271,313	92,873	353,389	22,408	9,812	54,264	172,449	58,255	1,034,763
Additions	20,928	93,968	117,782	--	21,709	48,172	102,233	92,567	497,359
Disposals	--	(309)	(4,404)	(159)	--	(72)	(29)	--	(4,973)
Disposals' accumulated depreciation	--	309	4,404	111	--	72	16	--	4,912
Depreciation	--	(13,680)	(98,832)	(8,971)	(4,420)	(20,248)	(47,825)	(25,644)	(219,620)
Net book value at 31/12/2020	**292,241**	**173,161**	**372,339**	**13,389**	**27,101**	**82,188**	**226,844**	**125,178**	**1,312,441**
Balances at 31/12/2020									
Cost	292,241	535,120	936,840	55,201	72,598	192,357	404,841	164,721	2,653,919
Accumulated depreciation	--	(361,959)	(564,501)	(41,812)	(45,497)	(110,169)	(177,997)	(39,543)	(1,341,478)
Net book value at 31/12/2020	**292,241**	**173,161**	**372,339**	**13,389**	**27,101**	**82,188**	**226,844**	**125,178**	**1,312,441**

- Fixed assets include specifically (land & buildings) unregistered assets by an amount of EGP 318,592 thousand, legal procedures are being undertaken to register them.
- The cost of depreciation includes an amount of EGP 2,176 thousand, the value of which is charged to the deferred revenue account, and represents the cost of depreciation of the gifted asset to the bank.

25. Due to Banks

	31/12/2020	31/12/2019
Current accounts	346,080	323,960
Deposits	13,070,746	7,959,375
Total	**13,416,826**	**8,283,335**
Central Bank of Egypt	1,751,111	1,808,744
Local Banks	1,410,176	3,626,877
Foreign Banks	10,255,539	2,847,714
Total	**13,416,826**	**8,283,335**
Non-interest bearing balances	346,080	323,960
Balances with Fixed interest	13,070,746	7,959,375
	13,416,826	**8,283,335**
Current balances	**13,416,826**	**8,283,335**
	13,416,826	**8,283,335**

26. Customers' deposits

	31/12/2020	31/12/2019
Demand deposits	20,807,395	15,951,986
Term and notice deposits	37,374,398	33,817,116
certificates of Savings and deposits	65,251,596	58,000,964
Saving deposits	37,021,117	41,048,264
Other deposits	2,322,845	2,168,975
Total	**162,777,351**	**150,987,305**
Corporate deposits	51,735,518	42,660,289
Retail deposits	111,041,833	108,327,016
Total	**162,777,351**	**150,987,305**
Non-interest bearing balances	19,522,411	14,856,677
Balances with fixed interest	143,254,940	136,130,628
Total	**162,777,351**	**150,987,305**

27. Other loans

	Currency	Interest rate %	31/12/2020	31/12/2019
The Medium, Small and Micro Enterprise Development Agency Loan	EGP	7.60 - 7.65 - 8.75 - 9.5 - 10.5%	1,584,291	1,378,858
Arabic Trade financing program	US Dollar	Libor 6M+ 2.25% P.A	23,598	40,104
Arab economic development fund loan-Kuwait	US Dollar	3.00% P.A	471,963	481,245
Sanad fund for SMSE (subordinated loan)*	US Dollar	Libor 6M + 5% P.A	471,963	145,832
Green for growth fund	US Dollar	Libor 6M + 3.10% P.A	364,733	153,132
		Libor 6M + 2.85% P.A		
European bank for investments	US Dollar	0.88-1.03%	1,573,210	--
P.V of CBE subordinated deposit**	EGP		803,509	683,146
P.V of Banque Misr subordinated deposit***	EGP		1,474,864	--
Total			**6,768,131**	**2,882,317**
Current balances			504,223	410,839
Non- current balances			6,263,908	2,471,478
Total			**6,768,131**	**2,882,317**

* Bank Du Caire has been granted a subordinated loan from Sanad fund by amount. USD 30 Million for 10 years with interest Libor 6M + 5% P.A

** Bank Du Caire has been granted a subordinated deposit from CBE by amount.EGP 2 Billion for 10 years without any interest or commission to meet the requirements of capital adequacy standard from 23/8/2016 due to 22/8/2026.

*** Bank Du Caire has been granted a subordinated deposit from Banque Misr by amount.EGP 3 Billion for 7 years from 30/06/2020 due to 29/06/2027 to support the bank's capital base.

28. Other Liabilities

	31/12/2020	31/12/2019
Accrued interest	765,513	688,499
Prepaid revenues	126,507	139,431
Accrued expenses	228,938	111,863
Clearing transactions	304,719	548,955
Tax authority	512,461	442,907
Creditors Money- export foreign currencies	--	1,265,823
Creditors	131,482	176,088
Other credit balances	538,595	639,709
Total	**2,608,215**	**4,013,275**

29. Other Provisions

	31/12/2020	31/12/2019
Balance at the beginning of year	**615,161**	**452,374**
Impact of adopting IFRS 9	--	(12,895)
Balance after impact of initial adopting for IFRS 9	**615,161**	**439,479**
Foreign currency exchange	(3,532)	(26,386)
Provision charged to income statement during the year	151,319	227,244
Reversed during the year	(125,999)	(8,300)
Utilized during the year	(52,475)	(17,459)
Proceed during the year	72	583
Balance at the end of the year	**584,546**	**615,161**

Other provisions details:	31/12/2020	31/12/2019
Provision for operation risks	7,469	7,448
Provision for legal claims	255,235	266,448
Provision for other claims	24,299	22,330
Provision for income tax claims	168,594	110,784
Provision for impairment losses on contingent liabilities-corporate	104,021	121,807
Provision for impairment losses on contingent liabilities-SMEs	23,562	44,119
Provision for impairment losses on contingent liabilities-Due from Banks	1,366	42,225
Total	**584,546**	**615,161**

30. Deferred income tax

Deferred income tax was fully recognized on the temporary difference according to the obligation method using tax rate 22.5%.

Clearing is made between assets and deferred liabilities if the bank has legal rights to make clearing between assets and deferred tax liabilities if they both have to be settled with the same tax administration.

Deferred tax assets (liabilities)

Deferred tax assets and liabilities resulting from temporary differences attributable to the following:

	Deferred tax assets 31/12/2020	Deferred tax lia-bilities 31/12/2020
Fixed assets	--	(155,120)
provisions (other than the provision for loan ECL)	370,637	--
Total deferred tax assets (liabilities)	**370,637**	**(155,120)**
Net deferred tax assets (liabilities)	**215,517**	**--**

Movement during the year

	31/12/2020	31/12/2020
Beginning of year balance	331,500	(100,094)
Additions/exclusions	39,137	(55,026)
End of year balance	**370,637**	**(155,120)**

Unrecognized deferred taxes assets (before tax)

	31/12/2020	31/12/2019
Unrecognized deferred taxes assets for these items:		
Expected Credit Loss provision other than 80%	1,358,438	910,981
Other provisions	382,721	475,474
Total	**1,741,159**	**1,386,455**

31. Retirement benefit liabilities

	31/12/2020	31/12/2019
Liabilities included in the financial position		
Medical benefits after retirement	**1,246,565**	**1,083,573**
Recognized in income statement		
Medical benefits after retirement	**286,282**	**231,184**
Amount recognized in financial position represented in		
Present value of unfinanced liabilities	1,843,140	1,320,623
Unrecognized auctorial losses	(596,575)	(237,050)
Balance included in financial position	**1,246,565**	**1,083,573**
Liabilities movement during the year		
Beginning balance	**1,083,573**	**947,834**
Current service cost	32,566	15,656
Interest cost	226,585	207,498
Recognized auctorial losses	27,131	8,030
Paid benefits	(123,290)	(95,445)
Ending balance	**1,246,565**	**1,083,573**
Amount recognized in income statement represented in		
Current service cost	32,566	15,656
Interest cost	226,585	207,498
Recognized auctorial losses	27,131	8,030
Ending balance (included in the cost of employees note 10)	**286,282**	**231,184**

32. Issued and paid up capital

A) Issued and Paid Capital

The Bank's authorized capital amounted to EGP 10 billion. The issued capital amounted to EGP 5,250 billion divided into 2,625,000 thousand shares with a par value of EGP 2 each share.

33. Reserves and retained earnings

Reserves	31/12/2020	31/12/2019
General reserve	184,253	184,253
General Banking Risk Reserve*	682,204	4,795
Legal reserve	883,257	685,947
Capital reserve	272,462	270,609
Regular reserve	438,930	438,930
Fair value reserve – financial investments at fair value through other comprehensive income	510,265	424,605
Expected credit loss for Debt instrument at fair value through other comprehensive income	215,496	231,741
General risk reserve**	68,481	68,481
Total reserve	**3,255,348**	**2,309,361**

* General Banking Risk Reserve at 31 December 2020 consists of EGP 4,795 thousand, represented of reserve formed for Assets reverted to the bank in settlement of debts and hadn't been sale for 5 years, and amount to EGP 677,409 thousand while the gap between Expected Credit Loss for Loans and Contingent Liabilities according to Obligors Risk Rating Percentages as per Central Bank of Egypt. This is given that the balance of this difference reached EGP 595, 658 thousand on December 31, 2020, and therefore an amount of EGP 81, 751 thousand must be transferred to the retained earnings through the approval of the dividends.

** Formed according to the Central Bank's instructions issued in 26 February 2019.

Movement through the year at reserves

a) General banking risk reserves

	31/12/2020	31/12/2019
Beginning balance for the year	4,795	233,180
Transferred from retained earnings	677,409	47,121
Transferred to general risk reserve	--	(275,506)
Ending balance at the end of the year	**682,204**	**4,795**

b) Legal reserves

	31/12/2020	31/12/2019
Beginning balance for the year	685,947	561,904
Transferred from profit during the previous year	197,310	124,043
Ending balance at the end of the year	**883,257**	**685,947**

In accordance with the Bank's Articles of Association and Law No. 159 of 1981, 5% of the net profit for the year is reserved for the statutory reserve until the balance reaches 50% of the capital, which is a non-distributable reserve.

c) Fair value reserve – financial investment at fair value through other comprehensive income:

	31/12/2020	31/12/2019
Beginning balance for the year	**424,605**	**209,493**
Impact of initial adopting for IFRS 9	--	56,583
The balance in 1 January 2020/2019 restated	424,605	266,076
Net change in fair value for financial investments (after tax)	85,660	158,529
Ending balance at the end of the year	**510,265**	**424,605**

d) Expected credit loss – Debt instrument at fair value through other comprehensive income:

	31/12/2020	31/12/2019
Beginning balance for the year	**231,741**	**--**
Impact of initial adopting for IFRS 9	--	182,191
The balance in 1 January 2020-2019 restated	231,741	182,191
Impairment (reversed) charged for the year	(11,826)	63,584
Foreign currency exchange	(4,419)	(14,034)
Ending balance at the end of the year	**215,496**	**231,741**

e) General risk reserve *

	31/12/2020	31/12/2019
Beginning balance for the year	**68,481**	**--**
Transferred from general banking risk reserves at 1 Jan 2020-2019	--	275,506
Transferred from risk reserve for implementing IFRS 9 at 1 Jan 2020-2019	--	522,814
Beginning balance at 1 Jan 2020-2019	**68,481**	**798,320**
Impact of initial adopting for IFRS 9	--	(729,839)
Ending balance at the end of the year	**68,481**	**68,481**

*It is not used unless, after obtaining the approval of the Central Bank of Egypt

The movement in retained earnings is as follows:

	31/12/2020	31/12/2019
Beginning balance	6,126,280	3,472,552
Impact of initial adopting for IFRS 9	--	23,468
Net profits for the year	3,155,315	3,948,055
Transferred from fair value reserve for equity instrument	866	200,134
Dividends to shareholders for the year	(1,505,000)	--
Dividends of previous financial year		
Shareholder's share of profit	(112,500)	(1,093,837)
BOD share of profit	(16,000)	(11,000)
Employees share of profit	(416,980)	(241,839)
Transferred to general risk reserve	(677,409)	(47,121)
Transferred to legal reserve	(197,310)	(124,043)
Transferred to capital reserve	(1,853)	(89)
Ending balance at the end of the year	**6,355,409**	**6,126,280**

34. Dividends

Dividends are not recorded nor deducted from retained earnings as a financial liability until it is approved by the shareholder's general assembly, dividends, employee's shares and board of director's bonus will be presented to the general assembly, which will be held to approve end of financial year after which it will be deducted from shareholder's equity under retained earnings for the year through dividends.

35. Cash and cash equivalent

For the presentation of the cash flow statement, cash and cash equivalents include the following balance with maturities of no later than three months from the acquisition date

	31/12/2020	31/12/2019
Cash and balances with the Central Bank of Egypt	3,538,719	4,934,696
Due from banks	24,965,378	30,842,433
Treasury bills and other governmental notes	3,175,884	523,194
Total	**31,679,981**	**36,300,323**

36. Contingent Liabilities and Commitments

A- Legal Claims:

There are a number of existing legal cases filed against defaulters to recover all bank rights, there are a number of existing legal cases filed against the bank as of 31/12/2020 where no provision was allocated for this purpose, as there are no expected losses

B- Capital commitments

The bank capital commitments amounted to EGP 1,511,019 thousand which are represented in purchases of fixed assets and intangible assets and the management have enough confidence of making enough profits and availability of finance to cover those commitments.

Also, the commitments related to financial were not yet required to pay until year end including an amount of EGP 516,989 thousand related to financial investments at fair value through other comprehensive income.

C- Commitments related to loans, guarantees, and facilities

	31/12/2020	31/12/2019
Loans commitments	3,833,987	3,399,013
Accepted Documentation	1,163,585	1,284,788
Letters of credit (import)	2,687,252	2,034,151
Letters of credit (export)	139,798	121,858
Letters of guarantee	12,669,891	10,741,786
	20,494,513	**17,581,596**

37. Related party transactions and Associate and subsidiary companies.

- our transaction with Banque Misr (Major Shareholder related party)

	31/12/2020	31/12/2019
Due from banks		
Current accounts	507	155
Deposits	3,000,000	--
Other assets		
Other	22,432	14,876
Accrued revenues	3,438	--
Due to banks		
Deposits	--	234,200
Other liabilities		
Accrued Interest	--	127
Other loan		
P.V of Banque Misr subordinated deposit	1,474,864	--
Owner equity		
Difference between the present value and face value for subordinated deposit	1,525,136	--

- our transaction with CIB Kampala (subsidiary company):

	31/12/2020	31/12/2019
Current accounts	84,254	22,562

- our transaction with Cairo Leasing company (subsidiary company):

	31/12/2020	31/12/2019
Loans and advances to customers		
Corporate loans (Over Drafts)	52,680	17,742
Corporate loans (Direct)	697,402	597,689
Other assets		
Accrued revenues	3,530	4,509
Customers' deposits		
Current accounts	21,353	76,427
Deposits	25,000	--

-our transaction with International Postal Services company – Egy serv. (Associate company):

	31/12/2020	31/12/2019
Customers deposits		
Current account	180	--
Other liabilities		
Accrued Interest	127	--

-our transaction with Nile Holding Company for Development and Investment (Associate company):

	31/12/2020	31/12/2019
Customers deposits		
Current account	56	139

-our transaction with AFREXIM (Investments at fair value through other comprehensive income):

	31/12/2020	31/12/2019
Due to banks		
Deposits	9,439,260	2,406,225
Other liabilities		
Accrued Interest	45,151	12,130

-our transaction with Banque Du Caire first fund (with accumulated return)
(Investments at fair value through other comprehensive income):

	31/12/2020	31/12/2019
Customers deposits		
Current account	10,753	--

38. Banque Du Caire Mutual funds

A- Banque Du Caire first fund (with accumulated return)

The fund is one of investment activities licensed for the Bank under Capital Market Law No. 95 for the year 1992 and its executive regulations; the fund is managed by Hermes Funds Management Company.

This fund consists of 20 million Certificates amounted to EGP 200 million with face value of EGP 100 each according to the approval from the Capital Market Authority (CMA) on 30 October 1997.

According to Banque du caire first fund's holder meeting dated 13 March 2007 and the approval of the Capital Market Authority the face value was amended to EGP 10 instead of EGP 100 each, the amendments have been effective from June 2007.

The number of outstanding certificates as of 31 December 2020 was 700,834 certificate with a redeemable value of EGP 107.45 each. 500,000 Certificates were allocated to the Bank in the initial offering until 31 December 2020 with total amount of EGP 53,725,000 which should be held by the Bank till the end of the Fund's year as required by laws, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total fees and commissions are amounted to EGP 363,165 for year ended 31 December 2020 (31 December 2019: EGP 446,172) which is presented under the item of "other fees and commissions income'' in the income statement.

B- Banque Du care second fund (Money Market Fund) – daily

Banque Du Cairo S.A.E. established the second accumulated daily return fund in Egyptian pound as one of its licensed banking activities under license No. 526 issued by the Egyptian Financial Supervisory Authority on 18 June 2009 according to the capital market regulations law No. 95 for 1992 and its executive regulations. The Fund is managed by Belton for Asset Management Company.

The number of certificates in the initial offering amounted to 10 million certificates with a face value of EGP 10 per certificate, the documents in the portfolio of other comprehensive income according to what was allocated during the year from the initial launch of the fund until 31 December 2020 numbered 1,984,302 documents with a book value of EGP 63,318,878. The documents in the trading portfolio according to what was allocated during the year from the initial launch of the fund until 31 December 2020 numbered 1,657,633 certificate with a book value of EGP 52,894,903.

The number of outstanding certificates as of 31 December 2020 was 85,936,751 certificate with a redeemable value of EGP 31.91 each.

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative services rendered thereby. Total fees and commissions are amounted to EGP 11,879,495 for year ended 31 December 2020 (31 December 2019: EGP 11,102,007), which is presented under the item of "other fees and commissions income'' in the income statement.

C- Principal Bank for Development & Agricultural Credit and Banque du Cairo Fund with accumulated return according to Islamic Sharia (Al Wefak)

The Fund is one of the investments activity licensed for the bank under Capital Market Law No. 95 for the year 1992 and its executive regulations.

HC Securities manage the Fund. The number of certificates was 5 million certificate amounted to EGP 50 million with face value EGP 10 each according to the approval No. 625 dated 6 Jan 2011 from the Capital Market Authority (CMA), the fund's year is 25 years from the date of the license.

The number of outstanding certificates as of 31 December 2020 was 610,160 certificate with a redeemable value of EGP 12.82 each. 250,000 Certificates were allocated to the Bank in the initial offering until 31 December 2020 with total amount of EGP 3,204,063 which should be held by the Bank till the end of the Fund's year as required by law, It appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative service rendered thereby. Total fees and commissions are amounted to EGP 35,674 for year ended 31 December 2020 (31 December 2019: EGP 45,052) which is presented under the item of "other fees and commissions income'' in the income statement.

D- Banque Du Cairo fixed income Fund

On 8 May 2012 Bank Du Cairo's Board of Directors approved to establish Banque Du Cairo Fixed Income Fund, and the approval of Central Bank of Egypt was on 15 August 2012, it was decided that subscription offering year is two month starting from 4 December 2012. The fund is managed by CI Asset Management Company. The fund consists of 1 million certificates amounted to EGP 100 million with a face value of EGP100 per certificate each. The number of outstanding certificates as of 31 December 2020 was 90,847 certificate with a redeemable value of EGP 253.20 each. 50,000 Certificates were allocated to the Bank in the initial offering until 31 December 2020 with total amount of EGP 12,660,000 which should be held by the Bank till the end of the Fund's year as required by law, it appears as investments in unlisted equity instruments within financial investments at fair value through other comprehensive income on the same date

According to the fund's management contract and its prospectus, the Bank receives fees and commissions in return for its supervision of the fund and other administrative service rendered thereby. Total fees and commissions are amounted to EGP 144,458 for year ended 31 December 2020 (31 December 2019: EGP 126,259) which is presented under the item of "other fees and commissions income'' 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. COVID-19 has brought about uncertainties in the global economic environment. Banque du Caire 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, Banque du Caire 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, Banque du Caire is continuing its internal protective action started in Q1 2020 by enhancing the level of provisions as well as the portfolio coverage ratio as a mitigation plan for the COVID-19 impact on the loan portfolio. Further precautionary actions might be taken progressively in the light of the pandemic is not over yet
- On September 15, 2020, the Central Bank of Egypt issued the Law No. 194 of 2020, which repealed Law No. 88 of 2003 of the "Central Bank, Banking Sector and Monetary System
- The law applies for the Central Bank of Egypt and the Egyptian banking system. The addressees are bound by the provisions of the law to adjust their positions in accordance with its provisions, within a period not exceeding one year from the date of its implementation, and the Board of Directors of the Central Bank may extend this period for a period or for other periods not exceeding two years, The Central Bank have to issues a regulations and decisions implementing which related to it's law
- It also stipulated that the bank's financial statements are prepared every three months A summary of the auditor's report is attached to these lists Accounts are in accordance with the Egyptian Auditing Standards and the Bank's Board of Directors Report. These lists are published in one daily newspaper and on the website Per bank

40. Tax Position

40-1 Income tax

1- Years from beginning of the activity till 2016

- Inspection and payment of Income tax and has been done from the beginning of the activity till 31 December 2016 and waiting issuance of form 9 related to years 2011 – 2012 – 2015 -2016 except the following:
- For years 1991/1992 the bank has paid tax differences amounts and raised lawsuit and the case is still pending before the courts.
- For years 2017, 2018 under examination.
- For Year 2019, The Tax return has been presented in its time without tax entitlement.

40-2 Stamp Duty

1- Years from beginning of the activity till 31 July 2006

The tax assessment forms for our bank branches are being completed during this period

2- from the beginning of activity till 31/12/2016

The Examination finished.

3- Year from 01/01/2017 till 31/12/2019

under examination

40-3 Salary Tax

1- Years from beginning of the activity till 2014

It was finally settled, except for the items of lawyers' contributions and leave allowance for employees who are still in service for the year from 2005 to 2014, which are still in dispute and referred to the judiciary and the bank paid the tax amount.

2- The years from 2015 till 2018

Under examination.

3- Year from 01/01/2019 till 31/12/2019

The final settlement has been presented.

40-4 Sales Tax & VAT

1- The years from 2002 to 2015

The years have been inspected and the bank paid, and challenged the claims in the legal deadlines and discordant dispute before the administrative judiciary.

2- The years from 2016 till 12-2020

The bank provided the provision for these years, pending the determination of the continued registration of our bank or not, as our bank is not addressed to the sales tax and registration in it was by mistake and also not to be subject to the banking business value added tax in accordance with article No.33 of the provisions of Law 67 of 2016 and there is no examination requested yet.

40-5 Real estate Tax

- Our bank hedges the real estate tax estimated on all the real estate owned by the bank from 1-7-2013 until now.

41. Translation

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

Chief Financial Officer
Mohamed Ibrahim

Chairman & CEO
Tarek Fayed