THE BANK TO TRUST

Leading by Example

Annual Report

2022

Leading by Example

CIB, Egypt's leading private-sector bank, is an award-winning institution dedicated to creating outstanding stakeholder value.

2022 ANNUAL REPORT

CONTENTS

CIB serves an expansive network of retail customers, high-net-worth (HNW) individuals, enterprises, and institutions that drive the Egyptian economy.

CIB Introduction

01

CIB's strategy focuses on strengthening its core business to serve current and potential customers in the corporate, SME, and retail segments.

21%

y-o-y increase in consolidated net income to EGP 16.11 billion

At a Glance

CIB, Egypt's leading private-sector bank, is an award-winning institution dedicated to creating outstanding stakeholder value and providing superior customer service solutions to a broad range of clients. The Bank furnishes clients with inventive solutions to both satisfy their banking needs and facilitate their financial endeavors.

CIB's dynamic business model and commitment to fully integrating world-class technology into its services and products maintain its leadership status in the market and provide staff with an engaging work environment while generating mounting value. The Bank serves an expansive network of retail customers, high-net-worth (HNW) individuals, enterprises, and institutions that drive the Egyptian economy.

With its well-established network of 210 branches and banking units, as well as a workforce comprising 7,689 employees, CIB provides tailored, client-centric services to clients in the corporate, commercial, retail, wealth, and small and medium enterprise (SME) spheres. In parallel, the Bank works to deliver the most streamlined, efficient banking service offering in the Egyptian market. The Bank also operates two representative offices, one in Dubai and the other in Addis Ababa, serving as channels that drive business through these key markets while capitalizing on the synergies inherent in CIB's business model as a means of driving value for clients.

The Bank has four strategic subsidiaries: CVentures, Mayfair CIB Bank, Damietta Shipping Marine Services (DSMS), and Commercial International for Finance Company (CIFC), in which CIB's shares are 99.99%, 100%, 49.95%, and 99.83% respectively. In addition to CIB's strategic subsidiaries, the Bank has direct ownership in four affiliates: Al Ahly Computer Equipment Company (ACE), TCA Properties, Falcon Group, and FawryPlus, in which it owns 39.34%, 37%, 30%, and 14.99% respectively. For several years, CIB has also enjoyed the titles of most profitable bank operating in Egypt and the bank of choice for over 800 of Egypt's largest corporations. It has been awarded numerous accolades from prestigious bodies throughout the year, including Euromoney and Global Finance.

> "CIB's dynamic business model and commitment to fully integrating world-class technology into its services and products maintain its leadership status in the market.

2022 KEY FACTS

210
Branches

EGP/BN
32.9
Revenues

7,689
Employees

+1.9
Million clients

EGP/BN
90,8
Average Market Cap

1,307
ATMs

Financial Highlights

	FY22 Consolidated	FY21 Consolidated	FY20 Consolidated	FY19 Consolidated	FY18 Consolidated	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Common Share Information Per Share															
Earning Per Share (EPS)[1]						4.83	6.10	6.26	7.33	7.26	5.76	4.56	3.58	3.55	2.67
Book Value (BV/No of Shares)						22.7	35.0	40.2	35.3	29.3	24.4	18.4	14.4	16.3	13.5
Share Price (EGP)[2]															
High						48.0	64.0	59.5	83.5	96.5	88.8	73.6	47.4	51.3	45.4
Low						22.5	41.0	59.0	82.7	67.0	71.1	30.8	28.9	32.6	27.4
Closing						41.5	52.0	59.2	83.0	74.1	77.4	76.4	38.1	49.2	32.6
Shares Outstanding (millions)						2,983	1,970	1,478	1,469	1,167	1,162	1,154	1,147	908	900
Market Capitalization (EGP millions)						123,715	102,453	87,464	121,963	86,439	89,865	88,155	43,692	44,673	29,330
Value Measures															
Price to Earnings Multiple (P/E)						8.59	8.52	9.46	11.3	10.2	13.4	16.8	10.6	13.9	12.2
Dividend Yield (based on closing share price)						1.30%	2.62%	0.00%	1.51%	1.35%	1.29%	0.65%	1.97%	2.44%	3.07%
Dividend Payout Ratio						10.0%	20.0%	0.0%	15.6%	15.3%	15.4%	9.70%	18.5%	29.9%	34.4%
Market Value to Book Value Ratio						1.83	1.49	1.47	2.35	2.53	3.17	4.14	2.65	3.02	2.42
Financial Results (EGP millions)															
Net Operating Income	32,898	26,696	25,881	23,019	20,379	32,752	26,755	25,839	23,018	20,351	15,192	11,370	10,165	7,717	6,206
Provision for Credit Losses - Specific	1,585	1,680	5,019	1,435	3,076	1,512	1,677	4,989	1,435	3,076	1,742	893	1,682	589	916
Provision for Credit Losses - General															
Total Provisions	1,585	1,680	5,019	1,435	3,076	1,512	1,677	4,989	1,435	3,076	1,742	893	1,682	589	916
Non-interest Expense	7,372	6,183	5,626	5,049	4,224	7,177	6,096	5,553	5,045	4,223	3,119	2,433	2,028	1,705	1,450
Net Profit	16,114	13,272	10,238	11,801	9,582	16,130	13,420	10,300	11,804	9,556	7,550	5,951	4,641	3,648	2,615

[1] Based on Net Profit Available for Distribution (After deducting Staff Profit Share and Board Bonus) and unadjusted to Stock Dividends and ESOP.
[2] Unadjusted to Stock Dividends.

	FY22 Consolidated	FY21 Consolidated	FY20 Consolidated	FY19 Consolidated	FY18 Consolidated	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14	FY13
Financial Measures															
Cost : Income	21.2%	22.8%	20.7%	21.6%	20.3%	20.7%	22.4%	20.5%	21.6%	20.3%	20.4%	21.3%	19.7%	22.9%	22.9%
Return on Average Common Equity (ROAE)[3]	25.1%	21.7%	19.2%	29.5%	33.1%	25.1%	21.9%	19.3%	29.6%	33.1%	32.7%	34.0%	32.8%	30.3%	24.8%
Net Interest Margin (NII/ Average Interest Earning Assets)						6.10%	5.67%	6.75%	6.48%	6.43%	4.97%	5.47%	5.74%	5.41%	5.36%
Return on Average Assets (ROAA)	2.86%	2.88%	2.53%	3.26%	3.03%	2.87%	2.93%	2.55%	3.26%	3.02%	2.72%	2.70%	2.90%	2.87%	2.54%
Regular Workforce Headcount						7,700	7,308	7,071	6,900	6,759	6,551	6,422	5,983	5,403	5,193
Balance Sheet and Off Balance Sheet Information (EGP millions)															
Cash Resources and Securities (Non-governmental)[4]	209,044	136,211	131,858	63,270	69,068	209,387	136,502	131,708	63,226	69,030	63,673	73,035	34,097	19,430	16,646
Net Loans and Acceptances	196,578	145,887	120,347	119,946	106,377	195,599	145,078	119,632	119,946	106,377	88,428	86,152	57,211	49,398	41,970
Assets	635,832	498,236	427,842	386,742	342,461	633,643	496,651	426,145	386,697	342,423	294,771	263,852	179,193	143,647	113,752
Deposits	531,617	407,242	341,169	304,448	285,297	530,125	406,101	340,087	304,484	285,340	250,767	231,965	155,370	122,245	96,940
Common Shareholders Equity	67,758	68,848	59,476	51,880	34,228	67,721	68,928	59,405	51,800	34,147	28,384	21,276	16,512	14,816	12,115
Average Assets	567,034	463,039	407,292	364,602	318,622	565,147	461,398	406,421	364,560	318,597	279,312	221,523	161,420	128,700	104,079
Average Interest Earning Assets	505,581	411,014	363,922	328,296	290,869	503,323	409,075	362,981	328,296	290,869	258,315	203,625	145,835	117,133	94,605
Average Common Shareholders Equity	68,303	64,162	55,678	43,054	31,334	68,324	64,166	55,602	42,973	31,265	24,830	18,894	15,664	13,465	11,713
Balance Sheet Quality Measures															
Equity to Risk-Weighted Assets[3]	19.3%	27.5%	29.0%	24.3%	16.9%	19.3%	27.5%	28.9%	24.3%	16.9%	15.6%	13.3%	15.7%	15.8%	15.5%
Risk-Weighted Assets (EGP billions)	331	234	201	199	186	331	234	201	199	186	169	150	96	84	70
Tier 1 Capital Ratio[5]	19.2%	26.9%	28.1%	23.6%	16.2%	19.2%	26.9%	28.1%	23.6%	16.2%	14.9%	12.9%	15.0%	15.7%	15.2%
Capital Adequacy Ratio[5]	22.7%	29.9%	31.4%	26.1%	19.1%	22.7%	29.9%	31.4%	26.1%	19.1%	18.0%	14.0%	16.1%	16.8%	16.3%

[3] Total Equity After Profit Appropriation.
[4] Including CBE Deposit Auctions.
[5] After Profit Appropriation.

Leadership

Board of Directors

Mr. Sherif Samy
Non-Executive Chairman

Mr. Sherif Samy is an experienced senior executive and advisor in the areas of financial markets and services, investment, and corporate governance. He is currently Non-Executive Chairman of a real estate asset management company and serves on the Boards of Directors of the state's project finance arm, the National Investment Bank, the Universal Health Insurance Authority, and several listed and privately held companies in the education, venture capital, fund management, and private equity sectors. Additionally, he is a member of the Investment Board of the National Pension Fund and the UAE Securities and Commodities Authority's International Advisory Board, as well as a member of the Board of Trustees at the French University in Egypt.

Mr. Samy served a four-year term, ending 2017, as Chairman of Egypt's independent non-banking Financial Regulatory Authority (FRA), where he achieved a major legislative and regulatory leap in capital markets, insurance, mortgage, leasing, private pensions, factoring, and microfinance.

He served on the board of the Central Bank of Egypt from 2013 to 2017, as well as its Monetary Policy Committee, and chaired its Audit Committee. He was also Chairman of the Financial Services Institute and the Egyptian Institute of Directors and a member of the board of the country's National Payment Council and its Anti-Money Laundering Unit.

In 2014, Mr. Samy was the first Egyptian to be elected to the board of the International Organization of Securities Commissions (IOSCO); he was reelected for a second term in 2016. He was also elected President of the Union of Arab Securities Authorities in 2016/2017. Prior to that, he was the Managing Director of Banque Misr's investment arm, Misr Capital, and a board member of Banque du Caire. Starting 2007, he was appointed for several consecutive terms to the board of the investment promotion agency GAFI.

Mr. Samy started his professional career with global consulting firm Accenture, working at its Chicago, Riyadh, and Beirut offices. He graduated from Alexandria University's Faculty of Commerce with high distinction and attended numerous executive programs at leading business schools in the USA and Europe in the areas of strategy, management, and investment.

Mr. Hussein Abaza
Chief Executive Officer and Managing Director

Mr. Hussein Abaza leads strategy and operations at CIB, an institution with more than 7,700 employees serving more than 1.6 million customers, including Egypt's 500 largest corporations, online and at 206 branches, 1,307 ATMs, and 25,993 points of sale nationwide.

Mr. Abaza has been Chief Executive Officer and Managing Director since 24 June 2021, and he was Chief Executive Officer and a Member of the Board of Directors from March 2017 until 24 June 2021. He also Chairs the Executive Committees (Management and High Lending and Investment Committees). He assumed this position after a six-year run as CEO of Institutional Banking. Prior to this, Mr. Abaza was the Bank's Chief Operating Officer and, from 2001 to 2010, its Chief Risk Officer, responsible for managing credit, market, and operational risk across CIB.

Mr. Abaza is also a leader of the Bank's award-winning Investor Relations program, where he has helped CIB grow from a market capitalization of EGP 10.8 billion in 2008 to EGP 82.3 billion as of July 2021. Under Mr. Abaza's leadership, the team managed Ripplewood's 2009 exit from CIB, the entry into the shareholding structure of global emerging markets private equity firm Actis, and the subsequent sale of Actis's 6.5% stake to Canadian insurance firm Fairfax Financial Holding Ltd. in the Egyptian Exchange's first block trading transaction. The Bank's IR program has taken home wins from the Extel / MEIRA poll for five consecutive years, from 2014 to 2018.

In his more than 25 years with CIB, Mr. Abaza has become actively involved in the Bank's regionally renowned credit training program, providing talented young bankers with the theoretical basis and hands-on experience needed to assess the creditworthiness of organizations across all sectors of the economy.

He brings to CIB a sharp interest in financial markets and non-bank financial services, having served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001. He called on that experience from 2014 to 2017 as Chairman of Cl Capital, a leading Egyptian investment bank and subsidiary of CIB until the Bank exited its investments.

Mr. Abaza joined CIB after obtaining his BA in Business Administration from AUC. He pursued post-graduate training and education in Belgium, Switzerland, London, and New York.

Mr. Hisham Ezz Al-Arab
Non-Executive Director

Mr. Hisham Ezz Al-Arab, with 40 years of international banking experience, was appointed Non-Executive Director at CIB in November 2022. Prior to this, Mr. Ezz Al-Arab served as an advisor to the Governor of the CBE for three months, and he founded and chaired the HE Advisory in 2020. Having worked in international banking in the Middle East, Europe, and Africa, he acts as an advisor for corporations regarding growth strategies, resources mobilization, and financial risk management. Additionally, he advises fintech startups on fundraising and strategy.

Mr. Ezz Al-Arab is the former Chairman and Managing Director of CIB, where he served from 2002 to 2020. During his tenure, he transformed the institution from a wholesale lender with a market capitalization of EGP 1 billion into Egypt's largest private-sector bank with a market capitalization of EGP 100 billion. As the blue-chip component of the Egyptian Exchange with ADRs and GDRs listed on the New York and London Stock Exchanges, the stock is the preferred proxy for Egypt and a benchmark for the banking industry in emerging markets. Mr. Ezz Al-Arab was committed to cultivating a culture of entrepreneurial spirit and meritocracy and being up to global standards with regards to corporate governance and risk management.

Equally committed to the Bank's global responsibility, Mr. Ezz Al-Arab introduced sustainability and gender equality initiatives in 2013. Under his leadership, CIB was the first bank in Egypt to produce a sustainability report and become signatories of the UNEP-FI: Principles for Banking. CIB was also included in the Low Carbon Select Index in the MENA region, being the only African company to be listed in 2019. He also led the digital transformation of the Bank's processes and practices, including the establishment of a Data Analytics Unit, the first in any Egyptian bank. The Unit subsequently advised the Egyptian government regarding data collection and analysis.

Mr. Ezz Al-Arab led the transaction to open CIB Mayfair Bank in Kenya to provide trade finance and credit facilities for the Bank's Egyptian mid-sized corporate customers looking to expand in Africa. He has been recognized by a number of global publications for his leadership and the Bank's performance, having been named Best CEO in Egypt and Africa by EMEA Finance in 2014.

In 2016, Euromoney recognized his Outstanding Contribution to Financial Services in the Middle East, and CIB was awarded Euromoney's Best Bank in Global Emerging Markets, the first bank in Egypt and the MENA region to receive the award. Also in 2016, the Bank received the Best Bank in the Middle East award. In 2018, it was named Best Bank for Social Responsibility in the Middle East and Best Emerging Markets Bank by Global Finance in both 2018 and 2020.

Mr. Ezz Al-Arab is a Member of the Institute of International Finance (IIF) in Washington and the Emerging Markets Advisory Council (EMAC), as well as a board member of Ripplewood Advisors MENA. He is also a former Chairperson of the Federation of Egyptian Banks; a former board member of AUC, where a scholarship was named after him; and served on the boards of Smart Africa and Fairfax Africa.

Prior to joining CIB in 1999, Mr. Ezz Al-Arab spent his career as a banker at Merrill Lynch, J.P. Morgan, and Deutsche Bank in London and the Middle East.

H.E. Dr. Amani Abou-Zeid
Lead Director, Non-Executive Independent Director

Dr. Amani Abou-Zeid is the twice-elected African Union Commissioner in charge of Infrastructure, Energy, and Digitalization. For over 35 years, Dr. Abou-Zeid has served in leadership positions at international organizations, such as the African Union, African Development Bank, UNDP, and USAID, with a focus on infrastructure and energy programs. She has amassed a remarkable mix of experience from across continents and stakeholders.

Dr. Abou-Zeid led and launched numerous African continental programs and initiatives, including Single African Air Transport Market, African Single Electricity Market, and First African Digital Transformation Strategy. She also developed the second 10-year Programs for Infrastructure Development in Africa, thus delivering on African Union Agenda 2063.

Prior to her current post, she managed AfDB's largest operational portfolio and implemented national and continental multi-sectoral development programs, including implementing the world's largest solar power plant.

An Egyptian national, Dr. Abou-Zeid has a multidisciplinary education, with a BSc in Electrical Engineering from Cairo University, an MBA from Université Senghor, an MPA from Harvard University and a PhD in Social and Economic Development from the University of Manchester.

Dr. Abou-Zeid was selected five times as one of the Most Influential African Women by Avance Media, and one of the Most Reputable Africans. She was awarded the Order of Ouissam Alaouite from H.M. King of Morocco, named "Personalité d'avenir" by France, and received the "Outstanding Alumni Award" from the University of Manchester, UK — some of numerous international awards and recognitions.

Dr. Abou-Zeid is member of the prestigious Global Leaders Broadband Commission for Sustainable Development, the Global Commission for Urgent Action on Energy Efficiency, and the Stewardship Board for System Initiative on Shaping the Future of Energy.

Dr. Abou-Zeid implemented numerous notable national, regional, and transcontinental infrastructure projects and programs focusing on results, embracing technology, climate resilience, and engaging with both local and global stakeholders to ensure sustainability, effectiveness, and impact. Recently, she led Africa's Common Position on transport for post-pandemic recovery, and she led the African Common Position advocating for Africa's right to universal energy access and just transition.

Dr. Abou-Zeid sets an example for women in STEM, leadership, and decision-making positions. She has long been named and recognized as a champion of gender equality and women empowerment.

She is fluent in four languages and is passionate about classical music, plays piano, is a certified alpinist, and competes for top positions in desert car rallies, among other interests and activities.

Mrs. Magda Habib
Non-Executive Independent Director

Mrs. Magda Habib is the co-founder and Chief Executive Officer of Dawi Clinics, a chain of primary care clinics established in Egypt in 2016. She has vast experience in the technical information technology, electronic payments, and smart banking solutions fields. She draws upon 25 years of expertise in various managerial arenas, including strategic brand management, consumer and retail marketing, corporate communications, and investor relations.

She was also a co-founder, board Member, and Chief Commercial, Marketing, and Strategy Officer at Fawry Banking and Payment Technology Services. As a co-founder and a key member of the executive team, Mrs. Habib helped establish Fawry as the leading electronics payment platform in Egypt with more than 50,000 payment points nationwide. Mrs. Habib's journey with Fawry culminated with a successful exit to a consortium of private equity funds in 2015.

Prior to Fawry, Mrs. Habib spent nine years as a member of Raya Holding's executive team, where she played a key role in the merger and development of Raya Group, as well as being responsible for the creation and development of the Raya brand during its evolution into one of Egypt's leading technology players.

Mrs. Habib obtained an MBA from INSEAD, France. She holds a BSc with Honors in Computer Science from AUC.

Mr. Paresh Sukthankar
Non-Executive Independent Director

Mr. Paresh Sukthankar has been a banker for over three decades. He was part of the core team that founded HDFC Bank Ltd. in 1995 and helped build it into one of India's leading, most respected financial institutions. At HDFC Bank, Mr. Sukthankar contributed to various key areas, including credit, risk management, finance, human resources, investor relations, corporate communications, and corporate social responsibility. He also led the teams managing HDFC Bank's two acquisitions and its equity capital issuances in the domestic and international markets. Mr. Sukthankar was inducted on the bank's Board as Executive Director in 2007 and was elevated to the post of Deputy Managing Director in 2014. Mr. Sukthankar resigned from HDFC Bank in 2018.

Mr. Sukthankar has been a member of various committees formed by Reserve Bank of India and Indian Banks' Association. Prior to joining HDFC Bank, Mr. Sukthankar worked at Citibank from 1985 to 1994 in various departments, including corporate banking, risk management, and financial control. Mr. Sukthankar is currently Lead Partner in Sanaksh Advisors LLP, a firm he founded to provide advisory services to private equity, venture capital, and other entities. He is a member of the Board of Management of the Jamnalal Bajaj Institute of Management Studies, University of Mumbai; the Advisory Board of two NGOs, Project Mumbai and KSWA's Yuva Parivartan; and the Academic Advisory Council of the College of Supervisors of the Reserve Bank of India.

Mr. Sukthankar received a BCom from Sydenham College and an MBA from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He has also completed the Advanced Management Program (AMP) from Harvard Business School.

Mr. Rajeev Kakar
Non-Executive Independent Director

Mr. Rajeev Kakar is a seasoned banker, business founder, entrepreneur, and corporate board member with over three decades of global banking experience and expertise in financial services, especially in Emerging Local Corporate/Commercial/MSME/Retail Banking, across multiple countries, with focus on high-growth emerging markets in the Asia Pacific/China, Europe, Indian Sub-Continent, MENA/GCC, and Central/Eastern Europe regions.

Mr. Kakar has a strong track record of successfully operating large banks, financial institutions, and leading business turnarounds, with a demonstrated ability to conceptualize and execute multi-country business strategies, lead acquisitions and business/digital transformations, launch greenfield financial services businesses, and deliver profitability over a sustained period, while contributing to the community and actively serving on several prominent boards across different countries.

He started his career at Citibank NA where he worked for two decades, and in his last role was the Regional CEO for Citibank's Turkey, Middle East, and Africa region until 2006. He moved on to become the Global Co-Founder of Fullerton Financial Holdings, Singapore, where he served for 13 years on the Global Management Board as its Executive Vice President and Global Head of Consumer Banking, and was CEO-CEEMEA region of Fullerton Financial from 2006 to 2017. While doing this role, he founded Dunia Finance LLC, Fullerton's UAE subsidiary, where he served as its Founder Managing Director and CEO until 2018.

Mr. Kakar also serves on the boards of several Banks and Financial Institution, namely Eurobank Ergasias SA (Greece), Gulf International Bank (GIB Bahrain), Gulf International Bank (GIB Saudi Arabia), Commercial International Bank (Egypt), and UTI Asset Management Company (India). He has also been a member of the Global Advisory Board of the University of Chicago's Booth School of Business since 2009.

Mr. Jay-Michael Baslow
Non-Executive Independent Director

Mr. Jay-Michael Baslow brings to the Board a variety of banking experience acquired during the past four decades. Mr. Baslow spent the last 16 years of his career in Risk Management at J.P. Morgan, covering a range of sectors. Prior to his 2019 retirement, he was the Head of EMEA Risk Management for the bank's Wealth Management organization and the Chief Risk Officer of J.P. Morgan International Bank Ltd., its London-based private bank. Prior to that, Mr. Baslow worked in Credit Risk Management, covering a variety of corporate and financial sectors and EMEA regions, including over three years based in Dubai as Head of MENA Credit Risk and then returning to London as the Head of EMEA Emerging Markets Credit Risk.

During the late 1990s, Mr. Baslow was an investment banking client executive at Chase Securities, covering global telecommunications operators and equipment manufacturers from the bank's New York headquarters. He started his career with Chemical Bank in the 1980s, first as a technologist and then as a real estate investment banking analyst.

In addition to his banking experience, Mr. Baslow was a strategy consultant in the Media and Telecoms industry at Booz Allen and Hamilton. He co-founded Frictionless Commerce Incorporated, a strategic sourcing software startup in Cambridge, MA, where he was Chief Financial Officer and a member of the Board. He was also the Associate Dean for Resource Development at Harvard Medical School, overseeing the major gifts and planned giving operations.

Mr. Baslow received a BA in Mathematics from the University of Pennsylvania and an MBA in Finance from the university's Wharton School.

Mr. Tarek Rouchdy
Non-Executive Independent Director

Boasting four decades of experience with local, regional, and international banks and financial institutions, Mr. Tarek Rouchdy brings a wealth of knowledge and experience in internal audit, controls, and risk management. He currently manages his consulting firm and is a Commissioner of the UK's Independent Commission for Aid Impact.

Mr. Rouchdy's professional career spans Egypt, Europe, Africa, and the Arab region. He is a former Head of Internal Audit at the European Bank for Reconstruction and Development and of the African Development Bank. He also worked at the Italian International Bank in London and the Bank of Nova Scotia, among others.

Mr. Rouchdy holds a BA in Economics from the AUC. He is an Associate of the Chartered Institute of Bankers, an Associate and Fellow of the Chartered Association of Certified Accountants, and he holds a Diploma in Corporate Treasury Management from the Chartered Institute of Corporate Treasurers.

> “The Board of Directors is responsible for the stewardship of the Bank and overseeing the implementation of the Bank's strategic initiatives and its functioning within the agreed framework.

Mr. Fadhel Al Ali
Non-Executive Director

Mr. Fadhel Al Ali serves as the Chairperson of Dubai Financial Services Authority (DFSA). He is a strategic leader with a vast range of experience in corporate governance and commercial roles across a variety of business contexts, such as startups, rapid growth, fix-it, and turnarounds.

He brings 30 years of experience in multiple industries, including real estate, hospitality, investment, and banking, and he led several corporate functional organizations that include finance, HR, Legal, Business Excellence, and Marketing and Communication.

Throughout his career, Mr. Al Ali has made remarkable achievements that extend from contributing in the creation of Dubai Holding and managing its 2009 post-recession crisis, along with contributing to the creation of its new business model as a strategic investor. He recorded the highest ever profit for Dubai Holding since its inception. He also succeeded in issuing multi-currency, multiple tenor bonds worth USD 2.25 billion for Dubai Holding Commercial Operations Group.

Mr. Al Ali started his career as a banker in 1989 at Citibank. He then joined Dubai Holding in 2004 where he served in multiple positions, including CFO, COO, and, finally, its CEO until 2017, after which he served as FAB's Deputy CEO and group COO until 2021 before chairing DFSA.

Mr. Al Ali joined the CIB Board of Directors in May 2022 as Non-Executive Board member, representing the interest of Alpha Oryx Ltd., a subsidiary of ADQ.

Mr. Al Ali holds a BA in Industrial and System Engineering from the University of Southern California.

Mr. Aziz Moolji
Non-Executive Director

Mr. Aziz Moolji serves as ADQ's M&A and Alternative Investments Director. He brings over 20 years of experience in Private Equity and Investment Banking across North America and Emerging Markets. He invested over USD 2 billion in transactions across Financial Services, Consumer Products, Industrials, Infrastructure, Education, Hospitality, and Logistics.

Mr. Moolji started his career at Goldman Sachs & Co. in 1996. He joined Lehman Brothers in 2005, after which he joined Merrill Lynch & Co. Inc. in 2006 as Vice President, Financial Sponsors Group, for two years. In 2009, Mr. Moolji joined The Abraaj Group, Dubai, where he served as Managing Director of Private Equity for 10 years. He led transaction execution, post-acquisition management, and exits for transactions across Middle East, Africa, Turkey, Asia, and Latin America. Mr. Moolji also served as Vice President of Investments and Portfolio Management at Dubai Holding for two years until 2021 before joining ADQ.

Mr. Moolji joined CIB's Board of Directors in May 2022 as a Non-Executive Board Member representing the interest of Alpha Oryx Ltd., a subsidiary of ADQ.

Mr. Moolji holds a BS in Electrical Engineering and Management from Massachusetts Institute of Technology, Cambridge. He later received his MA in Finance from the Wharton School of the University of Pennsylvania.

EGP / BN

90,8

average market cap

Executive Management

Mr. Hussein Abaza
Chief Executive Officer and Managing Director

Mr. Hussein Abaza leads strategy and operations at CIB, an institution with more than 7,700 employees serving more than 1.6 million customers, including Egypt's 500 largest corporations, online and at 206 branches, 1,307 ATMs, and 25,993 points of sale nationwide.

Mr. Abaza has been Chief Executive Officer and Managing Director since 24 June 2021, and he was Chief Executive Officer and a Member of the Board of Directors from March 2017 until 24 June 2021. He also Chairs the Executive Committees (Management and High Lending and Investment Committees). He assumed this position after a six-year run as CEO of Institutional Banking. Prior to this, Mr. Abaza was the Bank's Chief Operating Officer and, from 2001 to 2010, its Chief Risk Officer, responsible for managing credit, market, and operational risk across CIB.

Mr. Abaza is also a leader of the Bank's award-winning Investor Relations program, where he has helped CIB grow from a market capitalization of EGP 10.8 billion in 2008 to EGP 82.3 billion as of July 2021. Under Mr. Abaza's leadership, the team managed Ripplewood's 2009 exit from CIB, the entry into the shareholding structure of global emerging markets private equity firm Actis, and the subsequent sale of Actis's 6.5% stake to Canadian insurance firm Fairfax Financial Holding Ltd. in the Egyptian Exchange's first block trading transaction. The Bank's IR program has taken home wins from the Extel / MEIRA poll for five consecutive years, from 2014 to 2018.

In his more than 25 years with CIB, Mr. Abaza has become actively involved in the Bank's regionally renowned credit training program, providing talented young bankers with the theoretical basis and hands-on experience needed to assess the creditworthiness of organizations across all sectors of the economy.

He brings to CIB a sharp interest in financial markets and non-bank financial services, having served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001. He called on that experience from 2014 to 2017 as Chairman of Cl Capital, a leading Egyptian investment bank and subsidiary of CIB until the Bank exited its investments.

Mr. Abaza joined CIB after obtaining his BA in Business Administration from AUC. He pursued post-graduate training and education in Belgium, Switzerland, London, and New York.

Mr. Amr El Ganainy
Chief Executive Officer, Institutional Banking

Mr. Amr El Ganainy is one of the Egyptian esteemed financial industry executives, with over 35 years of experience since his graduation from the Faculty of Commerce, Cairo University in 1985. He pursued his first career step at Suez Canal Bank where he excelled and became a Senior Dealer. He moved to Export Development Bank in 1994 and reached the post of Chief Dealer. In 1996, he joined United Bank of Egypt as part of the new management team tasked with revamping the bank, assuming the role of Treasurer and Head of Correspondent Banking.

Mr. El Ganainy joined CIB in 2004 as General Manager of the Financial Institutions Group, and he led the department through his strong business relationships in the market on the local and regional fronts. He has also been JP Morgan Chase – London credit certified since 2005. He was tasked by CIB's management in 2010 to build a Global Customer Relationship Management team due to his excellence in taking any organization he leads forward.

He is currently the CEO of Institutional Banking at CIB. Since his appointment in 2017, he achieved short- and medium-term strategic objectives through his leadership and guidance, while aligning with the Bank's philosophy, mission, and vision.

Mr. El Ganainy's exposure has stretched globally; he was the first Egyptian and youngest Chairman of the InterArab Cambist Association (ICA) based in Beirut, where he is currently the Honorary Chairman. He was also an Executive Board Member of ACI International based in Paris, and he is the Founder and Chairman of ACI Egypt and remains its Honorary Chairman to date.

He represented CIB at a number of its affiliates, chairing the Board of Directors of Falcon Group, which overperformed under his leadership. He also represented CIB at Commercial International Brokerage Co. (CIBC), CI Asset Management Co., and a Board Member of CI Capital Holding Co.

With his renowned reputation and widely acclaimed experience, Mr. El Ganainy was selected as an Independent Board Member in large corporations in Egypt working in a variety of sectors, including aviation, tourism, financial services, and telecommunications. He was also elected to be a Board Member at Misr for Central Clearing, Depositary, and Registry Co. for five consecutive rounds from 2005 to 2021.

Mr. El Ganainy's experience led him to be chosen as a member of the consortium to promote a culture of dealing with tourists as per the decision of the Egyptian Prime Minister in September 2022.

Mr. Mohamed Sultan
Chief Operating Officer

Mr. Mohamed Sultan joined CIB as Head of Consumer Operations in 2008, and he was appointed Head of the Operations Group within six months. In September 2014, Mr. Sultan was appointed Head of Operations and IT before assuming his role as COO.

Under his leadership and management, the Operations Group was significantly developed, resulting in major expansions within the operations function. New divisions were established, serving the expansion of the business or merging several operations divisions, including Corporate Services, Alternative Channels, and Real Estate and Facility Management.

In his continuous efforts to enhance the Bank's internal and external customer experience in alignment with CIB's overall objectives and strategic goals, multiple departments were established, including Treasury Middle Office, Operations Control Management, Retail Operations, Customer Care and Experience, as well as the Sustainable Development Department.

His vision brought about the establishment of the Security and Resilience Management Group, with a clear strategic mandate to develop and firmly establish the Bank's business continuity and cyber security management capabilities. Under his leadership, CIB has obtained multiple reputable certifications in the Security and Resilience Management domains, including ISO 22301:2012 for Business Continuity Management, ISO 27001:2013 for Information Security Management, and PCI – DSS (Payment Cards Industry – Data Security Standards) Certification, positioning CIB as a pioneer and leader among peer financial institutions in the market.

In 2015 and 2016, Mr. Sultan led a major transformation strategy in the IT Department, adding significant value to existing technology and enhanced infrastructure. The aim was a more solid foundation that provides superior services to customers and allows the business to grow smoothly as the Bank moves forward. Mr. Sultan has also been leading programs under the Bank's Strategic and Digital Transformational Agenda and has played a significant role in expediting the adoption of digital technologies with the aim of maintaining CIB's role as a market leader in this domain. He is currently leading the initiative of adopting an Agile Operating model in the bank along with the ongoing digital transformation.

Prior to joining CIB, Mr. Sultan held the positions of Vice President of Branch Operations and Control Management at Mashreq Bank and Country Operations Head at the National Bank of Oman. He attended several leadership programs in top business schools, and he is also an alumnus of INSEAD Business School.

Currently, Mr. Sultan also serves as a Board Member at Mayfair CIB, Telecom Egypt, and Egytrans.

Ms. Nevin Wefky
Chief Executive Officer, Corporate Credit and Investment

After graduating from the German School in Cairo (GUC) in 1981 and receiving her BA in Business Administration, with the highest honors, from the American University in Cairo (AUC) in 1985, Ms. Wefky joined CIB in 1986 and finished the Credit Course in February 1987. She then joined the Corporate Banking Group. Throughout her banking career, Ms. Wefky completed various post-graduate training courses in the USA, the UK, and Europe, covering different areas, such as corporate, risk, investment, and strategic leadership.

In March 2017, Ms. Wefky was appointed Deputy CEO, Institutional Banking, handling both the Corporate Banking Group and the Global Customer Relations Group. She is currently the President of Corporate Credit and Investment in December 2017, handling the Corporate Credit Banking Group, Direct Investment Group, and Debt Capital Market Group. She joined the Bank's Management Committee in October 2020 and was appointed Chief Executive Officer of Corporate Credit and Investment in February 2021.

Under her leadership, the Bank's corporate loan book has more than quadrupled in the last 10 years. Ms. Wefky is currently overseeing a transformation project for the corporate functions across the value chain, aiming to migrate the entire corporate lending cycle to an electronic solution, thus streamlining all business, risk, and operation processes and paving the way for future CIB employees to continue leading the corporate finance market.

Throughout her career, Ms. Wefky was chosen to represent CIB as a board member, Managing Director, and Chairman at several affiliates. She is an active member in several committees within the Bank, such as the High Lending and Investment Committee, Asset and Liability Management Committee, Non-Financial Risks and Compliance Committee, and Pricing Concession Committee.

Mr. Talha Karim
Chief Risk Officer

Mr. Karim was named CIB's Chief Risk Officer and member of the Bank's Management Committee in 2022. He is responsible for the Risk organization and provides oversight of the Bank's spectrum of risk-taking activities encompassing financial risks, including credit, market, and liquidity, as well as other core risks, such as operational, third-party, technology, reputation, strategic, model, and social and environmental. He also oversees controls and governance established for each area as appropriate.

Mr. Karim has over 25 years of experience in Enterprise Risk Management (ERM) and Asset and Liability Management (ALM) in the banking sector. He has worked in both developed and emerging markets, leading and implementing comprehensive and effective ERM and ALM frameworks, ensuring all risks are effectively managed within the defined risk appetite, while taking into consideration the economic and regulatory challenges. Additionally, he has successfully managed key initiatives related to process reengineering, strategic project management, and risk transformation.

Mr. Karim started his career in Risk Management in Canada at the Bank of Montreal then joined Toronto Dominion Bank. He later moved to Bank ABC, Bahrain, where he held various senior roles in Risk Management. In 2009, he joined CIB and held several positions, such as the Head of ALM, Head of Risk Management, and Head of ERM with the mandate to expand and transform the areas into a comprehensive function as per best practice, which was successfully achieved.

Mr. Karim received a Master's of International Business in Finance from the University of San Diego, USA, and holds a BSc in Finance from Arizona State University, USA. He also holds a Qualified Risk Director® (QRD) certificate from the Directors and Chief Risk Officers (DCRO) Institute, USA; graduated from the Australian Institute of Company Directors (GAICD), AICD, Australia; holds an ISO 31000 Risk Manager certificate from PECB, Canada; and holds the Association Cambiste Internationale (ACI) Diploma, UK.

Mr. Rashwan Hammady
Acting CEO of Retail banking

Mr. Rashwan has been Acting CEO of Retail banking since August 2022.

He was previously Head of Retail segments and Products at CIB since March 2020. His key responsibilities included leading the development and execution of segments, product propositions, sales, and channel strategies for both consumer and SME customers.

Prior to this, he was the Head of Business Banking and Payment Acceptance at CIB for over seven years and the Head of Strategic Planning for three years before that.

Mr. Hammady started his banking career at CIB in 2004 in Finance.

He earned his MBA from the Booth School of Business, University of Chicago, in 2018, and the industry leading Credit Course in 2006 from CIB.

> The Board of Directors is responsible for the stewardship of the Bank and overseeing the implementation of the Bank's strategic initiatives and its functioning within the agreed framework.

What We Do

CIB serves enterprises ranging from industry-leading corporates to medium-sized businesses.

Institutional Banking

Corporate Banking, and Global Customer Relations Group

Widely recognized as Egypt's leading preeminent corporate bank, CIB serves enterprises ranging from industry leading corporates to medium-sized businesses.

Debt Capital Markets

CIB's position as an industry leader in project finance, syndicated loans, securitization, bonds, and structured finance is cemented with its global product knowledge, local expertise, and capital resources. CIB's project finance and syndicated loan teams facilitate market access for large borrowers, providing them with world-class services with exceptional execution times.

Direct Investment

As a local player that adheres to international standards, CIB actively participates in carefully selected direct investment opportunities in Egypt and across the region, maximizing return on investment.

Financial Institution Group

CIB provides a diverse and tailored set of services designed to suit the needs of banking and non-banking financial institutions.

Treasury and Capital Market Services

CIB delivers world-class services in the areas of cash and liquidity management, capital markets, foreign exchange, and derivatives.

Strategic Relations Group

CIB is dedicated to servicing institutional clients through the Strategic Relations Group (SRG). Highly qualified relationship managers provide customers — including, but not limited to, sovereign diplomatic missions — with exclusive, personalized services catering to their unique business needs.

Enterprise and Governmental Relations Group

The Enterprise and Governmental Relations Group provides world-class, value-accretive services to top-tier local and regional companies under state-owned enterprises, governmental entities, or sovereign authorities. Additionally, the Group creates new business for CIB's other lines of business by offering clients various corporate, digital, and consumer products and services.

Global Transaction and Digital Banking

The Bank's Global Transaction and Digital Banking Group is responsible for managing all corporate and consumer digital channels, ensuring it fully integrates the Bank into clients' daily lives. It develops simple, reliable, and consultative digital experiences that meet customers' needs anytime, anywhere, and on any device.

Retail Banking

Consumer Banking

The Consumer Banking division is central to CIB's dynamic service offering, providing a broad range of retail clients in different customer segments (Prime, Plus, Wealth, or Private) an extensive bundle of products and services tailored to satisfy their needs. These products are diversified from personal to specialized lending solutions, as well as cash management services to credit and debit card offerings.

Business Banking

The Business Banking segment serves over 75,000 SMEs with revenues ranging from EGP 1 million to over EGP 200 million through a network of over 100 experienced relationship managers. The division works with clients across the industry, providing market-leading services and innovative, bespoke solutions for small and medium enterprises as it continues to cement CIB's position as a bank of choice for business owners.

Representative Offices, Strategic Subsidiaries, and Associates

Dubai Representative Office

CIB launched its UAE operations in 2005, offering a full range of products to retail and corporate clients. The office focuses on attracting and channeling inbound investments, cementing relationships with reputable GCC corporations with current or planned investments in Egypt and Africa, and targeting high-net-worth individuals and business banking clients with an appetite for the Egyptian market. The office creates a bridge between the GCC and Egypt by building and maintaining relationships with large corporate clients and financial institutions in the GCC to boost the corporate and trade finance business in Egypt. These strategic alliances are key to the Bank's expansion strategy, allowing it to leverage unique opportunities beyond Egypt.

Addis Ababa Representative Office

CIB established its Ethiopia Representative Office in April 2019 in Kirkos Sub City, Addis Ababa. The office has been fully operational since 19 July 2019. It works closely with Egyptian corporations operating in Ethiopia, as well as international and local financial institutions, to offer creative solutions for their foreign and local financing needs. The office maintains and builds relationships with Egyptian expatriates in Ethiopia and focuses on developing strong ties with Ethiopian banks to pave the way for establishing on-the-ground market intelligence within the country.

CVentures

CVentures is Egypt's first corporate venture capital firm owned by a bank focused primarily on investing in category-defining companies in financial technology spaces with the potential to create meaningful change in financial services. CVentures primarily participates in Series A and Series B investment rounds and seed investment rounds in core financial applications, including, but not limited to, capital markets and payments, money transfers and remittances, digital lending and financial data platforms, artificial intelligence, data analytics and machine learning, security and enterprise IT, insuretech, blockchain, marketing and customer experience, alternative finance, regtech, and digital banking solutions.

Mayfair CIB Bank (MCIB)

CIB acquired 51% of Mayfair Bank Kenya, now known as Mayfair CIB Bank (MCIB), in April 2020 — the first cross-border acquisition by CIB into Sub-Saharan Africa. CIB has since focused on financing activities through MCIB, with special focus on growing the Egypt-Kenya trade corridor, building a bridge for Egyptian large corporates and SMEs to do business and even set up shop in the hub of Eastern Africa and serve multinational and local SMEs in Kenya. CIB continued to empower its investment in Kenya by acquiring the remaining 49% of its subsidiary in January 2023.

Damietta Shipping and Marine Services (DSMS)

Damietta Shipping and Marine Services (DSMS) is a shareholding company, established in 1986 through a public offering. CIB acquired a 32% stake in the company in July 2018, later raised to 49.95% in October 2020. DSMS is a small-sized company with minimal operations focusing on marine services, mainly container repairs, fuel tank rentals, and electricity generators.

Commercial International for Finance Company (CIFC)

Commercial International Finance Company (CIFC) was established in June 2022, offering mortgage and factoring facilities, with operations scheduled to start in 2Q23. CIFC is aiming to transform the complicated mortgage customer experience into a simpler, faster, and more accessible one through offering a streamlined process and providing flexible repayment plans. The company will offer a comprehensive mortgage finance suite introduced in phases: Ijara purchase, Ijara refinance, Murabaha, Musharaka, Portfolio Acquisition, and Financing Usufruct.

Additionally, the company will offer a full factoring product suite to cater for the increasing demand for alternative financial solutions. The solutions will consist of three categories: Export Factoring, Local Factoring, and Import Factoring, including buyer-led reverse factoring programs. Factoring products will provide a wide range of value-added services catering for multinational, large, and SME clients.

Falcon Group

Falcon Group provides a plethora of services, including, but not limited to, security services, money transfer, technical systems, security products, public services and project management, and tourism and concierge services to a variety of industries, such as the industrial, commercial, tourism, and public sectors. The Group provides state-of-the-art, holistic solutions tailored to every client's specific requirements. Falcon Group's key strength lies in its single-point-of-contact solutions that ensure it provides consistent services at the highest quality, lowest risk, with great flexibility and a reasonable cost.

FawryPlus

FawryPlus is Egypt's first agent banking company, providing a wide array of banking and financial services to end consumers and businesses through a network of retail branches across Egypt, focusing on serving urban and underserved regions. FawryPlus branches provide banking services, including limited KYC services and document collection required for mobile wallet registration, prepaid and credit card issuance, loan issuance, and account opening. Other services include collecting bank correspondence and mail, cash withdrawal and deposits, repaying loan and credit card dues, and various bill payments, such as utility, telecom, subscription fees, taxes, and fines.

Al Ahly Computer Equipment Company (ACE)

Established in October 1996 as a joint stock company, Al Ahly Computer Equipment Company ACE has a long and strong track record in the field of trading and maintaining specialized information technology hardware. The company is well-positioned as the system integrator of choice for the government, major banks, and large institutions. ACE sources its original hardware products from recognized companies in the field, such as Sedco, Fujitsu, HP, and Cisco. In 2020, ACE worked with numerous prominent institutions and was awarded a mega tender project from one of the largest national banks in Egypt. Despite challenging market conditions arising from the COVID-19 pandemic, the company's management successfully increased its maintenance contracts to offset the decline in trading activity, ensuring revenue and profitability sustainability. ACE will continue focusing on enhancing its maintenance experience and expanding its client base, along with introducing new products and exploring additional strategic technology partnerships. The ultimate objective is to increase the company's market share and value against competitors.

TCA Properties

TCA Properties is an SPV under Talaat Moustafa Group, established through its subsidiary Alexandria Company for Real Estate Investment (AREI) and its parent company TMG for Real Estate Touristic Investment. The SPV specializes in real estate commercial business activities, including the acquisition, leasing, and selling of commercial real estate units, buildings, and/or spaces, and it will be managed by Alexandria Company for Projects Management.

WHAT WE DO

CIB is focused on creating both financial and non-financial value for all its stakeholders — from shareholders to customers, employees to the communities it serves.

CIB's Stock

> Investors and analysts view CIB's stock as a proxy for the Egyptian market, with the Bank acting as a mirror for the local banking sector.

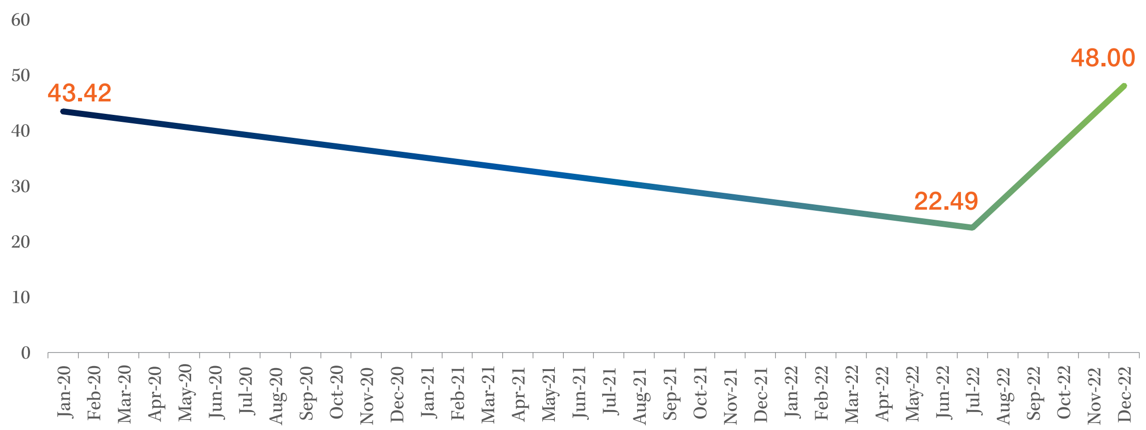
CIB continues to hold the highest weight on the EGX30, accounting for around 29% of the index (by end of December 2022).

Since the Bank began offering its shares to the public in 1995, it has become the biggest constituent on the Egyptian Exchange (EGX). Investors and analysts view CIB's stock as a proxy for the Egyptian market, with the Bank acting as a mirror for the local banking sector. The economy's growth prospects are generally depicted in the credit outlook, while retail banking is seen as portraying the longer-term story of financial inclusion. In 1996, CIB became the first Egyptian bank to offer its shares on international markets, with a GDR program on the London Stock Exchange (LSE). In 2001, CIB marked another first by being the first Egyptian bank to register its shares on the New York Stock Exchange (NYSE) in the form of the American Depository Receipts (ADR) Level 1 program. In 2012, the Bank began trading on OTCQX International Premier, a segment of the OTCQX marketplace reserved for international-leading, non-US companies listed on a qualified international exchange and providing their home country disclosure to US investors.

During 2022, against the backdrop of the Russia-Ukraine conflict, Egypt saw foreign outflows as investors fled emerging markets for safer pastures. The EGX was negatively impacted by the turbulence in the Egyptian currency (EGP), and the country was gaining less attention from investors who were concerned about short-term challenges.

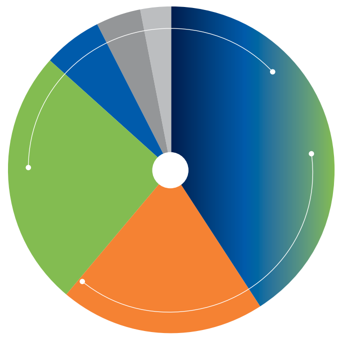
COMI kicked off the year with an open price of EGP 35.22, with a low of EGP 22.49 and a high of EGP 48, ending the year at a closing price of EGP 41.48, with 17.8% y-o-y change. The main event this year was COMI surpassing its all-time-high price of EGP 43.42 (as of January 2020), reaching a high of EGP 48 in December 2022. The average VWAP during the year was EGP 30.47, with an average daily volume of 5.63 million shares and an average market capitalization of EGP 90.76 billion.

COMI



Breakdown of Shareholders by Region

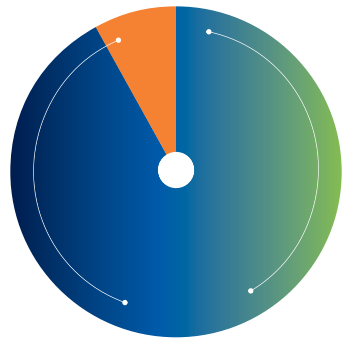
(As of December 2022)



North America	40.96%
Africa	20.28%
GCC	25.69%
Continental Europe	5.83%
UK and Ireland	4.25%
Rest of the World	2.99%

Breakdown of Shareholders by Type

(As of December 2022)



Institutions	92.04%
Individuals	7.96%

By year-end, the Bank's GDR outstanding position reached 658,184,633 shares, representing 22.07% of issued shares, and its ADR outstanding position recorded 33,979,634 shares, representing 1.14% of issued shares. CIB continues to hold the highest weight on the EGX30, accounting for 29% of the index, and free float at 74.9%. CIB's stock is one of Egypt's most liquid stocks, as it is considered the most valuable financial institution.

Investor Relations

The Bank's Investor Relations (IR) division maintains a proactive investor relations program to keep shareholders and investors abreast of developments impacting the Bank's performance. The team and senior management alike dedicate significant time to one-on-one meetings, roadshows, investor conferences, and conference calls, sparing no effort in providing the investment community with transparent disclosures while simultaneously ensuring analysts have the information they need to maintain a balanced coverage of the Bank's shares. Throughout 2022, the Bank's IR division dedicated its efforts to accommodate all the conferences and calls to which CIB was invited. The team attended 11 virtual conferences, roadshows, and forums, and accommodated 153 meetings, including 54 physical meetings. It met with 315 companies, represented by 518 investors and analysts, incorporating a wide range of international, regional, and local institutions.

During the year, disclosures, including regular updates and releases, continued to be periodically made available on CIB's IR website, as well as the EGX, LSE, and OTCQX portals in a timely manner that ensures fair access to information for investors from around the world, allowing them to make informed investment decisions.

Our History

CIB was founded in 1975 as Chase National Bank, a joint venture between Chase Manhattan Bank and the National Bank of Egypt (NBE), with ownership of 49% and 51%, respectively. In 1987, Chase divested its ownership stake as part of a shift in its international strategy. NBE acquired that stake, renaming the former joint venture Commercial International Bank (CIB). Over time, NBE's ownership stake in CIB declined, falling to 19% in 2006. That year, a consortium led by Ripplewood Holdings acquired NBE's remaining stake. In July 2009, Actis, a Pan-African private equity firm specializing in emerging markets, acquired 50% of the Ripplewood Consortium's stake. In December 2009, Actis became the single largest shareholder in CIB with a 9.09% stake after Ripplewood sold its remaining share of 4.7% on the open market. The emergence of Actis as the predominant shareholder marked a successful transition in the Bank's strategic partnership. In March 2014, Actis undertook a partial realization of its investment in CIB by selling 2.6% of its stake on the open market, maintaining its seat on the board. In May 2014, the private equity firm sold its remaining 6.5% stake to several wholly-owned subsidiaries of Fairfax Financial Holdings. In April 2022, Alpha Oryx Ltd (a subsidiary of ADQ) acquired 18.595% of CIB.

1975
- Established as Chase National Bank, the first joint venture bank in Egypt
- Becomes the first Egyptian bank to introduce an Institutional Banking Risk Rating Model

1977
- Became first private sector bank to create a dedicated division providing 24/7 banking services to shipping clients, with a primary focus on business in the Suez Canal

1987
- Chase Manhattan divests its stake in the Bank, and the Bank changes its name to Commercial International Bank (CIB)

1989
- Selected by BSP to become its agent in Egypt

1991
- First Egyptian commercial bank to arrange debt swap transactions
- First bank to launch a smart card center in Egypt

1993
- Concluded Egypt's largest initial public offering (IPO) for a domestic bank, which was 1.5x oversubscribed, selling 1.5 million shares in a span of 10 days and generating EGP 390 million in proceeds

1994
- First bank in Egypt to connect with the international SWIFT network

1996
- First Egyptian bank to have a Global Depository Receipt (GDR) program on the London Stock Exchange

1998
- First private sector bank with investment rating (after Luxor incident), rated BBB by S&P
- First bank to link its database to Misr for Central Clearing, Depository and Registry (MCDR) Company
- First Egyptian bank to form a Board of Directors Audit Committee

2001
- First Egyptian bank to register its shares on the NYSE in the form of ADR Level 1 program
- First bank to introduce FX cash services for five currencies through ATM

2005
- First bank in Egypt to launch a page on Bloomberg for local debt securities

2006
- First to adopt a pricing policy according to client risk rating to abide by Basel II requirements
- First Egyptian bank to execute a EGP 200 million repo transaction in the local market
- First and largest Egyptian bank to provide securitization trustee services

2007
- Only bank in Egypt chosen by UNIFEM and World Bank to participate in the Gender Equity Model (GEM)

2008
- First bank to use Value at Risk (VaR) for trading and banking book for internal risk management requirements, despite there being no regulatory requirements

2009
- First regional bank to introduce unique concierge and Mastercard emergency services
- Only Egyptian bank recognized as "Best Bank in Egypt" by four publications — Euromoney, Global Finance, EMEA Finance, and the Banker — in the same year

2010
- First Egyptian bank to establish a Global Transaction Service department
- The only bank in Egypt able to retain one of the top two positions in the primary and secondary markets for Treasury Bills and Treasury Bonds
- First and only Egyptian bank to enforce business continuity standards
- CIB Foundation becomes the first in Egypt to have its annual budget institutionalized as part of its founding institution's bylaws, as CIB shareholders unanimously agree to dedicate 1% of annual net profit to the Foundation

2011
- CIB-TCM becomes pioneer in trading in almost 114 new and unconventional currencies

2012
- First Egyptian bank to officially establish a Sustainable Development Department

2013
- First Egyptian bank to upgrade its ADRs to trade on the OTCQX platform
- First Egyptian bank to sign an agreement with Bolero International, joining the Bolero multi-bank service for guarantees
- First Egyptian bank to establish an ERM framework and roadmap
- Became first Egyptian bank to use RAROC
- First Egyptian bank to introduce an interactive multimedia platform that offers customers the option of interacting with call center agents over video calls

2014
- First Egyptian bank to sign an agreement with Misr for Central Clearing, Depository, and Registry (MCDR) company to issue debit cards for investors to collect cash dividends
- Launched first co-branded credit card, Mileseverywhere, with national carrier EgyptAir
- Introduced the first interactive social media platform in the Egyptian banking industry
- The first block trading transaction on the EGX took place when Actis sold its 6.5% stake in CIB to Fairfax

2015
- First Egyptian bank to successfully pass external quality assurance on its Internal Audit Department
- Generated highest FX income in 10 years among private-sector banks in Egypt
- First Egyptian bank to recognize conduct risk and establish a framework

2016
- Launched a mobile banking application
- Became the first Egyptian bank recognized as an active member of the United Nations Environmental Program — Financial Initiative
- Received Socially Responsible Bank of the Year 2016 award from African Banker

2017
- Became the only Egyptian bank ranked on the FTSE4Good Sustainability Index

2018
- First Middle Eastern company to be analyzed in a case study conducted by the Leadership Institute of the London Business School
- Established CVentures, Egypt's first corporate venture capital firm primarily focused on investing in transformational fintech startups
- Received ISO22301:2012 certification for Business Continuity Management by PECB, a global provider of training, examination, audit, and certification standards, in partnership with EGYBYTE, a leader in the MENA market for IT service management
- Ranks first on the EGX's sustainability index (S&P/EGX ESG) for the fifth year in a row since 2014

2019

- Included on the 2019 Bloomberg Gender-Equality Index (GEI), becoming the first Arab and African company to be included in the index out of the 230 companies, noting that Bloomberg GEI is the world's only comprehensive investment-quality data source on gender equality
- Became the only representative from Egypt's private sector to join the Digital Economy Task Force (DETF)
- Launched CIB's Chatbot named Zaki, which uses artificial intelligence, becoming the first bank in Egypt to introduce a chatbot that supports both English and colloquial Arabic
- Became a founding signatory to the United Nations Environment Program Financial Initiative (UNEP-FI) Principles for Responsible Banking
- Recognized by Forbes among the top 500 employers globally, coming in 90th place within the top 100 companies in the world

2020

- Acquired 51% of a Kenyan bank, now known as Mayfair CIB Bank Limited in Kenya, through a capital increase for a total transaction value of USD 35.35 million
- Included in the 2020 Bloomberg Gender Equality Index (GEI), becoming the only company in Egypt and one of just a handful from Africa to be included in the index, which features 325 companies representing 42 countries across 50 industries with a demonstrable commitment to the global advancement of women in the workplace
- Ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World, ranking highest of the four Egyptian companies on the list

2021

- Issued green bond worth USD 100 million, making it the first bank to issue green bonds in the private sector
- Ranked 24th on Forbes Middle East's Top 100 Listed Companies in the Arab World
- Became a founding member of the Net-Zero Banking Alliance

2022

- Named Best Bank for SME Banking in Egypt and the Middle East in Euromoney's Awards for Excellence 2022
- Topped Forbes' Top 50 Listed Companies in Egypt
- Alpha Oryx Ltd., a subsidiary of ADQ, acquired 18.595% of CIB

OUR HISTORY

15 awards received throughout 2022

Throughout its long history, CIB has continued to grow and contribute to Egypt's economic and social goals.

Awards

1993 – 1998
- Six-time Recipient of Best Bank in Egypt Award by Euromoney

2005
- First Egyptian bank to win the JP Morgan Quality Recognition Award

2006 – 2012
- Seven-time Recipient of JP Morgan Quality Recognition Award

2013
- First Egyptian bank to win the JP Morgan Quality Recognition Award

2016
- Socially Responsible Bank of the Year by African Banker
- Best Bank in Egypt Supporting Women-Owned and Women-Run Businesses by the American Chamber of Commerce in Egypt
- Achievement in Liquidity Risk and Operational Risk for the Middle East and Africa by Asian Banker
- Best Retail Risk Management Initiative by Asian Banker
- Most Active Issuing Bank in Egypt in 2015 by the European Bank for Reconstruction and Development
- Middle East Most Effective Recovery by BCI

2017
- World's Best Bank in the Emerging Markets by Euromoney, the first bank in the Middle East and Africa to win this award
- First Egyptian bank to be named Best Bank in the Middle East by Euromoney

2018
- World's Best Emerging Markets Bank by Global Finance for the second consecutive year —CIB is the first bank in Egypt and the Middle East to win this prestigious award

2019
- First Egyptian bank to win the JP Morgan Quality Recognition Award

2020
- World's Best Bank in the Emerging Markets Award by Global Finance
- Best Foreign Exchange Provider in Egypt Award by Global Finance
- Best Treasury and Cash Management Providers in Egypt Award by Global Finance
- Best Emerging Markets Bank Award by Global Finance
- Best Private Bank in Egypt Award by Global Finance
- Best Bank in Egypt Award by Global Finance
- Middle East's Best Bank for Corporate Responsibility Award by Euromoney
- Best Regional Bank in North Africa Award by African Banker
- Best Domestic Bank in Egypt Award by Asiamoney
- Best Digital Bank in Egypt Award by Asiamoney
- Pan-Africa Sustainability Award by EMEA Finance

2020 – Continued

The World's Best Consumer Digital Banks in the Middle East 2020

- Best Consumer Digital Bank
- Best Integrated Consumer Banking Site
- Best Online Product Offerings
- Best Website Design
- Best Mobile Banking App
- Best Information Security and Fraud Management
- Most Innovative Digital Bank
- Best Open Banking APIs

The World's Best Corporate/Institutional Digital Banks in the Middle East 2020

- Best Online Investment Management Services
- Best Online Treasury Services
- Best Online Portal
- Best Integrated Corporate Banking Site
- Best Information Security and Fraud Management
- Best Mobile Banking Adaptive Site
- Most Innovative Digital Bank
- Best Open Banking APIs

2021

- Global Finance Best Bank
- Global Finance Best Digital Bank in Egypt
- Global Finance Best Treasury, Cash Management, Best Trade Finance Provider in Egypt
- Global Finance Best in Financial Leadership in Sustaining Communities
- Digital Banker Best Transaction Banking
- Digital Banker Best Bank for Payment Services
- Digital Banker Best Bank for Cash Management
- Digital Banker Best Supplier Financing
- Digital Banker Best Financial Chain Initiative in Egypt
- Euromoney Best Bank in Egypt
- The Banker Best Digital Bank in Africa
- African Banker Sustainable Bank of the Year
- EMEA Finance Most Innovative Bank in Pan-Africa
- Asiamoney Best Domestic Bank in Egypt
- MEED Best CSR Initiative in Asia and Middle East
- Forbes World's Best Employers list for 2021

2022

- Global Finance World's Best Trade Finance Providers in Egypt
- Global Finance World's Best Foreign Exchange Providers
- The Digital Banker Best Wholesale/Transaction Bank for Digital CX
- EMEA Finance Best Green Bond in Africa
- MENA Sustainable Bank of the Year
- Euromoney Missile East's Best Bank for SMEs
- Euromoney Best Bank in Egypt
- Euromoney Best Bank for Digital Solutions in Egypt
- Country Awards
- Euromoney Best Bank for SME Banking in Egypt
- EMEA Finance Best Local Currency Loan
- EMEA Finance Best Structures Finance Deal in Africa
- EMEA Finance Best Cash Management Services in North Africa
- EMEA Finance Best Payment Services in North Africa
- EMEA Finance Best Trade Finance Services in North Africa

02

Strategic Direction

CIB's strategy focuses on strengthening its core business to serve current and potential customers in the corporate, SME, and retail segments.

Strategy

With the dynamically changing market environment and emerging trends, our strategy, in turn, is evolving, yet still shaped around our customer needs and digital transformation.

Moving forward, our growth strategy is based on protecting CIB's core business while tapping into new market opportunities, leveraging digitization as our key enabler.

Our three main strategic directions are

- Maintaining the success of our corporate franchises
- Growing and diversifying our customer bases and sources of revenue to achieve sustainability and resilience through retail mid-income, financial inclusion, SMEs, and non-resident Egyptians (NRE)
- Becoming a digital leader in customer service, sales, and operations

VISION

To be at the forefront of change, build for the future, and turn aspirations into reality.

MISSION

To transform traditional financial services into simple and accessible solutions by investing in people, data, and digitalization to serve tomorrow's needs today.

> The Bank's focus is strengthening its leadership position in corporate banking by diversifying its lending portfolio toward sectors of the future.

Based on its mission and vision statements, CIB's strategy focuses on the following growth drivers:

Our Values

- Customer first
- Leading the market
- Agility
- Integrity

Our Pillars

- Segmentation – making data-driven decision to unlock growth
- Digital Transformation – focusing on branch offloading, digital sales, and adoption and engagement
- Operational Efficiency and Customer Experience – facilitating near straight-through processing to enhance productivity and turnaround time and deliver superior customer experience

Core Business and Digitization

CIB's continued strategy is to protect and strengthen its core business and brand name by building distinctive value propositions supported by data-driven sales, as well as strong digital capabilities and infrastructure for borrowing and non-borrowing customers.

The Bank's focus is strengthening its leadership position in corporate banking by diversifying its lending portfolio toward sectors of the future and refining its operating model to differentiate large and mid-corporates and have a more customer-centric coverage model.

We will also continue to develop our digital capabilities to tap into potential growth opportunities and segments, while lowering the cost of service and turnaround time to ensure operational efficiency and allocation of resources. Recognizing the potential of the NRE segment, a particular focus is on providing a fully remote service and coverage model that caters to the segment's needs. Digital offerings will be a key differentiator in our retail proposition, uniquely positioning us as the bank of choice for NREs.

Operational streamlining and digitization are crucial for CIB to become a leading SME bank with more digitized offerings and differentiated value propositions.

Upscaling African Business

CIB will continue to empower its investment in Kenya by expanding and upscaling its subsidiary, Mayfair CIB (MCIB) and priming it to become a future business hub for the East Africa region. Building a bridge between Egypt and Kenya, the hub will provide regional integration opportunities and provide opportunities to become members in trade agreements, particularly the African Continental Free Trade Agreement (ACFTA). CIB will continue to assess potential markets and suitable entry methods that would complement its Africa expansion aspirations.

Organizational Development

As the Bank evolves and new trends emerge, human capital development remains a priority for CIB. The Bank will continue to promote employee

> CIB will continue to promote employee development through training programs tailored to each position's needs.

development through training programs tailored to each position's needs, while addressing market new trends. The focal points of CIB's strategy lie in bank expansion, employee effectiveness, and digital transformation to maintain excellent customer care and experience.

Additionally, modernizing our compliance, risk, and legal strategies is essential to improve our internal control and streamline our internal processes. In an effort to do so, we continue applying the application and behavioral score cards and credit risk capability to optimize acquisition efficiency and facilitate risk-based pricing.

The Bank remains strongly committed to equality, inclusion, and diversity. We are dedicated to promoting equal opportunities, ensuring a safe environment, and guaranteeing our employees are treated with dignity and respect.

Furthermore, CIB is strongly committed to equality, inclusion, and diversity. We are keen to promote equal opportunities and ensure that our employees are treated with dignity and respect.

CIB Responsible Banking, Green by Example

CIB will continue leading the industry with a sharp focus on sustainable finance education, accelerating the transformation toward embedded sustainability in all operations.

The Bank will be developing environmental, social, and governance (ESG) programs that discuss energy efficiency, renewable energy technologies, pollution prevention, and water and waste management by offering clients financing packages supplemented by technical support.

We will also be establishing an environmental and social Management system (ESMS) to further support banks' recycling and going green efforts, in addition to increasing our renewable energy consumption.

Value Creation Model

Value creation remains one of the main pillars of CIB's strategy. The Bank works diligently to create value for its shareholders, customers, employees, and society. To do this, it efficiently utilizes its key resources to best serve its strategic priorities, taking into account all prevailing macroeconomic driving forces. This results in both financial and non-financial value for CIB's stakeholders.

Strategic Priorities

Customer Centricity
- Offering need-based, bundled value propositions like digital solutions through data analytics
- Quality of service initiatives to enhance customer experience

Organizational Development and Sustainability
- Performance-driven culture
- Social and environmental management system
- Human capital development

Financial Performance
- Asset quality
- Profitability
- Loan growth

Operational Efficiency
- Centralization of operational processes with focus on automation through STP
- Business continuity, cybersecurity, and resilience management

Key Stakeholders

Clients

Employees

Shareholders and Investors

Society

Resources (Input)	Value Created (Outcome)	
Financial Capital Strong financial capital is always reinvested in the Bank's activities.	• EGP 16.2 billion in consolidated net income • EGP 32.75 billion standalone revenues • EGP 67.8 billion net worth • EGP 635.8 billion total assets • EGP 531.6 billion total deposits • EGP 90.76 billion average market capitalization • 25.1% ROAE • 4.86% NPLs • 21.2% cost/income	**Financial Performance** • Ranked number one bank among all Egyptian private sector banks in terms of revenues, net worth, total assets, and deposits • The largest market capitalization in the Egyptian banking sector, and one of the highest ROEs
Human Capital CIB's in-depth expertise across different industries is mainly rooted in its skilled, specialized, and dedicated employees.	• 7,689 total workforce, as of year-end • 28.21% of staff are women • 1,199,814 training hours provided to all employees • First private bank to acquire Egyptian Gender Equity Seal (EGES), guided by the World Bank Gender Equity Model (GEM)	**Human Capital** • Ranked number one bank among all Egyptian private sector banks in terms of revenues, net worth, total assets, and deposits • The largest market capitalization in the Egyptian banking sector, and one of the highest ROEs

Resources (Input)	Value Created (Outcome)

Responsible Capital

Integrating environmental, social, and governance aspects into the Bank's policies, operations, culture, products, and services to achieve sustainable development and act as an advocate of responsible banking.

- Issued Egypt's first corporate green bond
- First bank in Egypt to support the task force for Climate Related Financial Disclosures (TCFD)
- First Egyptian bank to conduct a debit and credit life cycle assessment
- First Egyptian bank to conduct an Environmental and Social Impact Assessment on borrowing SME clients
- Founding signatory to the UNEP-FI Principles for Responsible Banking
- Founding member to the Net-Zero Banking Alliance
- Constituent of the FTSE4Good Index for the sixth consecutive year
- Included in the 2022 Bloomberg Gender Equality Index (GEI) for the fourth consecutive year, after being the first Arab and African company listed on the 2019 Bloomberg GEI—the world's only comprehensive investment quality data source on gender equality
- Co-Chair of the Closing Gender Gap Accelerator, supported by the World Economic Forum (WEF)
- Included in the new Low Carbon Select Index in the Middle East and North Africa (MENA), recently launched by the Arab Federation of Exchanges (AFE) and data provider Refinitiv.

Innovation and Technology

Innovation is chiseled in CIB's DNA, and the Bank is at the forefront of the market in offering simple, fast, and contextual experiences to its customers with a special focus on digitalization.

- Largest ATM network among private banks at 1,307 ATMs
- A 57% y-o-y increase in mobile banking transaction volume, amounting to EGP 216.4 billion, and a 25% y-o-y increase in number of online banking customers
- CIB is the first bank in the market to offer digital registrations for Smart Wallet, maintaining a market competitive activity rate of 21% (30 days)
- CIB ranks first in the Egyptian banking sector in domestic payments over ACH
- A 64% y-o-y increase in corporate internet banking transaction volumes and a 40% y-o-y increase in number of cash management product transactions. Transactions' value amounted to EGP 731.1 billion
- CIB ranks first in the Egyptian market in the e-governmental payment space. Corporate payment services (CPS) saw a 37% y-o-y increase in transaction volume, amounting to EGP 31.4 billion. It also saw a 35% y-o-y increase in number of customers
- CIB is at the forefront of the securitizations market with 11 arranged securitization issuances worth EGP 32.3 billion
- Expanding in digital banking platforms through offering more services to enhance customer experience and sales efficiency and manage costs
- Continuously upgrading the Bank's infrastructure and cyber security capabilities to provide a seamless customer experience in a safe environment

Resources (Input)	Value Created (Outcome)

Service Excellence and Brand Recognition

CIB has long-standing relationships with clients that are built on the concepts of trust, customer centricity, and rights. The Bank's core values enable it to preserve and strengthen its brand positioning in the financial services market in Egypt as the largest private bank, the best bank for corporate and retail services, and a leader in digital transformation.

NPS in 2022:
- Wealth – 37
- Plus – 33
- Prime – 37
- Corporate – 11
- Business Banking – 21

CSAT in 2022:
- Smart Wallet – 8
- Mobile Banking – 8.6
- Internet Banking – 8.5
- ATMs – 8.4

Service Excellence and Brand Recognition

- Since 2014, CIB has been monitoring its service performance through a service index, ensuring sustained, high customer satisfaction levels as part of its overarching strategy
- In 2022, CIB topped Forbes' "Top 50 Listed Companies in Egypt"

Chairman's Note

> The Board of Directors maintained its commitment to a governance framework that is in line with international best practices.

Dear shareholders

2022 saw a challenging and unstable macroeconomic environment, coming out of the global COVID-19 pandemic. The outbreak of the Russia/Ukraine war posed further challenges, having an impact both globally and locally, including rising inflationary pressure. Despite this third year of instability, I am proud to say that CIB's Board of Directors, together with management, successfully steered the Bank through these headwinds safely.

Amid these challenges, the Board of Directors maintained its commitment to a governance framework that is in line with international best practices, with diligent board committees exercising their oversight. CIB's continued dedication to ensuring a secure and controlled environment allows for transparency and adherence to regulatory authorities.

In further keeping with our continued commitment to promoting sustainability in all that we do, CIB has multiplied its initiatives to further promote financial inclusion, finance green projects, and support local businesses. In 2022, we launched Bedaya accounts in order to provide Egypt's unbanked segments with a simple and trusted way of joining the banking sector. CIB also collaborated with the Ministry of Agriculture and Land Reclamation, and allocated EGP 1 billion to the newly launched Agricultural Development Program (ADP) Sustainable Green Finance initiative, to finance green projects. Further contributing to the growth of Egyptian businesses, throughout the year we partnered with several fintechs and provided even more financing solutions.

Our dedication extends to supporting local communities and encouraging youth to excel in sports. This was once again at the heart of our CSR activities this year; we encouraged Egyptian athletes to excel in squash and, for the eleventh year, sponsored the Egyptian Squash Federation. Additionally, this year CIB sponsored the Women's World Team Championships in Madinaty and celebrated the victory of our national team.

On the environmental front, this year's COP27, hosted in Sharm El Sheikh, Egypt, was, of course, a milestone in our active participation in climate related discussions. CIB has always prioritized sustainability and, this year's conference built on a successful COP26 in Glasgow. We are proud to have been a part of six panels discussing a variety of topics such as sustainable finance and global decarbonization. In my capacity as Chairman and together with our executive management, we were invited to take part in a number of other panels covering topics such as climate finance and sustainable development. Playing our part in taking care of the environment and growing sustainably has been, and will continue to be, CIB's overarching priority.

The Board of Directors is confident that 2023 will be a year of sustainable growth, achievement, and further development for CIB. The dedicated CIBians will thrive and continue to create shareholder value to positively impact the society.

Sherif Samy,
Non-executive Chairman

CEO's Note

> We are cognizant of the role we play in steering the industry towards sustainable business strategies and disclosure practices.

Dear shareholders

2022 saw challenges at every turn — from aggressive monetary tightening to soaring commodity prices driven by the Russia-Ukraine war — all of which had tremendous ramifications around the world. Closer to home, the year saw emerging market funds take a "risk-off" stance amid global economic uncertainty, triggering a period of foreign currency outflows and sharply rising inflation in Egypt.

As the nation's leading private-sector bank, we've had to manage multiple challenging developments over the past 14 years, from the global financial crisis of 2008 to the Egyptian revolution, the devaluation of 2016 to the more recent move toward a durably floating foreign exchange regime. At every turn, we've remained resilient — and 2022 was no different. It was a record year by all measures, driven in no uncertain terms by a steadfast commitment to a sustainable growth strategy and the moats we've built to protect us against over a decade of headwinds.

In 2022, our focus was on our core strengths, including growing our loan portfolio while maintaining asset quality and tending to the health of our deposit franchise. At the same time, we have been able to take on new initiatives and focus on innovation, particularly in both digitalization of processes and the growth of our digital presence.

Our loan book remains very clean, with our local currency loan book up 38% year-on-year in 2022. And while we have taken cautious provisions, our non-performing loans (NPLs) are stable despite challenging conditions thanks to our consistent emphasis on credit quality and risk control. In parallel, we protected our current and savings accounts (CASA) franchise, ensuring a stable deposit base even as the nation's two largest state-owned banks offered high-yield products in the weeks immediately after the current reporting period and during the second quarter of the year.

Digitalization continues to underpin our constant evolution as a bank, bringing down the cost of serving our clients while simultaneously improving customer experience satisfaction. The digitization of our back office and the development of customer-facing digital services will serve us in good stead not just as we continue to grow in Egypt, but as we push into Africa, having in January 2023 acquired 100% of Mayfair CIB Bank Limited, our Kenyan arm.

We are also keenly aware that the lynchpin of this continuous evolution is our people. They are the ones building out the technologies, developing the products, and serving the clients and communities we have committed to supporting. As such, we've invested heavily in not just retaining the best and brightest, but to driving cultural transformation. We are becoming less competitive with ourselves and more competitive with the outside world, by making a conscious effort to focus on cross-functional internal coordination and collaboration. The ultimate winners in this process will be our clients — big businesses, SMEs and individual customers alike — who will be even better served by the best banking team in the business.

We are also cognizant of the role we play in steering the industry towards sustainable business strategies and disclosure practices, continuing to integrate environmental, social and governance principles at the core of our operations. As a founding signatory to the Net Zero Banking Alliance (NZBA), we published CIB's first NZBA report this year, identifying the Bank's three main carbon intensive sectors, with the purpose of identifying a baseline. We also published our first Green Bond Impact Report, covering the impact of developed projects under the Green Bond Program.

Looking ahead, we are cautiously optimistic about 2023. While the biggest downside remains high inflation in Egypt and abroad due to continued knock-on effects from the war in Ukraine —which will continue to impact emerging market risk appetite and drive up commodity prices —we have seen a number of positive developments in our local economy. The signing of our assistance program with the International Monetary Fund (IMF) was a key landmark, and with a bounce-back in portfolio investment, renewed interest in the Egypt carry trade, and a return to the global debt market with a USD 1.5 billion sukuk (the nation's first of its kind), we are optimistic that we are transitioning to a functioning free market for foreign exchange.

Our macroeconomic indicators remain solid, with tourism, exports, Suez Canal revenues, and remittances showing strength. In tandem, new momentum in the state privatization program suggests we will see rising foreign direct investment while at the same time holding out hope that we will see not just secondary stake sales, but fresh initial public offerings this year. Investors are already returning to the market on that sentiment: The weeks since the move to a durably flexible currency regime have seen a sharp rise in trading activity on the EGX, and the benchmark EGX30 was up more than 17% by the end of February 2023.

At CIB, we've long understood the role of banking as a catalyst for change, with the potential to improve people's lives, grow businesses, and empower entire communities irrespective of externalities. It is this ethos that has allowed us never to lose sight of our goals — to consistently and constantly invest in innovation and the ongoing development of our people to achieve growth for the bank, for our clients, and for the economy. We are grateful for the support of our board of directors and our shareholders throughout these trying times, and I look forward to reporting back to you 12 months from now with a new set of milestones and achievements that support our position as the bank to trust.

Hussein Abaza,
Chief Executive Officer and Managing Director

BOD Report

Introduction

Despite the challenging market conditions resulting from the various concurrent and consecutive global events, CIB has demonstrated the strength and resilience of its business model and achieved yet another successful year. The Bank continued to put its customers first, and lead the market with agility and integrity, relying on a strong technological infrastructure and the expertise of its human capital.

The year saw the Bank dynamically evolving its strategy in response to the ever-changing operating environment and emerging trends, yet remain centered around CIB's customer needs and digital transformation, making strides on several fronts, despite looming hurdles.

Those same strides solidify the Bank's position as "The Bank to trust" among all stakeholders both on the local and regional fronts. This is further affirmed by the investment of UAE-based ADQ in a strategic stake in the Bank in April 2022 through its subsidiary Alpha Oryx Ltd, thus becoming CIB's largest shareholder with a total 18.595% of shares, and two Board representations: Mr. Fadhel Al Ali and Mr. Aziz Moolji, as non-executive board members. These additions, along with the welcomed return of Mr. Hisham Ezz Al-Arab, CIB's former chairman and managing director, as non-executive board member, further add to the depth and breadth of CIB's board of Directors.

On that note, CIB's board of directors is pleased to present to the stakeholders the following report.

> "CIB's strategy remains centered around its customer needs and its ongoing digital transformation.

Macroeconomic Environment

In 2022, the world witnessed a number of overlapping global events that spurred local challenges across several countries, leading to global economic slowdown, despite some gradual recovery from the negative impacts of COVID-19. The outbreak of the Russia–Ukraine war in 1Q22 disrupted the production and trade of several commodities, including wheat and natural gas, which led to food shortages, increased commodity prices, and triggered the biggest energy price shock since the 1970s, sending world economies into increased inflationary pressures. To curb rising inflation, central banks across the globe had to raise interest rates, which put a dent in global economic growth. Implications of high inflationary pressures, rising interest rates, and currency weakness were all overarching global macro-economic repercussions of the war, which numerous markets – especially Emerging Markets (EMs) – had to endure throughout the year.

The repercussions of the Russia-Ukraine war had a direct and indirect negative impact on Egypt on several fronts. In March 2022, Egypt's Net Foreign Assets (NFAs) turned negative, signaling the sharpest decline since the COVID-19 outbreak in February 2020. The country saw immediate outflows of "hot foreign money" north of USD 20 billion, as investors fled EMs for safer pastures, leading to a 27% drop in the EGX30 to reach a low of 8,598 points in July, down from a high of 12,069 as of January. This prompted the Egyptian government to start drawing down on its foreign currency (FCY) international reserves, which declined to USD 34 billion as of December 2022 from USD 40.98 billion at the end of January. Incoming Russian and Ukrainian tourists – which collectively account for a third of Egypt's tourism – came to a halt during the first half of the year, putting more pressure on the availability of FCY in the Egyptian market. This drove the CBE to change importation rules in an attempt to curb FCY demand and encourage local production. This has, unfortunately, resulted in a piling up of goods at Egyptian ports, causing shortages in several products that continued to year-end. Additionally, due to being the world's largest wheat importer, with 80% of wheat sourced from both countries in 2021, international concerns on Egypt facing food shortages in this staple good were mounting, leading the Egyptian government to adopt policies that supported local production and a shift to other wheat exporting countries after locking in prices to ease the negative pressure on the import bill.

These circumstances pushed Egypt's annual urban inflation upward during the year – surging to a five-year high of 21.3% in December 2022, up from 6.3% in January. Consequently, the CBE tightened its monetary policy in an attempt to curb inflation, signaling the first time to hike rates since 2017. Over four Monetary Policy Committee (MPC) meetings during the year (in March, May, October, and December), the CBE hiked interest rates by a total of 800 basis points (bps) to reach 16.75% in December, doubling January's 8.75% rates. 2022 also witnessed two rounds of currency floatation; in March right after the war and steep FCY outflows, the CBE devalued the EGP by 14% to reach USD/EGP 18.2 in an unscheduled emergency meeting. Another 27% weakening took place in October, sending the EGP to an all-time low USD/EGP of 23.1, after which the EGP continued depreciating, reaching EGP 24.77 by year-end, and recording EGP 30.21 by end of January 2023. Additionally, the CBE increased banks' required reserve ratio (RRR) to 18% from 14% in its meeting in September, and two of the biggest state banks issued 1-year CDs offering 18% return and 3-year CDs offering 17.25% annual return in March. During the first week of January 2023, the two public-sector banks issued 1-year CDs offering 25% annual return, and 22.5% monthly return.

In the midst of the challenging economic situation, the government has put in place a comprehensive policy package to safeguard the country's macroeconomic stability, restore buffers, and pave the way for sustained, inclusive, and private-sector-led growth. The government conducted press and economic conferences to announce its plan in addressing the global economic crisis. Moreover, financial support of over USD 22 billion pledged in investments and deposits by the Gulf Cooperation Council (GCC) countries took place to help shore up Egypt's finances and contain the fallout from the war.

In an effort to maintain the attractiveness of the Egyptian market, yields on sovereign instruments increased drastically throughout the year, reaching 18.03% (up from 11.4%) for the 91 days, and 18.74% (up from 13.22%) for the 364 days. On another positive note, Egypt increased its Liquefied Natural Gas (LNG) exports, laying the foundation to becoming a regional energy center following the war, as several European countries are phasing out the use of Russian gas. Egypt's LNG export revenue reached USD 8 billion in its 2021/22 fiscal year, after volumes increased by 7.2 million tons.

Egypt has been in discussions with the International Monetary Fund (IMF) since March to minimize its funding gap. After reaching a staff-level agreement in October for a USD 3 billion loan through a 46-month Extended Fund Facility (EFF), the IMF Board approved the funding deal in December, which enabled an immediate disbursement of about USD 347 million.

During the year, the government succeeded in extending its social mitigation packages that include expanding the Takaful and Karama cash transfer programs, raising pensions and public sector wages, and implementing tax measures to mitigate the impact of rising costs.

In line with both its Sustainable Development and Financial Inclusion Strategies, the CBE extended the deadline for banks to increase their credit facilities portfolio to micro, small, and medium-sized enterprises (SMEs) to 25% for one year, to end in December 2023. Several operating banks in Egypt also applied to acquire the Digital Bank license, however the executive regulations have yet to be issued. The year also saw the CBE issuing binding regulations designed to promote sustainable finance in the banking system.

Despite these headwinds, Egypt's macroeconomic environment is expected to show improvement in the near future, spearheaded by the gradual recovery in FCY resources. The Tourism sector is anticipated to get a further boost in its receipts, especially following the opening of the Grand Egyptian Museum (GEM), set to be the largest archaeological museum in the world, slated to take place in early 2023, and the new airport that further facilitates tourist arrivals. Currently at their all-time high, revenues from the Suez Canal are expected to continue their upward trajectory, aided by the ending of supply chain and global trade disruptions.

It is of note that the country's FCY revenues collectively accelerated to USD 93.6 billion in FY 2021/2022, up from USD 70.9 billion in 2020/2021; an increase of 32.4% y-o-y. Additionally, the recent IMF financial assistance package, coupled with multilateral financial support, will positively impact Egypt's macroeconomic indicators. The government's solid steps to clear the import backlog and enhance local production to decrease its import bill is anticipated to alleviate pressures on the foreign exchange environment. Its reform plan, centered on increasing the private sector's contribution in the economy, as well as its concrete steps in transitioning into a green economy, will lead to a sounder and sustainable economic environment. Launched five months ahead of hosting the UN Climate Change Conference 2022 (COP27) in Sharm El-Sheikh, Egypt announced its National Climate Change Strategy 2050. During COP27, the country signed a number of partnerships with international finance institutions and development partners to implement projects worth USD 15 billion under its Nexus on Water, Food and Energy (NWFE) program, a flagship initiative for attracting climate finance to some of Egypt's most important green projects.

Backed by historical reforms over the years, Egypt's Banking sector remains robust and able to withstand the local and global challenges taking place for more than a decade. The Banking sector also continued to grow during the difficult circumstances of 2022, whereby customer deposits increased by 22% to reach EGP 7.84 trillion as of y-t-d September 2022, from EGP 6.45 trillion in December 2021. Total credit facilities (including LCY and FCY) rose by 19.4% to EGP 3.7 trillion in September from EGP 3.1 trillion in December 2021. Moreover, the health of the sector was intact during the year, with system-wide non-performing loans (NPLs) recording 3.4% in September, compared to 3.4% in December 2021.

Strategic Pillars

CIB will focus its growth strategy on protecting its core business while tapping new market opportunities, leveraging on digitization as key enabler. The strategy is based on three main strategic themes: marinating the success of our corporate franchises, growing and diversifying our customer base and sources of revenue to achieve sustainability and resilience (Retail mid-income, financial inclusion, SMEs and non-resident Egyptians (NREs)), and becoming a digital leader in customer service, sales, and operations.

Core Business

CIB's strategy remains to protect and strengthen its core business and brand name by building distinctive value propositions supported by data driven sales, strong digital capabilities, and infrastructure for borrowing and non-borrowing customers. The Bank's focus is further strengthening its leadership position in corporate banking by diversifying its lending portfolio toward sectors of the future and refining our operating model to differentiate large and mid-corporates and have a more customer-centric coverage model. We will also continue to develop our digital capabilities to tap into potential growth opportunities and segments, while lowering the cost of service and turnaround time to ensure operational efficiency and the allocation of resources.

Digital Transformation

The success of CIB's digital transformation comes from putting customers' needs at the heart of product, service development, and innovation across the Bank. The Global Transactional and Digital Banking division advocates for the customer during all process redesigns, digital upgrades, and enhancements, helping to translate an understanding of customer needs into clear system requirements, ultimately improving the customer experience. This year witnessed the extension of the Bank of the Future (BOTF) program to Business Banking customers by moving some services to the digital channels. This was a result of extensive collaboration among the Bank's stakeholders.

Our online banking channels became the Bank's primary channels for our customers, with a significant increase in usage and penetration rates. Now, almost 66% of the Bank's customer base uses online banking, with internet banking transactions of 2.2 million transactions worth EGP 65.6 billion, a 13% y-o-y hike. The online banking customer base reached 1.3 million users, up 25% y-o-y, with an activity rate of 62% as of December 2022. Mobile banking transactions were up 57% y-o-y to 11.4 million transactions worth EGP 216.4 billion, a 59% y-o-y hike.

In 2022, we worked on enhancing the IVR navigation experience. We started by introducing IVR to the Smart Wallet line, enabling customers to select the desired service before reaching an agent, and added caller identification to identifying callers' segments to serve them accordingly.

Zaki the Bot, our AI-powered chatbot, conducted over 488,000 interactions in 2022 on both the public website and Facebook Messenger and achieving cost synergy of EGP 8 million. During the year, we finalized the technical infrastructure of Zaki on WhatsApp to diversify the bot's channels, to be launched by early 2023.

CIB maintained its leading position in the Egyptian market in governmental e-payment transactions over the CPS platform, after implementing an aggressive focus business group for selling the CPS products. The Bank applied process re-engineering to transition to the digital sale of CPS products through the Robotics RPA automation technology. This had a positive impact on minimizing the turnaround time (TAT) for transaction processing and enhancing overall performance, with CPS transactions rising 37% y-o-y in volume to 164,000 and 34% y-o-y in value to EGP 31.4 billion. We saw a 35% y-o-y increase in the CPS customer base to 4,000 corporate customers, a 19% y-o-y increase in the transaction migration rate to 56%, and an 87% y-o-y increase in synergies to EGP 18.3 million. CIB ranked 1st in the Egyptian market in ACH direct debit transactions volume and value this year, with a notable increase in transactions, generating significant synergies for cash management, which increased 69% y-o-y to EGP 1.5 billion.

Financial Inclusion and SMEs

In accordance with the government's direction to promote financial inclusion, and as part of our own efforts in that regard, CIB formulated a five-year financial inclusion strategy to provide easier access to financial services to the most vulnerable segments of society by harnessing its digital acumen. The division collaborates with other lines of business to build on existing initiatives, while further developing the Bank's strategy, products, services, and programs. It identified the targeted underserved and unbanked priority segments using behavioral segmentation analysis through insights derived from third-party market research and behavioral and transactional analysis of CIB's existing lower income customer base.

CIB is developing its new digital wallet "Ameen", piloted in select governorates before its official launch in 2023, after receiving CBE approval in 2022. Set to give the Bank an edge, "Ameen" will provide access to even more advanced financial services and products such as savings, loyalty, and lending. "Ameen" is intended to gradually replace the Smart Wallet, which comprise 753,098 customer base in 2022.

As a testament to CIB's innovative and unique SME solutions, Business Banking was awarded the prestigious Best SME bank in Egypt and Middle East by Euromoney, cementing CIB's position as a bank of choice for SMEs and a leader in the Egyptian market. Business Banking grew the assets book in the past four years by 148% to reach EGP 6.5 billion in 2022, while growing its clients base to more than 77,000 companies during the year, up 20% y-o-y. Moreover, the segment managed to grow its business, reaching EGP 67.8 billion in deposits, while trade rose to EGP 32.2 billion, growing 63% and 44%, respectively, over the past year.

CIB also launched a flagship program for SMEs Sustainable Finance in 2022, targeting the integration of ESG principles into Egypt's SMEs across different sectors, as well as the development of innovative sustainable finance products tailored to cater for SMEs and corporates' needs.

For the second year running, CIB participated in the national Haya Karima initiative. In collaboration with the CBE, the Ministry of Planning, and other stakeholders, the Bank provided financial literacy and awareness programs, in addition to simple KYC financial services and products to underserved vulnerable communities in rural governorates.

Geographical Expansion

To further expand our footprint in Africa, in 2022, CIB continued to empower its investment in Kenya by acquiring the remaining 49% of its subsidiary, MCIB Bank in a transaction worth USD 40 million. The bank is set to be a business and digital hub for the East Africa region, and help both countries benefit from regional integration efforts across the continent and the prospects available from being members in numerous trade agreements, especially African Continental Free Trade Agreement (ACFTA). CIB will continue to assess potential markets and suitable entry methods that will complement its Africa expansion aspirations.

MCIB reported a profit of KES 445 million for the period ending 31 December 2022, against a budget of KES 149 million and prior year profit of KES 96 million. The reported profit is mainly attributable to deferred tax income recognized in the financial statements. Net interest income y-t-d closed at KES 773 million compared to KES 691 million recorded in same period of 2021, a 12% increase y-o-y. This is attributable to a 25% y-o-y increase in government securities. Non-interest income closed at KES 83 million, a 59% decline y-o-y from KES 200 million in 2021. The variance is mainly driven by reduced trading income on bonds and lower processing fees on loans.

Sustainable Banking

In 2022, CIB's Sustainable Finance division continued to implement and integrate its Sustainable Finance Pillars across the Bank's operations and functions, after building a solid foundation of Governance, Policy, Framework Architecture, Systems, and Strategy during 2021. In recognition of the role all internal functions play in the success of mainstreaming sustainable finance, we aimed to bring all internal stakeholders together to ensure seamless implementation of ESG principals across CIB.

The Bank conducted workshops for corporates covering green buildings projects and the textile sector for over 200 clients. It also performed Walkthrough Energy Audits, via its own dedicated team of engineers, to identify energy savings opportunities to support our clients' operational efficiency and enhance profitability.

Human Development

The success of our employees is key to the success and sustainability of our organization. We believe the employee experience is at the core of customer experience. We have an ongoing commitment to being the employer of choice for top talents, providing equal opportunities, and creating fulfilling careers and experiences based on our core values and guiding principles. The Bank's key objective is to continue to inspire talented people to join and grow with us in a high-performing and engaging environment.

The talent strategy actively supports CIB's digital transformation through automating several processes, including talent attraction, onboarding, and career mobility. In 2022, a hybrid approach was adopted for internal and external hiring across the organization, whereby virtual means are utilized throughout the hiring process for efficiency, with flexibility to move to the physical approach if and when needed.

CIB hired 1,203 employees in 2022, encouraged the internal mobility of 944 employees, and promoted 665, in line with its strategy to encourage career mobility within the Bank. Internal candidates remain our priority when filling vacancies, and CIB will continue to adopt a balanced approach of identifying talent which relies both on leveraging the skills and experience already available within the organization, while bringing the necessary capabilities that will help position the Bank for long-term sustainable performance. By the end of 2022, CIB's total workforce recorded 7,689 of which 28.21% were women.

Human Resources (HR) designed and delivered a tailored training guide with numerous development tracks to cover employees' training needs, providing the necessary tools to help them achieve their strategic goals. HR availed 75 programs over 550 rounds, delivered to more than 3,000 employees. The department also established more than 50 specialized learning tracks which consisted of technical training and advanced certifications that were delivered to 1,241 employees to support career progression. HR continued to support post graduate studies, internal and executive education, as well as overseas programs that resumed post COVID-19 restrictions.

Following its Africa expansion, CIB sought to replicate the success of its talent and development programs and organized an event for MCIB employees to introduce the newly-established training guide inclusive of physical and virtual customized programs.

HR also developed several initiatives in 2022 to become more socially responsible and continue solidifying its leadership position as a learning hub for youth development. The Differently Abled is CIB's program aimed at promoting the inclusion of differently abled graduates in the workforce and equipping them with necessary skills to navigate the workplace.

In 2022, CIB partnered with Nile University's School of Business to serve the Egyptian financial labor market by providing a new business specialization titled SME Sustainable Finance, the first experience of its kind in Egypt and the Middle East. The program is compliant with the CBE's direction of SME empowerment and sustainable finance legislations and frameworks.

CIB's strategy continues to focus on promoting organizational effectiveness by improving engagement and enablement and enhancing HR's value proposition. In line with the Bank's mandate to help employees manage stress, improve productivity, and promote mental health, HR continued to provide a workplace counseling service in 2022. In addition, a variety of workshops and webinar series were introduced to raise awareness about the importance of mental health in the workplace and instill the concept of self-care across the organization.

Transformation Office

As a part of CIB's 2025 strategy, 2022 witnessed the formation of the Transformation Office. Geared toward turning CIB's culture into an internal accelerator of innovation and transformation, increasing overall efficiency, enabling better collaboration and people management, and advancing the Bank's digital and technology arms for a consistently seamless, hassle-free customer journey, the Office kicked off a cultural transformation journey. It also developed a 360-degree execution plan to help the business and support areas execute the Bank's strategic initiatives.

2022 Financial Position

CIB Performance

FY 2022 saw CIB's consolidated net income increase by 21% y-o-y to EGP 16.11 billion. Standalone net income reached EGP 16.13 billion, up 20% from 2021. Standalone revenues grew by 22% from the previous year to reach EGP 32.75 billion. Consolidated net interest income hit EGP 31.00 billion during the year, up 24% y-o-y. The Bank was able to maintain its operational efficiency in 2022, with the cost-to-income ratio standing at 21.2% compared to 22.8% in 2021. Return on average equity (ROAE) recorded 25.1% on a consolidated basis (post-profit appropriation) compared to 21.7% in 2021. Consolidated return on average assets (ROAA) stood at 2.86% (post-profit appropriation) in 2022, compared to 2.88% in 2021. As of year-end 2022, CIB booked a net interest margin (NIM) of 6.10%, compared to 5.67% a year earlier. The Bank's gross loan portfolio stood at EGP 222.7 billion at year-end, growing 36% y-o-y from EGP 164.3 billion by 2021 year-end. This increase met the Bank's strategic objectives in maintaining asset quality and enhancing profitability. CIB's market share of total loans amounted to 5.41% in September 2022. The Bank pursued deposit growth in 2022, adding EGP 124.4 billion to its base, which grew to a total of EGP 531.6 billion over the year, an increase of 31% from 2021. CIB's share of the deposits market reached 6.10% in September 2022 (excluding EGP 20 billion pertaining to an inward transfer, which took place on 29 September 2022, and which was withdrawn on October 2nd, 2022). Loan-loss provision expense for 2022 amounted to EGP 1.58 billion, with loan-loss provision balance reaching an unprecedented EGP 24.55 billion. This was not associated with any asset quality deterioration, as evident by a solid NPLs of the gross loan portfolio of 4.86%, down from 5.12% by 2021 year-end, cushioned by a solid 227% coverage ratio, but rather a result of the Bank's conservative risk management strategy and management's decision to cautiously frontload adequate provisions to mitigate any and all potential risks that might arise from such a fluid year. The Bank remains comfortably covered in terms of capital adequacy, with year-end capital adequacy ratio (CAR) recording 22.7% (post-profit appropriation)—well above the minimum regulatory requirement. This year's financial results highlight CIB's solid strategic direction, the Board's invaluable oversight, management's

+22%

increase in net income in 2022

strong leadership capabilities, and concrete execution across the Bank's channels, including brick and mortar operations, digital platforms, and the product and support functions.

Appropriation of Income for FY 2022

The Board of Directors proposed the distribution of total cash dividends of EGP 1,613 million to shareholders this year, increasing its legal reserve by EGP 806.4 million to EGP 4.77 billion, and its general reserve by EGP 11.58 billion to EGP 38.68 billion. This reinforces the Bank's solid financial position, as evidenced by its CAR of 22.7%. The proposed dividend distribution falls in line with the Bank's strategy of maintaining a healthy capital structure to address more stringent regulations, mitigate associated risks, and support the Bank's future growth plans.

The EGX performance, Stock Performance, and Equity Analysts' Coverage

Negatively impacted for the first seven months of the year, the EGX's main index (EGX 30) suffered the repercussions of the war, currency fluctuation, and the flight of foreign investors. This resulted in Egypt gaining less traction from international investors, who were concerned about short-term challenges. Consequently, the EGX30 dropped by 28.8% from a high of 12,069 points in January to a low of 8,598 points in July, before picking up to end the year at 14,599 points, showing a 22% y-o-y increase and positioning the EGX as the region's best performing stock market, and the eighth best-performing stock exchange in the world.

On the other hand, COMI kicked off the year with an open price of EGP 35.22, which slid during 2022 to a low of EGP 22.49 in July, and recorded an all-time high of EGP 48 in December (surpassing its EGP 43.42 all-time-high in January 2020), ending the year at a closing price of EGP 41.48, a 17.8% y-o-y increase. COMI's VWAP during the year was EGP 30.47, with an average daily volume of 5.63 million shares and an average market capitalization of EGP 90.76 billion.

In April 2022, a cash dividend was distributed amounting to EGP 1.35 for every share, and in September a stock dividend was disbursed for every two shares held by a shareholder. This led to an increase in the number of shares to 2,982,513,360 from 1,982,513,360. Capital eventually increased by EGP 10 billion, reaching EGP 29,825,133,600 from EGP 19,825,133,600.

CIB is widely covered by leading research houses locally, regionally, and internationally; 15 institutions issued research reports on the Bank during 2022, six of which were local.

Investor Relations Activities in 2022

With the primary role of delivering CIB's story to the investment community at large, the Investor Relations (IR) team has been carrying out its responsibility in maintaining an ongoing, open, two-way communication channel between the investors and shareholders, and the Bank's executive management. During the year, disclosures, including regular updates and releases, continued to be periodically made available on CIB's IR website, as well as the EGX, LSEG, and OTCQX portals, in a timely manner that ensures fair access to information for investors from around the world, allowing them to make informed investment decisions.

In its efforts to build and sustain the relationships with sell-side and buy-side analysts, the IR team attended 11 conferences, roadshows, and forums, and accommodated 153 meetings, including 54 in-person meetings. It met with 315 companies, represented by 518 investors and analysts incorporating a wide range of international, regional, and local institutions.

Thanks to the team's continuous efforts to further enhance the program, CIB was named Leading Corporate for Investor Relations in Egypt and MENA by the Middle East Investor Relations Association (MEIRA) for the ninth consecutive year.

2022 Business Activities

Institutional Banking

CIB's Corporate Banking and Global Customer Relations (GCR) Groups remained focused on healthy balance sheet growth. Across its core business line, the Bank continued to deliver its organic growth and deepen its relationship with its existing clients, while forging new relationships. CIB deployed its capabilities, expertise, and strong balance sheet to help its clients' portfolios achieve their operational and financial goals. Moreover, CIB focused on growing its local currency portfolio, supporting sustainable products and securitization transactions along with offering a suite of products and services tailored to our clients' unique operational and financial needs. Over the past year, CIB has continued to utilize its strong liquidity and soundness by enhancing its cross-offering via a well-rounded product portfolio. CIB's team made significant progress in 2022, helping clients navigate through uncertainty while staying on course toward meeting their operational and financial goals.

In line with CIB's strategic plans for 2022, the Groups' vision focused on both its existing corporate loan portfolio and on supporting the nation's development and mega projects as the backbone of the local economy. Top line performance remained strong, benefitting primarily from robust deposit growth and the impressive revival in corporate lending despite a pressured economic situation. As of December 2022, the Groups' loan and investment portfolio recorded EGP 157 billion. CIB's Corporate Banking and GCR Groups sealed numerous key deals throughout the year, including but not limited to supporting the power sector while focusing on renewable energy and sustainability financing, extending contingent financing to the new high speed National Railway project, supporting the packaging sector by initiating a transaction under the Egyptian Abatement Program, extending a medium-term facility in support of the textiles industry, and arranging and participating with other syndicate banks in an EGP 20 billion securitization transaction.

Despite the prevailing challenging local and global economic conditions, the Direct Investment Group (DIG) managed to secure a healthy level of dividend income from the existing investment portfolio. Additionally, it successfully concluded a 100% exit from two investments operating in offshore oil and gas services, and the Tourism sector. On the other hand, DIG also actively solicited and assessed 26 potential investment opportunities in various attractive sectors in the Egyptian economy throughout the fiscal year 2022. Capitalizing on such efforts, DIG finalized CIB's acquisition of 15% stake in El Sewedy Engineering Industries (SEI), through a primary share acquisition transaction with the purpose of financing the company's future expansions in local and regional markets.

Correspondent Banking continued to grow its outstanding contingent trade finance portfolio covering various mega projects, recording about 51% y-o-y growth while correspondent banking witnessed around c.42% total revenue growth. CIB continues to build its Green Bond portfolio following the successful closing in 2021 of our debut Green Bond offering, subscribed in full by the International Finance Corporation (IFC), making CIB the first bank in Egypt to tap such funding.

From the beginning of January 2022 until end of October 2022, the Development Finance (DF) segment, through managing developmental programs, served 23,166 agri-business beneficiaries with approved developmental agri-loans worth a total of EGP 46.81 million. Also this year, CIB announced the launch of the Agricultural Development Program (ADP) Sustainable Green Finance initiative, in cooperation with the Ministry of Agriculture and Land Reclamation, that coincides with COP27. An amount of EGP one billion, managed by CIB, was allocated from the program to finance green projects with a soft interest.

Regardless of the fluctuation in market conditions, 2022 was a successful year for the Non-Bank Financial Institutions (NBFI) division, which captured significant market share of existing demand by introducing lower prices or new products. The NBFI division maintained strong asset quality of financed loan portfolios related to all clients, with zero defaults and minimal NPLs under various financed portfolios directed to the leasing, consumer, mortgage, and microfinance sectors. NBFI focused on wider market coverage and succeeded in onboarding new-to-bank clients in the newly regulated consumer finance market, among others. This strategy led to loan portfolio growth of 62% in year-end 2022, 69.8% of which was growth in the microfinance portfolio with the collaboration of Development Finance. Some 44.74% of this was directed to women micro-entrepreneurs.

Retail Banking

Throughout the years, customer centricity has been embedded in CIB's values, strategy, products, and processes. In 2022, the Retail Banking department continued deploying the Bank's new service model, which entails the classification of its branch network into three types: Hybrid, Individuals, and Companies.

Reinforcing 'the bank of choice' strategy for the affluent masses was the focus of Consumer Banking throughout 2022, catering the relevant value proposition for each sub-segment at an optimum cost, thus maximizing profitability. Given the strategic significance of lower-income customers on the national scale, and the CBE's direction in this regard, the Prime segment focused thoroughly on acquiring and serving these customers, aiming at providing value, creating the need for reliable banking transactions, and increasing stickiness. This comes in addition to partnering with fintechs and agent banks to better serve and cross-sell to this segment.

Leveraging on our premium pricing strategy, Retail Liabilities continued to stand out by delivering the highest value to all customers from the Household and Business Banking segments through introducing a new LCY pricing methodology. The new pricing structure is the first-of-its-kind in the Egyptian market, providing customers with an exceptional banking experience. It is designed to offer interest rates based on the customer's segment rather than their account balance. CIB also launched Bedaya accounts, aiming to increase financial inclusion in Egyptian society through providing unbanked segments with an easy and convenient way to join the banking sector.

The Consumer Assets business witnessed new records in 2022, with the consumer loan portfolio growing by 35%, credit cards by 33%, while personal loans were up 28%. Following the launch of straight-through processing (STP) for secured assets, the business introduced unsecured payroll process optimization where customers can get instant approvals on their unsecured credit card applications from branches and alternative channels. The consumer loans and overdrafts portfolio achieved a solid financial performance while focusing on delivering a superior experience. In 2022, the consumer loans portfolio witnessed a significant increase of 28% vs. growth of 14% in 2021, while ENR reached EGP 39 billion as of year-end.

The revamp of the secured loans approval process along with the close monitoring of the end-to-end customer journey were clearly reflected in bringing the average approval time for loan applications down by 50%. This also had a substantial effect on secured loans performance, as the turned in applications monthly run rate increased by 38% after the Straight Through Process (STP) launch, while the average ticket size increased by 17%.

2022 was a great year for the Cards business with record acquisition, balance build-up, and spend levels. Monthly acquisition run rates grew by 32% and ENR crossed EGP 7.65 billion. By leveraging on its application and behavior score models and automated rule-based decision engine, CIB was able to extend instant approval for customers applying to certain programs, a 'first-to-market' which ensures fast turn-around and an incredible customer experience. This year, the Mortgage team focused on low- and middle-income mortgages, which led to an ENR of EGP 3.28 billion as of December 2022 vs. EGP 2.34 billion in December 2021, with a growth rate of 40%. The Mortgage initiatives net sales achieved EGP 1.03 billion as of December 2022 vs. EGP 536.87 million in the same period the previous year, with y-o-y growth of 91.97%.

2022 Operational Highlights

Operations and IT

The COO area continued to implement the Bank's transformational journey to deliver exceptional customer experiences, reduce cost to serve, and optimize the bottom line. This is done through building the right digital transformation strategy, enabled by technological advancements, and reflected in enhanced customer products, services, and operational excellence. This was evident during COVID-19 by tackling challenges in day-to-day operations, expediting the digital transformation while ensuring business continuity, and maintaining the highest service quality levels.

Our employees' dedication and efforts culminated in one of the first innovative work models in the Egyptian banking sector; CIB Flex. The program builds the remote work culture and allows the Bank to achieve cost avoidance and introduce flexible work arrangements, which will lead to better life-work balance and productivity, as well as overall cost reduction and flexibility to better respond to market challenges.

CIB's ATM network, a main touchpoint within its digital transformation strategy, reached 1,307 ATMs across Egypt, with a complete revamp of the ATM experience. Work is running diligently in the New Capital project and Core and Shell, with the fit outs already completed for the Bank's branch. It is worth

noting that CIB is the first organization in Egypt and first bank in the Middle East to be ISO 41001 certified for Facility Management, in addition to acquiring the ISO 9001 Quality Management for all CIB Premises.

With the world banding together to fight climate change, Corporate Services and Premises Projects has played a pivotal role in supporting the Bank's environmental sustainability roadmap to apply green initiatives at premises. This includes implementing green walls in branches and head offices, energy savings, using solar energy, piloting operating fleet cars, improving air quality, and recycling paper and plastics. As a result, CIB obtained three Green Pyramid Rating System certificates (GPRS). Furthermore, a state-of-the-art Command and Control Center is now fully operational, allowing better monitoring and control of all branches nationwide, and enhancing the quality of service provided in branches.

To build our efficient digital approach, the IT department has worked diligently to introduce new and upgraded systems in 2022 and implement major transformational programs. Infrastructure resilience and operational excellence are also part of IT's strategy; the department finalized network virtualization to reach 95% and worked to stabilize customer facing systems and integration between the data warehouse (DWH) and core system to enhance reporting, especially the generation of regulatory reports. Branch Operations and Corporate Support, in coordination with IT, launched the new Generic Digitalized Work Flow (GDWF) BPM module. The model was developed to provide a new platform for process flow enhancement between Branches Network and Centralized Operations.

Security and Resilience Management

Determined efforts have been exerted during 2022 to align and comply with the released CBE Cyber Security Framework. The framework serves as the foundational guidance for cybersecurity capability development within the banking sector, incorporating a number of cybersecurity best practices and controls. For the third year, the Bank has successfully maintained its ISO 27001 certification for the Information Security Management System covering alternative channels and digital services, as well as the contact and data centers. CIB has also been able to successfully maintain its Payment Card Industry – Data Security Standard (PCI-DSS) certification for the fifth year and assure full compliance with SWIFT Customer Security Program requirements. The Bank additionally maintained its ISO 22301 certification for Business Continuity Management covering all the Bank's services and related operations for the fifth year.

Further enhancements were introduced to the Bank's Data Classification and Protection program, to further maintain the confidentiality, integrity, and availability of the Bank's and customers' data and prevent unauthorized access or disclosure over different channels. Efforts were also directed toward enhancing our Security Operations Center (SOC) maturity by introducing enhancements to our existing technologies, as well as introducing 24x7 operations to allow for more effective and proactive management of the threats and risks landscape.

People development has always been one of the core objectives of the Security and Resilience area, where continuous investments in the development and upskilling of the different security staff are taking place to equip the team with the necessary knowledge, know-how, and skills to manage the emerging risks and support the newly adopted technologies and concepts around Zero-Trust models, Containerization, Private Cloud, and Open Banking Security with an agile mindset, in line with the Bank's strategies.

Awards and Recognition in 2022

During 2022, CIB received a number of international awards that demonstrate its excellence across different business lines, cementing its position as a leading financial services provider in Egypt and Africa.

Global Finance

- World's Best Trade Finance Providers in Egypt for 2022,
- World's Best Foreign Exchange Providers 2022.

Euromoney

- Middle East's Best Bank for SMEs,
- Best Bank in Egypt,
- Best Bank for Digital Solutions in Egypt,
- Best Bank for SME Banking in Egypt.

EMEA Finance

- Sustainable Bank of the Year,
- Best Green Bond in Africa,
- Best Local Currency Loan,
- Best Structured Finance Deal in Africa,
- Best Cash Management Services in North Africa,
- Best Payment Services in North Africa,
- Best Trade Finance Services in North Africa.

Digital Banker

- Best Wholesale/Transaction Bank for Digital CX.

Environmental, Social and Governance (ESG)

Environment and Climate Change

Following CIB's participation at COP26 in Glasgow, CIB played an active role in the 2022 edition of COP27, which took place in Sharm El Sheikh, under the theme Together for Implementation. The Bank held six panels tackling various topics from sustainable finance instruments innovation, global de-carbonization frameworks, and mainstreaming adaptation finance in the region, under the overarching theme of "From Africa to The World". In addition to six panels, CIB's executive management and members of the Sustainable Finance team were also invited to participate in other panels and contribute to discourse related to a variety of topics, including climate finance, sustainable development, and revising the role of financial institutions within the climate sphere.

After becoming a Founding Signatory of the Net-Zero Banking Alliance (NZBA) in 2021, CIB published its first NZBA Report in 2022, identifying the Bank's three main carbon intensive sectors, with the purpose of identifying a baseline. Moreover, CIB published its first Equator Principles (EP) report, highlighting the Bank's environmental and social risk management practices in place in accordance with the framework.

After issuing Egypt's first corporate Green Bond in collaboration with the IFC, CIB published its first Green Bond Impact Report, covering the impact of developed projects under the Green Bond program, in December 2022.

In October 2022, CIB launched its Sustaining SMEs program, a multi-purpose platform seeking to provide SMEs with capacity building, certification, and Sustainable Finance instruments to aid their sustainable growth. CIB also became the first bank in the MENA region to develop an ecological footprint report that tackles a range of environmental indicators of critical relevance to the Bank's stakeholders. This is the second year that CIB has widened the reporting scope to include carbon, water, and land, as an evolution from the Carbon Footprint Report the Bank has started publishing in 2018. Since CIB started reporting its efforts in 2018, it has made significant progress in improving its own footprint by scoring 22% reduction in scopes 1, 2, and 3. This report highlights CIB's efforts to address the threat of climate change and showcases the Bank's progress in the past three years, with 2018 as the baseline.

In keeping with tradition, the Bank published its 2021 Sustainability Report titled The System Transformation, prepared in accordance with GRI Standards, and incorporating SASB disclosures. The report highlighted the Bank's efforts to integrate sustainability across its operations, as well as commitment to promoting transparency among its stakeholders, partners, and peers.

Society and Development

Diversity and Inclusion

CIB is keen to promote equal opportunities and ensure its employees are treated with dignity and respect. This allows the Bank to attract and retain a diverse workforce and create a work environment where everyone feels valued and can perform at their best.

In 2022, our hiring initiatives focused on CIB's commitment to cultivate and preserve a culture of an inclusive workforce through facilitating employment prospects for the differently abled. The Better Together initiative started in 2020, aiming to provide job opportunities for the differently abled in the Bank's different branches and departments.

Building on what was accomplished in 2020, HR launched the third round of the Helmik Yehmena program to promote women empowerment in the workplace. The program aims to encourage the talents of young women in the Upper Egypt and Delta regions to join the workforce. In 2022, CIB successfully retained its position on the Bloomberg Gender-Equality Index (GEI) for the fifth year, being the only company in Egypt and one of just a handful from Africa to be included in the index.

Also during the year, one round of She is Back was organized for more than 20 women. She is Back helps mothers in their transition back to work after maternity leave. CIB also launched the third round of the Women in Tech Program that was introduced in 2019, which addresses the gender gap in the Bank's technology departments.

100%

reach of HR leadership programs for women in senior and management levels

Building on the various women's empowerment initiatives, HR tailored various leadership programs for women across all levels to equip them with the needed skills in various dimensions and enhance their leadership skills. The programs covered 100% of women on the senior and management levels, 88% of women in middle management, and 75% of women in first-line management.

Corporate Social Responsibility
This year, the Bank implemented various CSR projects and supported initiatives carried out by other organizations. We diversified our community development activities by expanding our scope to include sports, fine art, culture, and social welfare.

During 2022, CIB took part in several national initiatives, such as Haya Karima, Women International Month, Youth International Day, Farmer Day, and Saving Day by contributing with different Smart Wallet activities in different governorates to advance financial inclusion in Egypt.

As part of our education responsibility, CIB sponsored four students under the patronage of H.E the Egyptian president's initiative with full scholarships for the top students from Egyptian National Diploma (Thanawya Amma) at the Egypt University of Informatics.

The Bank continued its sponsorship of the Egyptian Advance Society for Persons with Autism and Other Disabilities (ADVANCE). CIB powered the Autism annual event for the educational academic year end at the Opera House on 14 June.

CIB supported the Nile cleaning day in 15 Governorates Cairo, Kafr El Sheikh, El Gharbya, El Menofya, El Dakahlia, El Qalyubia, Sohag, Qena, Luxor, Aswan, Damietta, El Behira, Beni Suef, El Minya, and Assiut.

CIB Foundation
With a vision to ease the burden on families in need, CIB Foundation works with private, public, and non-governmental healthcare providers that offer free-of-charge services to ensure the widest community reach and maximize the value of its work through achieving positive and sustainable results. Over the past years, CIB Foundation has expanded its activities and initiatives to include different geographical areas throughout Egypt.

New Projects approved in 2022

Their Care…Our Responsibility
As a part of CIB Foundation's longstanding partnership with Yahiya Arafa Children's Charity Foundation, The Board allocated EGP 6 million to fund the annual operating costs of Ain Shams University Hospital's four pediatric units.

A Journey of Hope
Based on the previous successful collaboration with Nile of Hope Foundation, and after Nile of Hope Hospital established a center of excellence to treat children with congenital defects in the greater Alexandria region, CIB Foundation participated in establishing the Diagnostic and the Microsurgical Endoscopy unit serving 300 children annually, with total of EGP 18.38 million.

The Social Preventive Medicine Center, Cairo University Hospitals, Faculty of Medicine
The Board allocated approximately EGP 2.93 million to fund the outfitting and equipping of the Cairo University pediatric outpatient dental care clinic, which will serve 20,000 children annually.

A Vision to The Future
Building on the successful collaboration between CIB Foundation and Alexandria University Hospital, the Board allocated EGP 1.31 million to fund the purchase of a 3D Visualization System. The foundation had previously funded the purchase of an Auxiliary for Ophthalmology Operation Microscope.

57357 Fighters
Maintaining the longstanding partnership between 57357 Hospital and CIB Foundation, the Board allocated EGP 30 million to cover the costs of treatment provided by the hospital for about 5,000 children. Services covered include medical tests, examinations, chemotherapy, radiotherapy, immunotherapy, and more. Furthermore, the Foundation allocated EGP 4 million to fund key activities at the hospital such as radiology, laboratories, medication, radiotherapy, nuclear medicine, and supplies.

Establish a Rehabilitation Center for Children with Cerebral Palsy and Muscular Dystrophy
As part of CIB Foundation's role in supporting children in need, and in line with the Presidential Initiative to Support Children with Cerebral Palsy and Muscular Dystrophy, the Board allocated a total budget of EGP 54 million to establish the first Rehabilitation Center for Children with Cerebral Palsy and Muscular Dystrophy in the region.

A Warmer Winter
The CIB Foundation allocated EGP 21 million to fund the ninth round of collaboration with the Egyptian Clothing Bank to spread warmth during winter months among children, especially in rural areas across Egypt. The full amount was disbursed in 2022.

Supporting Health Interventions for Refugee Children in Egypt
The Foundation has made an allocation of a fund equivalent to USD 100 thousand in EGP to treat 240 children of refugee's families in Egypt, in collaboration with United Nations High Commissioner for Refugees (UNHCR).

Beit Yehmeni
In collaboration with Sawiris Foundation for Social Development, the Foundation allocated EGP 6.5 million to complement the Beit Yehmeni program, which provides a comprehensive package of services to the underprivileged families living in unsafe circumstances, with a comprehensive pediatric health component through medical convoys.

L'MISR Initiative
The Board approved EGP 15 million of funding to the Healthy Children project with the Raie Masr Foundation for Development. It covers the purchasing of three outfitted mobile clinics, in addition to, the operating costs of 900 medical convoys, each with a team of qualified doctors providing examinations and treatments to children in schools and health centers. The project is expected to serve 200,000 children. During 2022, the first installment was disbursed amounting 9.59 million. Furthermore, the Board allocated EGP 19.2 million to fund another round of the project with Sonaa El Kheir Foundation

The Pediatric Surgery Hospital – Part of Ain Shams University Integrated Medical City
The Foundation allocated a budget of EGP 100 million to sponsor the hospital's surgical suite, which incorporates ten surgical theaters with the capsule system. The fund will cover the medical and non-medical furniture in the ten theaters.

Ongoing Projects from Previous Years

The Aswan Heart Center
Building on the longstanding partnership between Magdi Yacoub Foundation and CIB Foundation, the Board allocated EGP 30 million to fund 200 open heart surgeries and purchase 345 catheterization lab consumables at the Aswan Heart Center.

The New Global Heart Centre in Cairo
CIB Foundation provided EGP 35 million over three years to establish a Pediatric Catheterization Lab that allows doctors to perform minimally invasive tests and procedures on patients with various heart conditions. The catheterization lab dedicated to the treatment of pediatric patients will see around 960 children per year.

Their Care…Our Responsibility
As part of the Foundation's longstanding partnership with the Yahiya Arafa Children's Charity Foundation, the Board allocated EGP 3 million to retrofit the depreciated medical equipment in the five pediatric units at Ain Shams University Hospital.

Kidney Care and Cure
The Board allocated EGP 16 million to expand and outfit Sohag University Hospital's pediatric dialysis unit. The new dialysis unit features an ICU, a plasma separation room, 16 new dialysis machines, and a central delivery system that will lower infection rates. It is expected to serve approximately 5,000 children each year.

Gift of Life
In light of the successful collaboration between CIB Foundation, Rotary Club of Giza Metropolitan, and El Kasr El Eini Hospital, the CIB Foundation allocated EGP 4.5 million to fund the third round of 100 open heart surgeries to be performed at El Kasr El Eini Hospital.

Our Differences…Our Strength
In line with the Foundation's commitment to support children with special needs, CIB Foundation allocated a budget of EGP 5.39 million to establish clinics, rehabilitation centers for cerebral palsy, audio, and mental measurement in five rehabilitation centers in Cairo, Giza, and Helwan.

Our Kids Our Future
The Board approved the allocation of EGP 7.33 million to fund a project in partnership with Ibrahim A. Badran Foundation, as well as EGP 1.91 million to fund 50% of the annual operating costs of the pediatric and neonatal ICU sections of Benha University Hospital which were outfitted though a fund from CIB Foundation.

For a Better Childhood
The Board approved a budget of EGP 1.91 million to fund 50% of the annual operating costs of the pediatric and neonatal ICU sections of Benha University Hospital. The two units serve about 3,500 children in the Qalyubia region annually

One Heart
Since its inauguration, Al Nas Hospital, managed by Al Joud Foundation, has been a strategic partner for CIB Foundation. The Foundation allocated EGP 24.36 million to fund the NICU and PICU with new state-of-art equipment.

Children Without Risk
Adding on the successful collaboration with the Garden City Cosmopolitan Lions Club, the Board approved EGP 7.5 million to establish a fully equipped open heart surgery room for children in Mabara El Maadi Hospital.

Touch of Hope
Building on the previous successful collaboration between CIB Foundation and Sporting Students Hospital, the Foundation allocated EGP 3.88 million to establish an advanced pediatric cardiac operating room with the capsule system.

New Children's Hospital in Alexandria
CIB Foundation approved EGP 78 million to expand and outfit The New Children's Hospital in Alexandria. The hospital is expected to serve around 1,200 children annually during the first phase, reaching its full capacity (3,600 children annually) after two years.

A Journey of Healing
The Foundation's Board allocated EGP 11 million in April 2020 to outfit the pediatric department in the Shifaa Al-Orman Hospital in Luxor.

Going Miles for Their Smiles
As part of CIB Foundation's mandate to support the children in need, the Board allocated EGP 1.85 million to support the annual operating costs of FACE for Children in Need to cover a part of the medical services and care provided to orphans.

Heal a Child…Change the World
CIB Foundation allocated a total budget of EGP 2.18 million to support the annual operating costs for two residence facility shelters in 6th of October and Imbaba, operated and supervised by Abnaa Al Ghad Foundation – Banati.

The Dream of the South
The CIB Foundation allocated a total budget of EGP 9.2 million to fund the outfitting of the pediatric neurosurgery department at Aswan University Hospital, aiming to establish a center of excellence in Upper Egypt by establishing inpatient care, an intermediate care unit, and ICU, which will serve 800 children annually.

The Right to Live Upright
CIB Foundation allocated EGP 4.48 million to purchase surgical equipment to perform the complex and minimally invasive spine deformities surgical procedures with the highest quality and precision. This unit will enable the Assiut University hospital to serve 104 children annually.

Super Smile
CIB Foundation allocated EGP 1.25 million to fund 50 cleft lip and cleft palate surgeries to be performed at Ain Shams University Hospitals.

A Step for Life
The Board approved EGP 12.5 million in January 2021 to establish a specialized center for psychological, physiological, and social rehabilitation of children with disabilities in Beni Suef University to integrate them into society, in collaboration with the Awad Charity Foundation.

Together We Can
The exact prevalence of Epidermolysis Bullosa (EB) is estimated to effect 1 in 40,000 people. In this regard, CIB Foundation allocated EGP 1 million to support the remedy of EB patients.

Little Smiles
The Foundation allocated a budget of EGP 4.8 million to establish a general anesthesia unit in the Faculty of Dentistry in Beni Suef University.

+13%
y-o-y internet banking transactions in 2022

6
standing board committees that assist the BOD

Establishing a Cochlear Implant Unit in Al-Azhar University in Assiut
The Foundation allocated EGP 5 million to establish a cochlear implant unit at the Faculty of Medicine – Al-Azhar University in Assiut since the cases that require this type of surgeries are on the rise.

Superstars are Born from Scars
The Board allocated EGP 39.02 million to fund its third collaboration with the Ahl Masr Foundation needed for outfitting the pediatric floor at Ahl Masr Trauma and Burn Hospital. It is expected to serve around 3,500 children annually.

Golden Smile
The Foundation granted Suez Canal University Hospital EGP 3.5 million to purchase an outfitted mobile dental clinic. It will be able to reach children living in the poverty-stricken areas in orphanages and children with special needs.

57357 Fighters
On the grounds of its longstanding partnership with the Children's Cancer Hospital 57357, the Foundation allocated EGP 30 million to establish the Digital Pathology Lab at the hospital.

For a Better Eyesight
The board allocated EGP 3.07 million to support the establishing a specialized pediatric ophthalmology center in Memorial Institute for Ophthalmic Research, Giza. The fund will be directed to outfit the outpatient clinics. The project helps in eradicating the causes of blindness in children and infants, which is prevalent in the Egyptian society.

A Bridge of Knowledge
The Foundation will fund a five-year education and training program for 150 staff members of the Ain Shams clinical team (including doctors, nurses, and technicians) in partnership with Great Ormond Street Hospital for Children (GOSH) in London. This initiative follows the upgrade of the hospital's facilities and equipment in line with international standards. Following the program, Ain Shams University Children's Hospital is expected to double its capacity and serve an additional 67,000 children following the project completion, along with enhancing its overall level of care.

L'MISR Initiative
Under the umbrella of the presidential initiative (Haya Karima) to support Egyptian children physical and mental health, this initiative aims to raise the level of knowledge and awareness to enable the Egyptian children to become well-capable citizens in the future. CIB Foundation allocated EGP 10.91 million to fund the operating costs of medical convoys which will reach poverty-stricken areas in Al-Waqf, Qena Governorate in 27 elementary schools and 15 middle schools. These medical convoys will provide comprehensive medical services to those underprivileged children in many fields such as: Ophthalmology, General Pediatrics, Anemia and Stunting, Diabetes, and others. Furthermore, the convoys will provide the necessary medications, tests and surgeries if needed. During 2022, the project was completed.

Children Without Virus C Program
In collaboration with the Egyptian Liver Care Society, the Foundation dedicated over EGP 5.1 million to fund the Children Without Hepatitis C program. The fund covers medications, blood tests, x-rays, medical staff training (doctors and nurses), and awareness sessions for infected children and their families.

Supporting Squash
In 2022, CIB continued to positively impact local communities by strengthening the support for sports in Egypt, as well as nurturing the country's athletic talents. Squash-related initiatives were again at the core of CIB's CSR agenda, and we broadened our support to generate more opportunities and value for a wider community. Hence, the bank has expanded its squash-related sponsorships to allow for more Egyptian athletes to progress in the PSA world rankings by participating in the big Squash events and for the fourth consecutive year, CIB in cooperation with

> CIB's Governance framework relies on adopting international best practices of corporate governance.

Black Ball Club brought the Women Platinum CIB Squash Open at Black Ball under the supervision of the PSA from March 12th till March 17th.

The Bank maintained its sponsorship of the Egyptian Squash Federation for the 11th consecutive year. It also expanded its commitment by sponsoring the Women's World Team Championships at Madinaty Club with amazing victory to our National team under CIB-Champs leadership: Nouran Gohar, Hania El Hammamy and Nour El Tayeb.

As of December 2022, CIB has tailored special sponsorships to help sixteen talented players maintain their rankings and continue representing the country around the world. Currently, Egyptian players hold the Men's World Team Championship and the Women's World Team Championships titles, as well as the individual men and women world titles.

Governance

CIB's Governance framework relies on adopting international best practices of corporate governance consisting of single-tier board, competent board committees, experienced management team, and a set of stringent internal policies and processes. The framework enables CIB to conduct its business in a secured, transparent, and controlled environment, with a focus on the clear segregation of the Board's duties and responsibilities and those of senior management. It also allows for more focus on the reporting mechanism of the internal control departments, the independence of external and internal auditing, cooperation with supervisory and regulatory authorities, and the assurance of the disclosure and transparency of material information regarding the Bank, its ownership, board constitution, operations, and financial performance. It also advocates the equal treatment of all shareholders with sound protection of their voting rights.

Governance policies are designed to promote a corporate culture that emphasizes building trust with key stakeholders and to provide effective internal control within the Bank. These policies are continuously updated and reviewed to keep up with the dynamic changes in the business environment, ensuring proper maintenance of the governance framework.

Board of Directors

The Board of Directors is responsible for the stewardship of the Bank, overseeing the implementation of the Bank's strategic initiatives and its functioning within the agreed framework. The Board operates in accordance with relevant regulatory requirements to grow value in a profitable and sustainable manner and promote a culture of integrity, transparency, trust, and respect among its stakeholders, while performing its duties with entrepreneurial leadership, excellence, and in good faith. The Board has a professional and legal responsibility toward shareholders and stakeholders in good faith, with due diligence and care in the best interest of the Bank, while protecting the rights of the customers, shareholders, and other stakeholders.

CIB's Board is comprised of a majority of independent non-executive directors (NEDs). Led by its non-executive Chairman, the Board is primarily responsible for providing a sound base for good corporate governance in the operations of the Bank, setting the Bank's strategic objectives, and providing oversight of senior management, ensuring the effectiveness of the Bank's internal control systems, managing risk, and securing CIB's institutional reputation and long-term sustainability.

The Bank's Board of Directors currently consists of 11 members, who possess diversity in the broadest sense, considering gender, culture, perspectives, knowledge, expertise, and ethnicity, while also having an adequate combination of relevant skills and experience. These collective qualities give CIB a distinct competitive edge. Over the course of 2022, CIB's Board of Directors met 13 times, nine of which were conducted via video conferencing, and one meeting attended in person, and three meetings attended by the directors who were present in Cairo, with directors residing abroad joining via video conference.

Changes to the Board of Directors during 2022

On May 19th, the CBE approved the appointment of Mr. Fadhel Al Ali and Mr. Aziz Moolji as non-executive Board members representing the interests of Alpha Oryx Ltd. – a subsidiary of ADQ – in CIB, following its acquisition of 18.595% of the CIB on April 12th.

Mr. Fadhel Al Ali is a strategic leader with vast experience in corporate governance and commercial roles across a variety of business contexts such as rapid growth startups. Mr. Al Ali serves as Chairman of Dubai Financial Services Authority (DFSA) and brings 30 years of experience in multiple industries including real estate, hospitality, investment, and banking. He led several corporate functional organizations such as Finance, HR, Legal, Business Excellence, and Marketing and Communication.

Mr. Aziz Moolji serves as ADQ's M&A and Alternative Investments Director, prior to which he was Dubai Holding's Vice President of Investment and Portfolio Management from 2019 to 2021. Throughout his career, Mr. Moolji held several positions in global investment banks such as Goldman Sachs and Merrill Lynch. Mr. Moolji brings to the Board more than 20 years of experience in Private Equity and Investment Banking across North America and emerging markets.

On November 21st, the CBE approved the appointment Mr. Hisham Ezz Al-Arab a non-executive Board member. On December 8th, the Board recommended to appoint Mr. Ezz Al-Arab as a Non-Executive Chairman, and is pending obtaining CBE approval.

Mr. Ezz Al-Arab brings a wealth of knowledge in the banking sector at large, and CIB in specific, having served as Chairman and Managing Director from 2002 until 2020. Mr. Ezz Al-Arab was recognized several times by international houses for his contribution to the financial services in the Middle East. He joined CIB in 1998 from Deutsche Bank and previously served with both JP Morgan and Merril Lynch in postings that took him to Bahrain, New York, and Cairo. He holds a BA in Commerce from Cairo University. In August, Mr. Ezz Al-Arab was appointed Senior Advisor to the CBE Governor.

Board Committees

Backed by an experienced executive management team, CIB's highly qualified Board of Directors is also supported by specialized board committees. CIB's Board has six standing committees that assist in fulfilling its responsibilities. Each committee operates under a written charter that sets out its responsibilities and composition requirements and reports to the Board on a regular basis. Committees are chaired by the NEDs, who brief the Board on major points raised by their respective committee. Separate committees may be set up by the Board to consider specific issues when the need arises.

Transformation Office

Embracing Change in 2022

The Transformation Office, formed in 2022, is geared toward turning CIB's culture into an internal accelerator of innovation and transformation. In doing so, overall efficiency will be increased, collaboration and people management will be enhanced, and the Bank's digital and technology arms will be upgraded, leading to a seamless and consistent customer journey.

Transformation Office Highlights

In a world of unprecedented disruption and market turbulence, transformation today revolves around the ability to generate new value, unlock new opportunities, drive new growth, and deliver new efficiencies. In order to do so, new strategies must be put in place, prioritizing the customer and investing in the value that can be created now and in the future.

The Transformation Office kicked off a cultural transformation journey to create a healthier work environment and support employees in enhancing customer experience and creating value for the organization. The Office has developed an execution plan to support the business and support areas in achieving important strategic initiatives

Cultural Transformation and Communication

2022 saw the kick-off of the culture transformation, during which the team reflected on the current culture and opportunities at the Bank. This resulted in developing methods to transform the Bank's culture. The roadmap for this project is categorized into four structured pillars: Define, Design, Deploy, and Detect. Cross-departmental collaboration and alignment took place and established the One CIB – CIB Culture Evolution.

At CIB, we realize that transformation is only successful when all those involved in the process can collaborate well together, marching in unison toward common goals, cooperation, and collective success.

In terms of communication, the objective is to create a standardized understanding of the Bank's goals and foster a sense of belonging that will result in promoting cohesive and smoother work. In doing so, the Bank is focused on inspiring employees, creating a vision for the future, ensuring transparency and synergy of information, and increasing employee involvement to give them a sense of ownership and accountability.

Events, internal communication, and other activities took place during 2022 to engage, connect, and communicate effectively among the organizations' personnel from entry level to executive management. Different cross-functional collaboration initiatives took place throughout the year:

- The One CIB: 450 people from the Bank's middle management participated over three days to engage, connect, and communicate effectively.

- Culture Evolution Executive Retreat: Under the One CIB initiative, a one-day event featuring various activities and numerous discussions aiming to envision and assess the current CIB culture, develop the aspired culture, and set up the culture transformation roadmap.

The Transformation Office acted as an enabler of multiple other initiatives across the Bank through execution support, coordination, and thought partnership. The transformation work streams supported innovation through tapping a new target market and exploring an entirely new operating model. They worked with a consultant on upgrading our digital offering through streamlining and enhancing existing processes, as well as automating loan origination. Having the customer at the core of every activity, the Office also synergized with corporate teams to enhance the existing business model and partnered with the Overseas team to enhance key processes.

Our success story was to powerfully execute cross-functional initiatives to create value, delivering better customer and employee experiences, with a long-term aspiration for bigger market share and wider revenue streams.

Our Businesses

03

CIB's lines of business are backed by a team of highly experienced bankers and the help of a strong credit culture across the Bank's core and support functions.

Institutional Banking

Corporate Banking and Global Customer Relations (GCR) Groups

As global organizations emerged from the eclipse of the pandemic to continued business uncertainty triggered by the Russia-Ukraine war, CIB's Corporate Banking and Global Customer Relations (GCR) Groups remained focused on maintaining healthy balance sheet growth. Across its core business line, CIB continued to deliver the organic growth experienced prior to the pandemic. The Bank continued to strengthen its relationship with its existing clients, in addition to creating new relationships through deploying its capabilities, expertise, and strong balance sheet to help its clients' portfolios achieve their operational and financial goals. CIB focused on growing its local currency portfolio, supporting sustainable products and securitization transactions, along with offering a suite of products and services tailored to the Bank's clients' unique operational and financial needs. Over the past year, CIB continued to utilize its strong liquidity and soundness by enhancing its cross-offering via a well-rounded product portfolio. CIB's team made significant progress in 2022, helping clients navigate through uncertainty while staying on course toward meeting their operational and financial goals.

2022 Highlights

The global volatility on the back of pandemic recovery and global geopolitical turbulence took its toll on Egypt's growth potential in 2022. While Egypt saw hikes in food and fuel prices in 2022, monetary and fiscal tightening should help ease inflation over the medium term. The country will continue to focus on economic growth and expectations continue to be on structural reforms, including enhanced trade policies and facilitation. The Ministry of Trade and Industry has focused on stimulating exports within the framework of a new program to pay exporters' arrears by strengthening the export infrastructure through subsidy programs for exhibitions, transport to Africa, and airfreight. From a broader macroeconomic view, Egypt witnessed a solid economic rebound prior to the war in Ukraine, which has adversely impacted its costs of domestic and imported products. With the recent economic monetary policy adjustments, the uptick in tax and non-tax revenues, in addition to containment of expenditures, has all helped budget deficit to GDP ratio to narrow to 6% in 2022 from 7% in 2021, with GDP growth expected to hit a positive 4% in FY2023.

In line with CIB's strategic plans for 2022, the Group's vision focused on both its existing corporate loan portfolio and on supporting the nation's development and mega projects as the backbone of the local economy. Top-line performance remained strong, benefitting primarily from robust deposit growth and the impressive revival in corporate lending in spite of a challenging economic situation.

As of December 2022, the Groups' loan and investment portfolio recorded EGP 157 billion. CIB's Corporate Banking and GCR Groups sealed numerous key deals throughout the year, including:

- Enhancing the Group's sustainable finance strategy via offering a number of sustainable finance funding options for corporate clients, under its USD 100 million Green Bonds. Such financing enables corporate clients to re-orient investments toward more sustainable technologies in line with the Egyptian government's strategy.
- Supporting the power sector while focusing on the renewable energy and sustainable finance segments by participating in both bilateral financing and syndicated facilities to help establish new mega wind farms of 500MW in Ras Gharib region and 1100MW in Suez Gulf, as well as upgrade electricity distribution and transmission projects across the country.
- Extending contingent financing for the new 2,000 km high-speed National Railway project targeting the elevation of the public transportation system. The state-of-the-art network will connect 60 cities across the country, with trains procured from Germany to operate at a speed of 230 km/h. The fully electrified network will cut carbon emissions by 70% compared to current car or bus transport.
- Supporting the packaging sector by initiating a transaction under the Egyptian Pollution Abatement Program (EPAP III) entailing the recycling of plastic packaging waste (PPW) to produce high-quality polyethylene terephthalate (PET) resin, in line with the EU's milestone on reducing dependency on fossil fuels and greenhouse gas emissions and the government's strategy of targeting 80% waste recycling rate by 2026.
- Supporting the ICT sector by participating in an EGP 6.35 billion club deal granted to a leading digital solutions and data center provider, with the aim of developing the IT infrastructure, promoting capacity building, encouraging innovation, strengthening information security, and enhancing Egypt's position at the regional and international levels.
- Extending a medium-term facility in support of the textiles industry, and financing 90% of the installation of a centralized industrial wastewater treatment plant under the EPAP III for Egypt's largest textiles exporter to treat 70% of its wastewater. The project will reduce water consumption and greenhouse gas emissions, shrink pollution load by over 50%, and allow clients to explore new markets in line with its anticipated accreditations and environmental law compliances that shall be met upon completion.
- Arranging and participating with other syndicate banks in an EGP 20 billion securitization transaction deal pertaining to the New Urban Community Authority (NUCA) by executing the largest single booking ticket of EGP 8.9 billion.
- Participating in an EGP 12 billion syndicated MTL deal to finance the construction requirements of the Abu Qir Military Port development and expansion with the latest technological systems and highest international standards. The project represents a new addition to the chain of ports extending on the Egyptian northern coast. Abu Qir Port would be the largest in the Mediterranean, in addition to raising the global classification of Egyptian ports to the first level. The transaction was awarded the best local currency loan by EMEA Finance Achievement Awards.
- Financing the procurement and delivery of 700k tablets for the Ministry of Education to be used by students in the secondary level, in line with the Egyptian government's national strategy to improve the quality of the national education system and digitizing the educational process.
- Extending medium-term loans, under the CBE renovation initiative; to support the tourism sector by financing the refurbishment, renovations, and required upgrades of various hotel complexes, upgrading the accommodation standards and, thus, enhancing the service provided to in-bound tourism, supporting Egypt's strategy in targeting 30 million tourists annually.

> As of December 2022, the Corporate Banking and GCR Groups' loan and investment portfolio recorded EGP 157 billion.

2023 Forward-Looking Strategy

The Group will continue supporting its corporate clients in navigating geopolitical and macroeconomic shifts and accelerate their transition to a more sustainable and digitized economy. The Group will focus on expanding its product portfolio, while diversifying its calculated risks across the different sectors.

CIB has adopted an aggressive budget for the upcoming year, capitalizing on a resilient Egyptian economy that can withstand the global macroeconomic challenges, including, among others, the increased interest rate environment and foreign currency availability. In line with COP27 recommendations, the Group aims to play a pivotal role through offering a wide range of innovative and sustainable finance solutions, promoting the governments' efforts in leading clean technology, energy transition, and de-carbonization initiatives.

On a macro level, CIB will continue to support national projects and investments across strategic sectors, including energy, infrastructure, tourism, food and beverages, education, and healthcare. In parallel, the Bank will continue growing its innovative product offering and digital solutions to ensure seamless and efficient credit cycles for its clients. CIB aims to remain a key pillar for supporting economic growth in Egypt across the whole credit value chain, while supporting its clients in 2023 to recover from the aftermath of 2021 and 2022. CIB's Corporate Banking and GCR Groups aim to capitalize on the country's positive economic outlook in 2023 by expanding the Bank's loan portfolio while preserving asset quality. The Groups believe that the Egyptian economy's fundamentals remain intact, with medium-sized players playing a pivotal role to promote the country's macroeconomic welfare.

Direct Investment Group (DIG)

In light of the growth of enterprises operating in the Egyptian economy, CIB takes pride in offering a wide range of financial services to its customers, including direct investment offerings. The Direct Investment Group (DIG) acts as CIB's investment arm by providing agile financing solutions, such as direct equity financing for customers, through mergers and acquisitions, as well as internal private equity advisory services. DIG serves CIB internally as a Specialized Investment Advisor with regards to all investment aspects related to traditional banking activities.

DIG's Mandate

- Actively invest in private companies with the potential to grow, clear business models, competent management, aligned shareholders and solid fundamentals, and a clear return maximization objective. DIG's team handles the entire investment process, starting from marketing and deal sourcing to deal assessment and execution, as well as portfolio monitoring, exit implementation, and return realization.
- Effectively manage existing investments, such as fair value investments through other comprehensive income (FVOCI), strategic and non-strategic affiliates, direct investment funds, and subsidiaries, all while gearing investments toward profitable exits.
- Conduct a wide array of internal investment advisory assignments.

2022 Highlights

Despite challenging local and global economic and political conditions, DIG managed to secure a healthy level of dividend income from the existing investment portfolio. Additionally, the division successfully concluded a 100% exit from two investments operating in offshore oil and gas services, as well as the tourism sector.

DIG also actively solicited and assessed 26 potential investment opportunities in various attractive sectors in the Egyptian economy throughout FY2022. Capitalizing on such efforts, DIG finalized CIB's acquisition of a 15% stake in El Sewedy Engineering Industries (SEI), through a primary share acquisition transaction, with the purpose of financing the company's future expansions in local and regional markets.

2023 Forward-Looking Strategy

With the current market's presented discounted valuations and noticeable opportunities for transaction executions, DIG's strategy is primarily directed toward acquisitions in attractive and defensive sectors, such as education, healthcare, pharma, and industrial manufacturing, which have shown significant room for growth.

Additionally, as part of the ongoing bank-wide direction, DIG is also focused on green investments that focus on:

- Companies or projects committed to the conservation of natural resources;
- The production of an alternative energy source;
- The implementation of clean air and water projects; and
- The adoption of ESG standards or plans to expand in green projects.

Debt Capital Markets (DCM)

CIB's Debt Capital Markets (DCM) Group prides itself on its unmatched track record and experience in advisory, underwriting, structuring, and arranging large-ticket syndicated loans and project finance, as well as securitization and bonds. DCM also has a dedicated leading agency and security agency desk.

2022 Highlights

The DCM Group has placed CIB at the forefront of the securitization market, making the Bank a key player in the development and growth of Egypt's bond market. In FY2022, DCM further cemented its leading market position in securitizations, advising and arranging 11 securitization issuances for EGP 32.3 billion. It successfully closed the largest securitization transaction in the history of Egypt's debt capital markets, amounting to EGP 20 billion. CIB acted as financial advisor, general arranger, manager, promoter, and co-underwriter for the transaction. CIB also served as the transaction's custodian and subscription receiving bank.

In terms of project finance and syndicated loans, and despite the prevailing local and international economic challenges resulting from the Russia-Ukraine war shortly following the COVID-19 pandemic, DCM successfully closed six new syndication transactions for a total amount of EGP 30.5 billion, of which CIB's share amounted to EGP 7.3 billion across several sectors, including petrochemicals, transportation, telecom, cables, power, and renewable energy.

DCM was also able to secure eight new agency roles in five out of six transactions closed to date, with multiple roles in some. This comes in line with the Group's focus to expand its agency roles to further enhance CIB's fee income directly, given the recurring annual fees to be generated, aside from the associated auxiliary business income.

DCM has deals in the pipeline worth EGP 22.2 billion, set to materialize during FY2023. The Group is also working with the Bank's private and public sector companies on restructuring and re-engineering their balance sheets, with transactions worth EGP 60 billion expected to close during FY2023.

Moreover, DCM has been mandated new securitization and sukuk issuances worth EGP 6.1 billion, with deals in the pipeline in excess of EGP 25 billion for FY2023.

2023 Forward-Looking Strategy

Despite challenges, DCM plans to maintain CIB's leading private sector bank position in the syndications market by:

- Capitalizing on CIB's strong relationship with banks, IFIs, ECAs, and customers to market the Group's products and capture leading roles and sizable tickets in critical high growth sectors, such as the real estate, transportation, education, health care, IT, logistics, and oil and gas industries.
- Continuing to aggressively market and pitch for advisory services to borrowers, with a focus on restructuring and reengineering balance sheets for private sector borrowers facing disruptions as a result of the local currency devaluation, increased costs of borrowing, and supply chain challenges.
- Marketing our agency, security agency, and account bank roles to ensure a constant fee income revenue stream to the Bank.

DCM's Strategy in the Securitization and Bond Space

- Attracting new potential clients to the Bank while positioning CIB as their bank of choice;
- Introducing new products, such as ESG-linked bonds, sukuk, and future flow securitizations to the market;
- Expanding into the SME sector to tap opportunities for new originators to enter the market across the different business sectors; and
- Assessing the participation of DFIs in the mandated securitization deals to enrich investor composition and diversity, particularly in relation to ESG-related transactions, thereby reinstating CIB's pioneering position in this line of business.

Financial Institutions Group (FIG)

The Financial Institutions Group (FIG) covers four business segments: Correspondent Banking, Cash and Cross Border Clearing, Non-Bank Financial Institutions (NBFIs), and Development Finance. The teams are CIB's first point of contact for bank and non-bank financial institutions, and they manage the Bank's relationships with different global institutions, and the provided services include loans, trade finance, and investments, as well as agency management and promotion activities for development programs in partnership with development institutions, government agencies, and local banks.

2022 Highlights

Despite a challenging economic environment, 2022 saw a growth in Correspondent Banking's outstanding contingent trade finance portfolio covering various mega projects, recording about 51% y-o-y growth and achieving a total revenue growth of c.42%.

CIB continues to build its Green Bond portfolio following a successful debut in 2021 offering subscriptions in full by IFC, the first bank in Egypt to tap such funding. This underscores CIB's commitment toward sustainable finance and is a key milestone that will provide innovative and comprehensive financing for its clients and their projects. Additionally, it will promote sustainable solutions to climate change, such as renewable energy, industrial energy efficiency, green buildings, and resource efficiency.

In 2022, the Development Finance (DF) segment, through managing developmental programs, served 23,166 agri-business beneficiaries, with approved developmental agri-loans worth a total of EGP 46.81 million. CIB announced the launch of the Agricultural Development Program (ADP) Sustainable Green Finance initiative, in cooperation with the Ministry of Agriculture and Land Reclamation, coinciding with COP27. The ADP initiative allocated an amount of EGP 1 billion from the Program Funds managed by the Bank to finance green projects with a soft interest. DF contributed to the green funding under the EPAP Project through financing water treatment projects for textile factories, as well as solvent recovery units that absorb gases released by printing inks and recycle them in the production process.

Despite an unstable market in 2022, NBFI saw a pickup from the second quarter of the year. The division captured a significant market share of existing demand by introducing lower prices and new products. The NBFI division maintained strong asset quality of financed loan portfolios related to all clients, with zero defaults and minimal NPLs under various financed portfolios directed to the leasing, consumer, mortgage, and microfinance sectors. It focused on wider market coverage and succeeded in onboarding new-to-bank clients in the newly regulated consumer finance market, among others. This strategy led to a loan portfolio growth of 62% in year-end 2022, of which the microfinance portfolio grew by 69.8%, comprising 44.74% of women microentrepreneurs, with the DF's collaboration.

The continuous expansion of the market with regards to investment promises a rapid growth rate in securitization, sukuk, and corporate bonds issuances over the years. This is reflected in the increased number of new issuances during 2022, where CIB participated (as an underwriter and subscriber) in a total of 16 transactions with a value of EGP 6.4 billion related to NBFI creditworthy clients. This resulted in growth in NBFI's O/S investment portfolio by 115% compared to 2021 year-end O/S balance.

In line with the Bank's strategy to promote financial inclusion, the NBFI and DF segments supported the Digital Channels team in introducing CIB Business Online, ACH products, and the issuance of Co-Branded Cards to our clients in the non-bank segment. New FX facilities were extended, and a facility was granted to a credit-worthy insurance company that enhanced utilization under new CBE initiatives.

2023 Forward-Looking Strategy

As Correspondent Banking continues to grow and diversify its global correspondent network, particularly in Sub-Saharan Africa, sustainability will be the Bank's key focus in strategic relationships with DFIs and a number of correspondent banks. We foresee a significant share of transactions rolled out to green projects in 2023. Our objective is to effectively capitalize on those relationships to support CIB customers and address their funding needs, especially in trade and project finance, among other domains. We also aim to grow our cash and clearing activities and diversify our account relationships to support our clients' needs for local and cross-border payment flows.

On the cash business front, we aim to expedite our cash relationship and pursue opportunities to capture more business volume from existing and potential relationships in terms of cash, payments, and FX clearing relationships.

CIB aims to continue being the leading private bank in managing developmental funds. The Bank plans to enhance its operational effectiveness and efficiency by upgrading the current system and effectively market financial services and digital solutions. DF is working closely with our sustainability team to encourage clients to resort to green investments on the back of technical assistance, and grant funding.

The Bank is growing its loans to the microfinance sector, in line with the CBE's mandate that stipulates 25% of the Bank's total loan portfolio be dedicated to SMEs and microfinance clients, with the aim of facilitating financial inclusion and women empowerment. CIB is also looking to expand the financed sectors by approaching fintech players and creating opportunity for penetration in other NBFI sectors, such as leasing, mortgage, microfinance, factoring, and consumer lending. We will continue to further market the securitizations authorized by the FRA, thereby leading to a more enhanced investment portfolio. The Bank also plans to target insurance, investment, and brokerage companies and absorb their LCY deposits.

CIB is positioned as a major microfinance market enabler. The Bank's significant market share sits on top of a credit-worthy portfolio that empowers MFIs via financial and non-financial services, bolstering the capabilities of female and non-bankable entrepreneurs.

In line with the CBE's strategy, CIB is introducing additional financial products, such as management solutions and securitization to support the growth of MFIs by leveraging on capital markets and cash. Development Finance and NBFIs support CIB's financial inclusion activities by offering customers a wide range of innovative, tailored financial services, such as digital collections and disbursement to MFIs through CIB's Smart wallet, while building on existing CIB services and products, such as the Smart Wallet, Meeza, and Bedaya accounts.

Strategic Relations Group (SRG)

The Strategic Relations Group (SRG) is an institutional banking group dedicated to initiating, nurturing, and growing banking relationships with strategic institutional depositors who are essential contributors to CIB's stable funding base. The Group's primary objective is to offer a first-class banking experience while maintaining the balance between mainstream commercial banking activities and its clients' non-commercial needs. CIB takes pride in being the sole bank operating in Egypt with a focus group exclusively dedicated to servicing its prime institutional entities. SRG carries out this function through highly qualified Relationship Managers whose role is to ensure that customers receive superior, personalized services catering to their respective business needs.

SRG provides tailored banking services with a focus on digital banking solutions, including bespoke GTS products and short-term bridge finance facilities for the educational sector to eliminate cash-flow gaps that develop throughout the year. SRG's strategic clientele consist of more than 180 diplomatic missions, NGOs, educational entities, and international and local donor agencies. The team facilitates clients' operations and meets their banking requirements by creating innovative and tailored products and services. Its functions include offering customized digital solutions, the collection of tuition and visa fees, the monitoring and reporting of deposit activities, fund management, savings plans, providing a settlement system between tourism companies and airlines, and special offerings for staff loans. Although COVID-19 led SRG's foreign clients to pause certain activities, SRG successfully continued to conduct its business with foreign entities. It leveraged electronic channels to ensure business continuity and expanded the use of GTS products in accordance with the Bank's strategy. SRG relies heavily on data analytics and digital banking in all aspects of its business decisions, including performance analysis, pricing strategies, and customer behavior analysis. Technology, in particular digital banking, is a key marketing tool that the SRG team leverages when marketing CIB products.

2022 Highlights

Despite continued challenges faced in 2022, the Bank successfully leveraged its digital banking solutions to increase its funding base and boost the Group's SOW with existing clients, as well as attracting a significant number of new-to-bank (NTB) clients.

2023 Forward-Looking Strategy

The Group has become one of CIB's primary channels for corporate lead generators, leveraging existing relationships while simultaneously capturing NTB opportunities by creating a wider networking base. A tailored, short-term bridge finance facility was tailored and implemented for the education sector, including universities and schools, to eliminate cash flow gaps that develop during the year. It is poised to become a major attraction for these institutions, helping expand the institutional depositor rate and enhance the utilization of CIB's digital banking solutions.

Enterprises and Governmental Relations (EGR)

Since its establishment in 2016, the Enterprises and Governmental Relations (EGR) Group has positioned itself as a market leader, focusing on large enterprises and governmental institutions.

Over the last couple of years, EGR's role evolved to managing relationships with large private sector companies, conducting fundraising, and attracting customers previously segmented under state-owned enterprises, governmental entities, and sovereign authorities. In 2021, EGR's role expanded to include a diversity of banking business solutions and products offered to top-tier clients and aimed to increase the Bank's market share in this industry. Aside from the usual financial and advisory assistance provided, EGR clients require higher flexibility and constant support in their transactions. The Group caters to the needs of these strategic customers through tailored products and services, all while growing CIB's business.

2022 Highlights

During 2022, EGR continued to leverage the power of digital banking to offer clients an exceptional banking experience in cash management, trade management, and Corporate Payment Services (CPS), allowing it to achieve remarkable growth in all its GTS services ratios. EGR additionally expanded its institutional banking liabilities portfolio by EGP 23 billion y-o-y, a 29% increase, growing its lending capabilities and achievements in the trade finance business compared to the previous year, recording a tremendous aggregate trade finance figure of EGP 17 billion, a 43% increase from the previous year.

2023 Forward-Looking Strategy

In the coming year, the division seeks to achieve solid presence in the market and manage its relationships with clients in a sustainable manner that drives value for its customers. EGR aims to do this by reviewing the value proposition principles to analyze the portfolio of clients' product penetration, client classification by industry, client geographical distribution, prospected new-to-market enterprises according to industry, and aligning with the national mega project while complying with CIB's overall strategy. The continued growth strategy's focal point will be digitizing all possible products and business solutions, increasing revenue, accumulating growth, and reducing expenses through prioritized utilization of offered privileges granted to clients. Where possible, the Bank will look at decreasing transaction costs to maximize revenue through using alternative digital channels and e-banking business solutions.

In 2023, EGR will continue to play a crucial role, while increasing the Bank's total portfolio and market share. The team will also continue to match its clients' requirements with the best banking business solutions available in the market and increase its customers' penetration by sustaining its position as a client-centric organization and preferred service provider. This should lead to an increase in banking product penetration and revenues.

Treasury Group (TG)

The Treasury Group (TG) is the Bank's primary pricing arm for all foreign exchange (FX) and interest rate products. The TG's accountabilities include FX and FX hedging, fixed income and money market activities, sovereign debt trading, interest rate gap management, and pricing of deposits in local or foreign currency. The TG is one of CIB's main profit generating arms, with a wide range of services and products offered to a large, ever-growing, and diverse customer base.

The TG is dedicated to better understand, reach, and grow its diverse client base with large volumes of FX, interest rate, and hedging businesses. The Group works closely with relationship management fronts covering a portfolio of retail clients, as well as large corporates and small companies, from a variety of different industries, both exporters with foreign currency proceeds and importers with significant trade finance activities. Additionally, the TG on-boarded major emerging market asset management arms and financial institutions to capture investment flows to Egypt's capital markets. Supported by a strong database, a top-tier front office treasury system, and an expert understanding of customer flows, the TG is well-equipped to engage with and better serve CIB clients.

2022 Highlights

For the past decade, CIB successfully weaved through, thriving during uncertain and volatile times. TG was always geared with resilience and agility in trying to maneuver CIB's balance sheet and FX position toward serving the long-term interest of the Bank while maintaining and growing client relationships.

2022 proved to be a challenging year in global financial markets, emerging markets, and Egypt. The Russia-Ukraine conflict disrupted the global economy triggering an increase in most essential commodity prices, raising inflation globally, and shifting investor appetite away from emerging markets, such as Egypt.

The challenge for CIB was two-fold: overcoming the FX liquidity crunch to maintain CIB's client needs while abiding by the highly dynamic regulatory requirements.

By closely monitoring global developments, along with Egypt's economic indicators and financial position, the TG was able to foresee and prepare for a tighter FX market. TG proactively engaged with its customer base to adequately position CIB to meet its commitments and issue new business in difficult FX conditions, all while abiding by regulatory requirements. The TG successfully supported the Egyptian economy though harsh conditions, and it won CIB multiple titles, one of which was the "World's Best Foreign Exchange Providers" country award by Global Finance magazine in 2022.

The CIB TG is a trailblazer in the Egyptian FX derivatives market, offering hedging products that include direct forwards and plain vanilla options , in addition to a wide array of product structures. In 2022, the CBE mandated local banks to start offering EGP FX forwards, on-shore non-deliverable forwards, and FX options denominated in EGP. The TG has laid the foundation to price the EGP and is looking forward to play a central role in Egypt's derivatives market, enabling CIB's clients to enhance their hedging strategies.

Meanwhile, TG succeeded in efficiently managing CIB's FCY liquidity throughout the year. The TG strategy was focused on maintaining abundant FCY liquidity on one front and achieving the highest return on excess FCY liquidity on the other. Accordingly, CIB held a more resilient stand against all hits than other banks regarding FCY liquidity.

LIBOR is the main interest rate benchmark used in pricing FCY Assets and Liabilities. LIBOR phase out added a new challenge to CIB's banking products and core functioning operations. Through LIBOR abolishment, CIB would have been in a challenging position in pricing FCY Assets and Liabilities in the absence of a base rate. The TG took the initiative in switching all GBP loans pricing from GBP LIBOR to Refinitiv Term SONIA. Furthermore, TG was the stakeholder calling for an upgraded core banking system to incorporate new Risk Free Rate (RFR) utilization and calculation. Consequently, an internal project was launched to upgrade CIB's core banking system. The TG is leading the way in transitioning CIB from LIBOR to RFRs before 30 June 2023 when USD LIBOR will no longer be published.

The TG strategy focuses on balance sheet management to capitalize on the interest movements, while maximizing the gains through tenor mismatching between assets and liabilities. The group's view starting 2022 was that we are moving toward a high-rate environment. Accordingly, the team has liquidated a significant size of our LCY bond portfolio and reinvested it in short-term bills, corridor linked deposits, and floating rate securities to maximize capital gains and capitalize on the rising interest rates, increasing the NII.

2023 Forward-Looking Strategy

The TG continues to adopt a customer-centric approach and grow its customer base, particularly clients with sustainable and resilient businesses. This will be achieved by providing competitive pricing, tailor-made investment and hedging products, and proactively offering research-based advice. The TG firmly stands by the belief that such a customer-centric culture will empower CIB and help it sustain and grow its leading position in the Egyptian market. The TG looks forward to the upcoming innovations in the Egyptian capital markets regarding both RFR transition and the rollout of the derivatives market, where CIB already has a well-defined fingerprint. The team strongly believes that this will bring more confidence and certainty to our clients amid ever more volatile and uncertain market conditions.

Retail Banking

> In line with the 2022 strategy that focuses on digital transformation, new services and products have been added to CIB's Online Banking Platform.

Consumer Banking

Customer centricity has long been embedded in our values, strategy, products, and processes. The Retail Banking journey was built around customer experience throughout all our processes, starting with onboarding and carrying through to every transaction executed in our branch network or through digital channels.

The Bank's key objectives in 2022 were optimizing the assets lending process and increasing the profitability of the Prime Segment with a reviewed service model by migrating to low-cost channels. The Bank also strived to become the leading bank for Non-Resident Egyptians (NREs).

CIB invests heavily in its technology base to enhance its services and reduce turn-around-time. The digital channels were also updated with new features that largely reduce the need to visit the branch. CIB's digital transformation enhanced productivity and improved the Bank's operational cycle, reflecting positively on the customer journey.

2022 Highlights

In 2022, we continued the deployment of our new service model, which entails the classification of our network of branches into three types: Hybrid, Individuals and Companies. The Bank hired efficient, well-trained, and service-oriented staff to deliver an experience-based strategy. Additionally, the majority of our relationship managers were internationally certified to ensure customers are able to receive sound financial advice on their investment decisions.

Prime Segment

In line with the 2022 strategy that focuses on digital transformation, new services and products have been added to the Bank's Online Banking Platform. CIB aims to reinforce its position as "The Bank of Choice" and cater the relevant value proposition for each sub-segment at an optimum cost, thus maximizing profitability.

CIB Prime offers a unique banking experience with a variety of products and services tailored to our customers, supporting them in increasing their savings and elevating their shopping experience through bundles, deals, and monthly offers. The segment also offers non-financial services along with special discounts to meet our customers' lifestyle needs.

Given the CBE's direction towards lower-income customers, the Prime Segment continues to focus on acquiring and serving this segment. Additionally, the Bank has been partnering with fintech companies and agent banks in order to better serve and cross-sell to this segment.

Plus Segment

CIB Plus offers a bundle of benefits that cater to the Egyptian family's financial needs with regards to their current and future goals. Plus customers are prioritized throughout the Bank's wide network of branches with dedicated Plus Bankers.

Our goal was to increase customers' awareness of the Plus segment's edge, communicating the benefits to both existing and prospect customers to upscale their banking experience with CIB Plus, bringing us closer to them and enabling us to achieve our acquisitions target.

The Plus Segment team's focus in 2022 was developing marketing campaigns and offering vouchers and special discounts that can be awarded while using CIB cards. The team also introduced the Platinum credit card instead of the Titanium, with higher credit limits.

Wealth Segment

CIB Wealth Segment's offering is built on providing exclusive services and tailored products to suit Wealth customers' lifestyles and personal aspirations. An understanding of their needs is driven by data analytics and customer insights.

Strengthening its value proposition, the Wealth Segment introduced segmented liabilities and asset products through applying higher interest rates for savings and higher credit limits for Wealth customers. The Segment also continued to partner with A-class brands throughout the year covering various needs from wellness, summer experiences, and real estate advisory to shopping and entertainment.

The majority of the Segment's relationship managers are proudly certified with the International Introduction to Securities and Investment (IISI) certificate, building on our commitment to offer a top-notch banking experience by equipping our team with the required knowledge and skills to continue being the strongest financial advisors in the market.

Deposits for the Wealth Segment amounted to EGP 150 billion, while the total asset portfolio came in at EGP 21.6 billion.

Overseas Segment

By the end of 2021, the Retail Banking team launched the Overseas Segment targeting our existing affluent NRE customers. Our fully fledged segmented offering is in line with the Segment's core values, "The Bank to Travel With" and "We Bring Home to You", providing our customers abroad with a seamless, remote, easy, and personalized service.

In 2022, the Overseas Banking Processes were revamped to include the 17 most commonly used banking services by Egyptians abroad. The dedicated Operations Hub for affluent Overseas clients was established to secure our clients residing outside Egypt. The Bank also hired and trained a dedicated team with all the required tools to give the best-in-class financial advice to our affluent clients.

Private Segment

CIB Private aspires to constantly provide its clients with state-of-the-art service by offering our clients premium products, services, and partnerships that cater to their financial goals and match their lifestyles. The Private Segment launched an exquisite partnership in 2022 with one of the elite social wellness clubs, Core Egypt. In addition, the segment introduced Private Debit Card bin range, which will deliver the segment's look and feel at all ATMs, along with our yearly ongoing partnerships with top-tier venues across Egypt (The G-hotel and Pier88). We are also creating memorable moments for our clients by presenting them with ongoing perks and gifts throughout the year on various occasions.

Liabilities

Leveraging on our premium pricing strategy, Retail Liabilities continued to stand out by delivering the highest value to all customers from Household and Business Banking segments, through introducing a new LCY pricing methodology. The first-of-its-kind in the Egyptian market, the structure provides customers with an exceptional banking experience, designed to offer interest rates based on their segment rather than their account balance. It is offered across different saving products, such as saving accounts, time deposits, and certificates of deposit. We also launched Bedaya accounts, in order to promote financial inclusion in Egypt by providing the unbanked sectors with an easy and convenient way to join the banking sector.

Insurance
Building on the Bank's fruitful partnership with AXA, CIB extended its partnership in June 2022 to offer Non-Life insurance, such as Car, Home, and Business insurance at 139 CIB branches during the first phase. This is expected to expand to all CIB branches by the end of 2023. This extended agreement allows us to provide our customers with a one-stop shop insurance experience, offering a wide range of financial services all in one place.

In an attempt to continue enhancing the value propositions offered to our customers, the existing Life individual products were updated to include Unit Linked Savings, Risk, Health, and SME, as well as Credit Shield Insurance.

CIB will continue to utilize its data capabilities to better understand customers' insurance preferences and meet their insurance needs. We are also aiming to expand the Group Insurance Business by bundling insurance products with our retail asset products for individuals and SMEs.

In 2022, total insurance fees reached EGP 297 million, while volumes for life, health and non-Life insurance business reached EGP 860 million.

Consumer Assets
The Consumer Assets business witnessed new records in 2022, with the consumer lending portfolio growing by 35%, credit cards by 33%, and personal loans by 28%. Following the launch of Straight Through Process for secured assets, the business introduced unsecured payroll process optimization through which customers can get instant approvals on their unsecured credit card applications from branches and alternative channels.

Loans
The consumer loans and overdrafts portfolio achieved solid financial performance while focusing on delivering a superior experience. In 2022, the consumer loans portfolio grew by 28% vs. a growth of 14% in 2021, and ENR reached EGP 39 billion as of year-end.

A new secured loans frequency was launched in March 2022 to address market needs. This was reflected in the new program acquisitions performance reaching over EGP 2.8 billion of actual bookings, in addition to the unsecured surrogate diversified offering.

The revamp of the secured loans approval process, along with the close monitoring of the end-to-end customer journey, were clearly reflected in bringing the average approval time for loan applications down by 50%. This also had a substantial impact on secured loans performance, as the turned in applications monthly run rate increased by 38% after the Straight Through Process launch, while the average ticket size increased by 17%.

Cards
2022 was a great year for the Cards business, with record acquisition, balance build-up, and spend levels. Monthly acquisition run rates were up by 32% and ENR crossed EGP 7.65 billion. Leveraging our application and behavior score models and our automated rule-based decision engine, we extended our instant approval for customers applying to certain programs, a "first-to-market" ensuring fast turnaround and an enhanced customer experience.

The Bank relaunched the World Credit Card, growing monthly run rates by over threefold. Given the revived appetite for travel post-COVID-19, the business ran a number of acquisitions and spend campaigns for the EgyptAir Miles Everywhere co-brand, leading monthly run rates to also increase by over threefold.

The Cashback card portfolio reached 92,000 cards, after only 17 months since its launch. With over 140 merchants offering discounts to CIB cardholders and over 1,286 merchants offering installments, credit card spending grew by 44% and EPP volumes by 23%. Cardholder loyalty redemption rates increased by 6% within the 130 participating merchants. The Bank is focused on enrolling new e-commerce merchants to the Loyalty Program.

E-commerce spending increased by 58% on credit cards and 113% on debit cards y-o-y.

Our focus with debit cards was on shifting cardholder behavior and converting cash only users to use POS instead of ATM. These efforts led to a 36% usage growth y-o-y.

Mortgage
In 2022, the Mortgage team focused on low- and middle-income mortgage, leading to an ENR of EGP 3.28 billion as of December 2022 vs. EGP 2.34 billion in December 2021, with a growth rate of 40%.

The Mortgage initiatives net sales achieved EGP 1.03 billion as of December 2022 vs. EGP 536.87 million in December 2021, up by 91.97% y-o-y.

2023 Forward-Looking Strategy
In 2023, the Consumer Banking strategy is to sustain the Bank's premium pricing, accelerate the sector's growth, set up the digital transformation plan, and invest in people development. The Bank will continue to refine its products in order to create clear differentiation in consumer segments.

The Assets team will be working closely with Mastercard to introduce new assets programs to customers, lead the market, and increase acquisitions. The team is also working on plans to capture the rising e-commerce momentum in an unpenetrated market. With regards to loans, the Bank will continue to drive revenue by increasing ENR through merchant alliances and new loan propositions, leveraging on optimization and automation.

CIB will continue capitalizing on its successful co-branding with EgyptAir and develop new partnerships with prominent players in the retail space to cover different customer needs. The Bank will also continue to leverage on its data and credit risk underwriting capabilities, as well as digital touchpoints, to tap into new markets.

The Premium segments will be stressing on high-end value proposition that offer an A-class banking experience, adding new products that address customer preferences, and filling gaps in the market. CIB will continue to build on further lifestyle benefits for its Private and Wealth customers, revamping the proposition in line with their changing needs. The Core segments will continue providing perks that are relevant to customers' behavior in order to enhance customer loyalty, and address customer needs with different offerings through designing strategic tie-ups.

We are also working on NREs Remittance enhancements and the independent units that serve our customers abroad. This is in addition to adjusting our processes and products to address our Overseas customers' needs.

CIB will further enhance it Investment product and Home loans offering in the coming year. The Insurance business will be working to back the Bank's position with AXA by enhancing the existing business model, strengthening its distribution advantage, and capitalizing on the emerging opportunities of digital distribution to drive operational excellence.

Business Banking
Business Banking has built a well-established cash and trade management business, where the client base grew to more than 77,000 companies during the year, up 20% y-o-y. The segment grew its business and reached EGP 67.8 billion in deposits, while trade rose to EGP 32.2 billion, growing 63% and 44%, respectively, over the past year. In 2022, operating profits for the division came in at EGP 3.2 billion and gross profits reached EGP 1.8 billion. In the payment solution space, the division processed EGP 24.9 billion in transactions.

During the last ten years, Retail Banking's strategy for SMEs resulted in the successful onboarding and activation of a wide base of non-borrowing customers. This base is at the heart of the SME lending strategy to cross-sell assets using the different lending programs and leveraging the very strong referral mechanism. With more focus on understanding the industry sub-segments, critical success factors for SMEs within those segments with advanced monitoring techniques, and an early warning independent function, Business Banking grew the assets book in the past four years by 148% to reach EGP 6.5 billion in 2022.

2022 Highlights
CIB Business Banking was awarded Best SME Bank in Egypt and the Middle East by Euromoney. This prestigious recognition is a testament to CIB's innovative and unique solutions for SMEs that have significantly transformed customer experience and cemented the Bank's position as the bank of choice for SMEs and a leader in the Egyptian market.

The Business Banking assets growth strategy capitalizes on augmenting the current lending model with changes in risk appetite and building additional capacity across the relevant chains. In line with the strategy's focus on alternative data-based lending models, the segment launched the Flash Cash Program targeting small-sized companies with small pre-underwritten tickets, subject to document fulfillment, and companies with STO up to EGP 20 million.

The new Growth Segment doubled its profitability in one year by handling and supporting small-sized companies and offering convenient products and services that cater to their business needs. The new segment is served by the highly trained Growth bankers — exclusive in the market — to reach maximum coverage across Egypt.

CIB is dedicated to advancing Egypt's digital transformation efforts and continues to invest heavily in digital channels in order elevate customers' digital experience and offload front-liners through a safe banking environment with the latest banking technologies. In 2022, we launched the Bank of the Future program, which focuses on reviewing the way CIB serves Business Banking customers by moving select in-branch services to be available only through the CIB Business Online platform. The aim is for convenient digital transactions to provide customers with around-the-clock banking services, giving companies instant self-registration access.

Payment Acceptance

The e-commerce sector currently represents 1% of the country's trading sector, and the Egyptian government is now heavily promoting its growth. During the COVID-19 pandemic, there was great potential in the sector due to the lockdown. Despite a growth of 80% as opposed to the average 20% of every year, the market is still challenged by the lack of customer knowledge, awareness, and trust in online payments. Only 22% of online transactions are paid via cards, while 14% are paid via E-Wallets, with the rest paid in cash.

CIB targets multinational merchants and giant players in the Egyptian market, uniquely proposing the business-to-business module that aims to facilitate supply chain transactions, which is followed in sectors related to ports and construction. This approached is adopted to expand the proposition, attract and penetrate untapped industries, positively digitize market payments, and enhance market capabilities.

Since 2019, CIB has been considered one of the fastest growing banks in e-commerce, with a portfolio growth recording 76% and net volume reaching EGP 8.4 billion in 2022 vs. EGP 2.0 billion in 2019.

CIB maintained its dominant position in Egypt's payment acceptance sector in 2022, attaining a market-leading share of 25% for POS volume. Following the country's push for financial inclusion, the Bank managed to activate all POS and e-commerce platforms to accept the government-backed Meeza card and launched QR acceptance to reach untapped segments — a key enabler of payment business growth, especially with very small merchants.

SMEs Long-Term Growth Initiatives

CIB launched a flagship program for SME Sustainable Finance. The program targets the integration of ESG principles into Egypt's small- and medium-sized enterprises across different sectors, as well as the development of innovative sustainable finance products that cater to SME and corporate needs. This strategy represents an ambitious endeavor to transform the culture of doing business in Egypt toward sustainability, providing SMEs with the full support to create green and responsible business models that contribute to the Sustainable Development Goals (SDGs).

The Business Banking division has a strategic goal to support women in business. For the second consecutive year, CIB and Visa's She's Next initiative took place, supporting and empowering the rising number of female entrepreneurs as they run, fund, and grow their businesses. This initiative's goal is to help women-led businesses gain access to and secure the required funding to thrive. The program offers unmatched resources and opportunities for female entrepreneurs through coaching and connecting them with like-minded peers and experts.

The division also supports SMEs through the Small Business Initiative by helping small companies take their businesses to the next level through allocating EGP 750,000 to select companies. The initiative also provides non-financial services through the Business Solution Program. Companies have a variety of services to select according to their needs, such as marketing, training and development, human resources, accounting, and legal services.

In line with the CBE's financial inclusion initiative and CIB's goal to include the unbanked segments of society by eliminating the entry barriers, CIB launched the "Bedaya" accounts that target unbanked businesses, such as homemakers, youth, freelancers, and micro-businesses. In an effort to simplify the account opening process and encourage participation, the Bank has reduced the number of required documents.

2023 Forward-Looking Strategy

In the coming year, CIB's Business Banking SME client companies will enjoy a bouquet of products and services designed for each segment according to their business requirements. Business Banking will continue strengthening its value proposition by tailoring products to meet the changing needs of its clients and expanding the services offered through its different channels.

Business Banking will continue growing its loan exposure, with an emphasis on the enhanced onboarding process through loan origination, leveraging new programs that target small-sized companies with a small ticket size. The segment will extend the SME borrowing coverage model to improve credit offerings, particularly outside Cairo, along with SME decentralized hubs to expand geographically in select areas for customer proximity, further enhancing TAT and leading to faster credit decisions.

Since sustainability is a core value at CIB, the team will focus more on sustaining the portfolio, capitalizing on the technical assistance that will be provided by the German Agency for International Cooperation (GIZ), building and testing new suitable products and raising internal and external awareness of sustainable finance.

> CIB launched a flagship program for SME Sustainable Finance, targeting the integration of ESG principles into Egypt's small- and medium-sized enterprises.

Using state-of-the-art technology, Business Banking will build the infrastructure to automate processes to improve customer experience. The business will also invest in its online banking capabilities and remote services to provide clients with convenient and efficient ways to manage their finances around the clock, in addition to giving them access to online government payments and payroll services.

Digital Banking

Analytics and Data Management Division

Data analytics has, over the past decade, become an integral part of any organization, including banks. CIB was the first bank to utilize data analytics in optimizing processes and operations, thus improving efficiency and competitiveness. The recent challenges affecting global economy, ranging from the COVID-19 pandemic to the Russia-Ukraine conflict, led to severe economic repercussions. As a result, there was immense pressure on the EGP, leading to its devaluation twice in 2022 alone. The Bank took reform measures to ensure macroeconomic stability and the achievement of sustainable and inclusive economic growth, while maintaining its earnings.

Data analytics manage risk-related issues through extrapolating insights, calculating anticipated scenarios, and predicting and planning for future events to minimize risk. Business analytics provide the Bank with concrete data, reducing speculation and allowing the creation of actionable protocols. CIB uses risk analytics to sort data and lay the groundwork to provide management with foresight into potential risks to adjust the strategy accordingly.

CIB has gone from an evolutionary phase of growing its data journey to a revolutionary era of game-changing analytics solutions. This has enabled the Bank to move from a data-driven decision-making stage toward a far more advanced data-led stage. In 2022, the Analytics and Data Management (ADM) division continued to empower business lines to explore potential business opportunities and form strategic decisions in key operational areas related to CIB's overall strategic goals in terms of sales growth, profit optimization, and cost saving.

2022 Highlights

The measure of data analytics in the banking sector is swiftly expanding, providing CIB with numerous opportunities to improve the business and deliver enhanced services and products at marginalized costs. Through levering the extensive available data and various analyses, CIB tracks the impact of the initiatives undertaken by the CBE.

In line with the CBE's continuous efforts and new initiatives to achieve financial inclusion, the Data Analytics team seizes opportunities to contribute to and enforce the needed digital financial inclusion. To boost user growth and engagement, the Bank launched its e-wallet and Behavioral Credit Scoring Model. The model assesses customers' credit worthiness by analyzing the wallet's incoming and outgoing cash flow behavioral patterns. It utilizes advanced statistical techniques to model credit worthiness through Smart Wallet transactions and behavior and identifies new potential micro-loan borrowers. The SMEs Flash Cash Lending Model is another initiative established to accelerate the small ticket lending process by relying on alternative data-driven credit scoring methods. The model utilizes machine learning techniques that include the customers' full profile and available behavioral data, such as accounts and payment behavior, to determine their eligibility for a loan.

In 2022, the scope of the ADM division expanded from a focus on customer analytics to cover marketing analytics, HR analytics, portfolio analytics, risk analytics, and profit and growth management. Consequently, a new area of support that mainly focused on market intelligence was developed. The aim is to innovatively serve the Bank with full-fledged, cutting-edge, automated solutions that enable it to rise above its competition through data-driven market intelligence capabilities built entirely on internal data. This represents a start to various analytics initiatives serving rich insights into the competitive landscape, highlighting potential opportunities and possible threats. The ADM strategy prioritizes revamping the traditional approaches in terms of modern data and analytics governance techniques, enabling the application of different governance techniques that suit different business needs.

The year also saw the introduction of new analytical products, Business and Regulatory Initiatives Simulation models, and Gap Assessment through Pattern Recognition Models. The pattern recognition models are designed to detect customer behavior and patterns to indicate gaps in the businesses, operations, regulatory propositions, processes, and rules. With specialized teams focused on each business line, we can ensure tools are available to perform tailored analyses to present to management and the Board. With such analyses, our teams are developing and promoting projects aligned with the Bank's strategic direction and providing sound financial and economic analytics. The teams will continue to conduct thorough analyses and presentations for senior management to set strategic agenda, aiming to provide clear proposals for proactive and corrective actions with measurable impact. In addition, the team supports the preparation of consolidated financial performance and KPI reports, as well as profitability and performance measurements and financial models. In 2022, we successfully developed a Premium Segments Strategy Portal that would make room for different segmentation methods for premium retail segments to maximize customer engagement, satisfaction, and profitability.

Global Transaction and Digital Banking Group

Our focus has been and continues to be on innovative solutions, digital channels, data analytics, and customer journey to create unique digital value propositions, ensure sales efficiency, and manage costs. Our digital readiness enables us to support our customers and the wider community.

Ultimately, the success of CIB's digital transformation efforts comes from putting the customers' needs at the heart of product, service development, and innovation across the Bank. The Global Transactional and Digital Banking division advocates for the customer during all process redesigns, digital upgrades, and enhancements, helping translate an understanding of customer needs into clear system requirements and ultimately improving customer experience.

Several services have been extended to the Bank's support functions, resulting in notable gains. The Group set up the infrastructure of "Bank-as-a-Service", enabling fintechs and big corporates to directly interact with CIB systems through Application Programming Interface (APIs). The Bank of the Future program continues to support the new offloading strategy, in addition to newly added segments, such as Business Banking. The Robotic Process Automation (RPA) journey continues to automate some of the Bank's processes to increase efficiency, reduce the workload and the need for human intervention for staff, enhance customer experience, and optimize TAT. The Bank has adopted new technologies, such as the Instant Payment Network (IPN) that creates a real-time interoperable ecosystem allowing instant, seamless transfers among banks through digital channels or payment service provider applications. The IPN marks a key milestone in our roadmap for the national payment landscape by expanding new services, building blocks for open banking, promoting the national vision of helping society adopt a cashless economy, and enhancing digital channels with value-added services.

Agile Cultural Transformation

CIB initiated the Agile Transformation program with the goal of improving the response to market changes, optimizing time to market, and building high performing teams. The Bank aims to build these capabilities to maintain its leading position in the Egyptian financial services industry. This year, we continued our journey in supporting the agile transformation initiative through the following:

1. Understanding CIB's vision and expectations
2. Assessing organization maturity
3. Creating an Agile Transformation roadmap
4. Transforming, inspecting, and adapting through selected pilot projects
5. Publishing transformation Results
6. Sustaining continual improvements

To achieve maximum flexibility, the teams utilize a trial-and-error framework, allowing the Group to reassess initial approaches and move forward with high-quality value propositions and stronger relationships with our customers and shareholders alike.

With an innovative, consumer-focused, and technologically robust operational strategy, CIB is enacting a culture of agility and responsiveness.

Our strategy is to push forward with our customer-centric approach based on integrity, agility, and flexibility, swiftly responding to customers' evolving needs and expectations, overcoming difficulties, and offering suitable products and services to help our clients achieve their goals. The program's mission is based on growing, improving, and striving for excellence to create an unparalleled customer experience and come up with solutions that exceed expectations using more agile and timely actions.

CIB seeks to transform all operating processes via intelligent automation with digital and technological advantages, unlocking a new value proposition through agile methodologies. This includes raising agility awareness to support learning by doing, as well as adopting a new agile methodology to break down silos among departments. Our employees are our most important asset, and the one that will drive the success of this transformation; therefore, responsibilities and duties are shared to accomplish goals and deliver the best results. CIB is also leveraging technological advancements to accelerate the introduction of products and services through agile delivery.

Main Areas of Focus

- Maximizing transactional banking revenues and creating new revenue streams.
- Driving and increasing the cost synergy generated from various digital products and channels.
- Increasing efficiencies and reducing service costs.
- Providing new channels and features for customer acquisition.
- Creating new touch points for existing CIB customers.
- Increasing migration and automation ratios.
- Enhancing customer experience and integrating channels seamlessly.
- Driving product and service innovation.
- Re-engineering various operational processes to reduce TAT and increase efficiency.

Main Divisions in the Group

Digital Transformation: The Digital Transformation division is focused on paving the way for the future. Unlike the Digital Channels division, Digital Transformation is a far wider domain. The team is responsible for integrating relevant digital technologies across different touch points, optimizing operations, and creating and enhancing services to support the interactions between the Bank and customers. The interactions are more widely knows as "service design" and are used to deliver value to our customers.

The key enablers are a data-driven mindset, digital approaches, and technological solutions that execute changes in a business and tackle disruptions without disregarding the human factors that affect the organization's capacity to achieve its strategic goals.

The key activities of the Digital Transformation division include using digital technologies to create new or leverage existing business processes and channels, evolve culture, and elevate customer experience to adapt to changing business dynamics and market disruptions. Such reimagining of business in the digital age is digital transformation.

Global Transaction Banking (GTB): The GTB division offers a comprehensive suite of value-added, integrated, and innovative transactional products and services to corporate and business banking customers, including:

- Cash management products
- Bank-As a-Service
- Trade finance management products
- Governmental payments products
- Supply chain finance products
- GTB business development
- Global securities services products

Digital Banking Channels: The Digital Banking Channels division develops and promotes digital services for consumer banking. It monitors and analyzes the performance of these channels and platforms in terms of traffic, segments, products, and services to maximize product penetration and increase CIB's share of customers' "wallet". The division focuses on five core areas:

- Digital+
- Online banking channels (Internet and mobile banking)
- IVR, chatbot, and contact center channels
- ATMs and self-service channels

Financial Inclusion Digital Platforms: The Financial Inclusion Digital Platforms division is responsible for managing mobile payment solutions in terms of technology. It acts as an enabler for the Bank's financial inclusion strategy to serve the unbanked segment by providing a cost-effective platform that promotes online payments and avails diverse services to attract the unbanked. The division is also responsible for managing the end-to-end delivery of mobile payment solutions from the initiation of business and technical engagement. This includes cross-functional coordination, stakeholder alignment, test strategy, test cases, and business testing management, in addition to preparations for going live and production service management. The division also manages the enhancement of the currently offered services and elevate the provided customer experience.

Digital Banking Governance and Support: The Digital Banking Governance and Support division is dedicated to managing collaboration and ensuring compliance among all group divisions, the Bank's internal stakeholders, the regulator, and other external stakeholders.

Digital Transformation 2022 Highlights

Bank of the Future program

At the end of 2020, CIB launched Bank of the Future (BOTF), a program that replicates the physical branch experience and redirects customer traffic toward our growing digital channels. Using robotics and operations centralization systems to increase efficiency and minimize service costs, the BOFT program will help establish CIB's digital platforms as the primary channels for serving customers.

2022 witnessed the extension of the BOTF program to Business Banking customers through strictly moving a group of services to CIB's digital channels. This phase was an outcome of extensive collaborative efforts among several stakeholders across the Bank.

The six key pillars of the BOTF are service digitalization, operations centralization, robotics, branch digital experience, branch classification, and digital sales. Below is a summary of the mega progress of some of the pillars during 2022:

Service Digitalization

We were able to migrate many of our service offerings to digital channels, allowing for greater usage of online services. The impact of the BOTF individual customers phase continues this upward trajectory, particularly with regards to the internal and external fund transfers migration rates, penetration rates, cost synergy, transaction volume, and transaction value of online banking.

Scale	y-t-d Sep 2020 (before BOFT launch)	y-t-d Dec 2022	% Change
Internal Transfers Migration Rate	80%	94%	18%
External Transfers Migration Rate	55%	88%	60%
Online Banking Penetration Rate	48%	66%	38%
Online Banking Cost Synergy	EGP 651 mn	EGP 2,582 mn	297%
Online Banking Transactions Volume	3.7 mn	13.6 mn	268%
Online Banking Transactions Value	EGP 63.1 bn	EGP 282 bn	347%

In 2022, the program was extended to Business Banking customers capitalizing on the success of the program for individual customers.

Robotics
Robotic Process Automation (RPA) played a significant role in productivity enhancement and saving time, effort, and cost. In 2022, CIB automated processes using RPA technology and enrolled 11 digital employees to work within the CIB ecosystem, leading the aggregate number of RPAs to reach 19 across the Bank. This had a positive impact on the business, saving more time to focus on improving customer engagement, innovation, and accelerating transformation within business activities. Among the benefits, the digital employees made marked progress on the Bank's operations and resources whereby the total number of transactions processed by RPA reached 1.25 million by the end of 2022.

Digital Sales
The program worked on adding new revenue streams through Online Banking channels by offering CDs/TDs booking requests as investment tools. This has transformed our online platforms into a very effective digital sales channel that is now contributing 48% of the Bank's total annual booking in terms of volume and 44% in terms of value. This has reduced branch traffic, enhanced customer experience, and increased the use of digital channels for their unique experience and great convenience. The average monthly value of digital bookings in 2022 surpassed EGP 2.3 billion, boosting total CDs/TDs booking volume to 75,000 transactions, a 94% y-o-y hike, and value to EGP 28 billion, a 167% y-o-y hike, in FY 2022.

Global Transaction Banking (GTB) 2022 Highlights

Cash Management Products
CIB provides integrated cash management products and services backed by web-based cash and treasury management solutions, from account information to state-of-the-art liquidity management solutions. The product offering includes several unique and innovative payments and payables products, collections and receivables products, and standard/tailored information reporting delivered via a variety of digital solutions.

2022 saw an outstanding performance, with CIB ranked 1st in the Egyptian market in ACH direct debit transactions volume and value. There was a notable increase in transactions, generating significant synergies for cash management, which increased 69% y-o-y to EGP 1.5 billion.

44,140
cash management corporate customers, +75% y-o-y

731.1 EGP BN
cash management transaction value, +43% y-o-y

During the year, in line with the regulator's direction and as part of the Instant Payment Network (IPN) implementation, CIB obtained certain licenses and certifications to provide the instant payment network services to expand remittance services via its digital channels. The commercial launch was conducted on the application, InstaPay (payment service provider mobile application), created by the Egyptians Banks Company in 1Q22. CIB successfully launched seven services in 2022 and acquired the needed certification for phase 2, which includes interoperable ATM cardless withdrawal. Moving from the soft to commercial launch, y-t-d December 2022, the Instant Payment Network performance witnessed a huge number of transactions in terms of volume and value, reaching 4.2 million and EGP 25 billion, respectively. We currently serve 195,000 customers, helping them manage transfers and other services in a smooth manner.

Multiple features were also added on corporate digital channels to enhance the digital customer experience, including:

- Activating incoming foreign currency over the ACH network for the first time in the Egyptian market.
- Launching the CIB Business Online platform lite version: a simplified, user-friendly profile that includes cash and account services, targeting sole companies and small enterprises and enabling automated registration tools for these segments.
- Providing Arabic localization over the CIB Business Online platform to be more user friendly to all customers.
- Providing BUNA multi-currency payment platform, through a new strategic partnership with Arab Monetary Fund (AMF), to enable cross-border instant payments in a safe, cost effective, risk-controlled, and transparent environment.
- Launching an API screening platform to facilitate AML transaction monitoring.

94%
corporate outgoing transfers migration rate

7.3
million cash management transaction volume, +40% y-o-y

In 2023, our vision for refining payment transformation in CIB is to benefit from the most modern, resilient, and safe payment systems in the world, while enabling competition, innovation, choice, and opportunity. We plan to harness common standards, open a technology and a payments industry with a culture of collaboration and resilience and a sustainable ecosystem that works well for everyone. The aim of our payment transformation strategy is to embrace a proactive approach to deliver the best outcome for our customers, while supporting payment providers who wish to compete and flourish within our highly competitive market. CIB intends to focus on building and enriching the capabilities of current products and digital solutions, as well as the payment infrastructure, by improving speed and agility via the API Gateway, improving delivery of after-sales solutions, and accelerating process automation.

Key Areas of Focus in 2023:

- Making foreign currencies available over ACH network for outgoing payments.
- Enforcing the use of IBAN in transfers across all channels.
- Enabling facelifting for CIB Business Online for a seamless customer experience.
- Making governmental payments accessible via CIB Business Online platform.
- Building an infrastructure for the electronic international remittance platform to expand the remittance business with exchange houses, aiming to broadly expand the business around the world, particularly in the Gulf region, which will increase the inflow of foreign currency, in addition to offering new products and different techniques to cope with market requirements.

76%
corporate internal transfers migration rate

+64%
y-o-y corporate internet banking transactions volume

Bank-as-a-Service

CIB will strive to extend its services to other banks and financial institutions, initiating the journey of transforming our operating units into revenue generating hubs by catering to financial entities. To achieve this, the Bank must expose its APIs to integrate with multiple channels, customer ERP, billing systems, third party vendors, payment service providers, aggregators, switches and payment hubs, and back office and front-end services, to name a few. As a result, this will allow us to offer all our payment services as APIs to be able to embrace the Payment as a Service (PaaS) model, where we can start offering financial institutions specialized services, such as payment engine hosting, reconciliation and settlement, cross-border payments, and third-party collections. This will allow for faster financial responses and the provision of broader digital product offerings that have a unique opportunity to capitalize on consumer demand.

Accordingly, we implemented our API Gateway infrastructure in 2022 as a first step in achieving this strategy, allowing us to make our APIs available and allow its consumption by fintechs, third parties, or even corporates. Therefore, achieving new business opportunities where we can maximize our customers, outreach and develop business-centric API products and packages will be possible, allowing us to create new revenue streams by charging back customers through annual or monthly subscription packages.

In 2023, we will explore more APIs, adapting to market trends and popular use cases that would allow CIB to stay on top of the market. Some of the use cases and trends that the Bank will explore are listed below:

- Account origination
- Lending
- Appointment scheduling
- Bill payment
- Credit card payments
- Credit score lookup
- Remote check deposit (personal or business)

Trade Finance Management Products

The Trade Finance Management platform offers corporate customers the ability to conduct and manage their trade finance transactions online. It provides customers with transparent and clear information about their transactions, while eliminating paperwork and saving them time and money.

2022 witnessed political instability as a result of the Russia-Ukraine war, which led do reduced foreign currency flow to Egypt. As instructed, CIB adapted to the market conditions, temporarily deactivated import trades processes using Inward Documentary Collections, and instead issued Import Letter of Credit's for all import trade transactions.

CIB took the corrective actions to absorb the impact of the change, and it maintained a solid business by revamping its digital platform regarding the letter of credit template on the trade online module to facilitate and accelerate the issuance of LCs data fulfillment for customers, providing them with a smoother experience. We were keen on enhancing our customers' knowledge of the recent changes, and provided onside support to the trade operations team in order to accommodate the huge number of ILC requests. Finally, and despite the decline in the overall trade finance transactions, we managed to increase trade finance fees for online deals by +32% y-o-y and increase trade online corporate customers by +73% y-o-y to reach 9,100 customers.

In 2023, we plan to continue developing the trade finance transformation enhancement program that was kicked off during 2022 to add more integration capabilities to the current platform and increase operational efficiency, reduce transaction timing, and increase productivity. The program will also significantly improve customer experience and position CIB as the preferred trade service bank in Egypt. We will also improve transaction processing TAT, leveraging automation and new technologies, and significantly reduce manual intervention and increase revenues and cost synergies.

Governmental Payment Products

With CIB's continued support of the government's efforts to automate governmental payments, we maintain a solid partnership with E-Finance Company, the Egyptian government's financial processor. The company develops and operates governmental e-payment platforms and channels to enable customs, tax, and other governmental authorities to receive and collect payments through the E-Pay platform and Corporate Payment Services (CPS) platform, which greatly improves customer experience.

This year, CIB maintained its position as first in the Egyptian market in governmental e-payment transactions over the CPS platform, with a 31% market share, as a result of the implementation of aggressive focus business groups for selling CPS products. CIB also applied the process of re-engineering to be operated digitally through the RPA automation technology, with a positive impact on minimizing the TAT for transaction processing and enhance overall performance. This was reflected on CPS transactions, which increased 37% y-o-y in volume to 164,000 and 34% y-o-y in value to EGP 31.4 billion. We saw a 35% y-o-y increase in the CPS customer base to 4,000 corporate customers, a 19% y-o-y increase in transaction migration rate to 56%, and an 87% y-o-y increase in synergies to EGP 18.3 million.

A key objective for 2023 is to ease the burden of government payments on CIB branches by enrolling corporate customers to the CPS platform. We also plan to add other payment types over governmental platforms to ensure customer satisfaction, increase our market share, and maintain the top ranking in the market.

Supply Chain Finance

Supply Chain Finance (SCF) is an effective way for corporate customers to improve their working capital position; drive earnings before interest, taxes, depreciation and amortization (EBITDA) improvement; and strengthen supplier relationships. SCF

27%
Increase in Bank custody's revenues y-o-y

620 EGP BN
Total assets under custody increased 24% y-o-y, reaching EGP 620 bn

32,500
New to bank custody customers up 4% y-o-y, reaching 32,500 customers

19
19 new securitization SPVs were launched, with a total of EGP 37 bn

provides suppliers with access to financing, leveraging the buyer's stronger credit rating. It provides short-term credit, which can optimize cash flow by allowing buyers to lengthen their payment terms while providing suppliers with the option to receive payments earlier.

CIB is the first bank in Egypt to bring this kind of digital supply chain finance product offering to the Egyptian market, a testament to its solid position as an innovator.

During the year, we managed to hike the SCF portfolio (loans booking) by 272% y-o-y to EGP 914 million. We continued our development of the SCF module over the CIB Business Online platform, working on different kinds of credit facility modules. The SCF module has the flexibility to work with seller-centric customers or buyer-centric. The platform accepts both pre-shipment and post-shipment transactions involving different kinds of credit supports, such as invoices, purchase orders, contracts, copies of PDC, and, most recently, electronic purchase orders.

In the year ahead, we will work on introducing more SCF programs, techniques, and workflows to become compatible with different types of credit approvals. We also plan to explore new revenue streams generated from new business models, such as payable financing, which support new changes in the Egyptian market and engage with various industries that include SMEs and large corporates.

GTB Business Development

The GTB Business Development team provides the most comprehensive GTB digital solutions for corporate customers' daily banking needs, providing best-in-class digital financial solutions consultancy and acting as the main stakeholder in developing corporate business needs.

During the year, we enabled different lines of business to improve their GTB KPIs for all corporate digital products and channels. We managed to accelerate migration from branches and manual initiated transactions to digital channels, optimize cost synergies, increase digital channels' penetrations, and improve customer experience. Several Initiatives were developed to support the offloading strategy, including awareness visits and training conducted through different means and formats to raise digital channel awareness among CIB's staff, as well as marketing campaigns that were launched internally and externally through multiple channels.

In the year to come, we will explore additional segments and industries while enhancing the utilization of our GTB digital platforms. We will continue our intensive digital marketing efforts to increase awareness about digital channels and services, examine customers' journeys from front to back to achieve superior customer experience, and increase the Bank's capabilities to offload more customers toward digital channels and accelerate digital adoption ratios.

Global Securities Services

The Global Securities Services division is responsible for marketing, developing custody services, and enhancing CIB market share with targeted customers, including institutions and high-net-worth individuals. The division's services include equities, treasury bonds, treasury bills, securitization, global deposit receipts, and Eurobonds.

Our business in securitization services expanded in 2022 to include "payment agent" as a new role for the Bank in the market to maximize our market share, as CIB acquired 83% of the securitization transactions value in the market, with an increase of 259% y-o-y.

In the year ahead, we plan to expand more value propositions and our securitization services provision, including the new initiatives that were recently launched into the market, such as sale of future rights.

Digital Banking Channels 2022 Highlights

Digital+

CIB created the Digital+ initiative this year — our umbrella program for six digital channels: mobile banking, online banking, IVR, call center, Zaki chatbot, and SMS — and started executing phase one. Digital+ takes a holistic approach to transformation to deliver five pillars: roadmap, look and feel, branding, positioning, and base management of our digital channels.

In the year ahead, we will continue the execution of Digital+ and harvest the fruits of its completed activities. We expect a positive enrichment of our channel portfolio and appeal, an enhanced customer experience, and accelerated support for our migration efforts.

Online Banking (Internet and Mobile Banking)

Our online banking channels have become the Bank's primary channels for our customers, with a significant increase in usage and penetration rates. Now, almost 66% of the Bank's customer base uses online banking, with internet banking stagnant transactions of 2.2 million transactions worth EGP 65.6 billion, a 13% y-o-y hike. The online banking customer base reached 1.3 million users, up 25% y-o-y with an activity rate of 62% as of December 2022. A bigger performance was recorded in Mobile banking transactions, which were up 57% y-o-y to 11.4 million transactions worth EGP 216.4 billion, a 59% y-o-y hike.

It is of note that CIB creates new KPIs to monitor and measure the effectiveness of digital sales, such as "New to Term" for CD/TD, which measures the percentage of new customers who joined a bank product or service for the first time. On the other hand, opening an additional account via online banking also witnessed significant progress that reached 61,000 accounts, a 64% y-o-y hike representing 61% of the total additional accounts opened during 2022, while 5,000 monthly traffic originated from Online Banking through credit card and loan requests, generating extra leads.

In the year to come, we plan to continue offering unique banking services through our online banking channels, such as providing bill payments and mutual fund services in order to add new revenue streams to the Bank's distribution channels, increase NTB onboarding rates, position the online platforms as effective digital sales channels, boost assets and liabilities products, reduce branch traffic, and improve customer satisfaction and convenience.

CIB Chatbot & Phone Banking

We are taking a holistic approach in offloading our contact center and working to enrich other digital channel offerings and experience to reduce the need to use the call center, boost self-service usage on Chatbot and IVR, and improve agents' efficiency.

CIB Chatbot

Zaki the Bot, our AI-powered chatbot, conducted over 488,000 interactions in 2022 on both the public website and Facebook Messenger, achieving a cost synergy of EGP 8 million. During 2022, we finalized the technical infrastructure of Zaki on WhatsApp to diversify the bot's channels, and it will be ready to launch early 2023. Additionally, a new bot will be in charge of Corporate and GTB customers. As for Retail customers, we obtained the initial regulatory approval to add financial services to our chatbot to enrich the service offering, enhance customer experience, and offload call center traffic.

In the year ahead, we will introduce the "Live Agent" feature, allowing customers to seamlessly interact with the Bank's agents.

Phone Banking (IVR and Contact Center)

CIB's phone banking adds value to customers by offering services that let them bank more quickly and efficiently wherever they are.

In 2022, total call center calls grew 15% y-o-y, while IVR calls grew 7% y-o-y, resulting in an IVR containment rate of 57% and migration rate (% of eligible inquiries from call centers to IVR-self-service) of 86%, affirming IVR's position as our primary voice channel. IVR subscribers increased 44% y-o-y to 1.3 million customers, while cost synergy increased 61% y-o-y to EGP 109 million.

In 2022, we worked on enhancing the IVR navigation experience. We started by introducing IVR to the Smart Wallet line, enabling customers to select the desired service before reaching an agent, and added caller identification to identifying callers' segments to serve them accordingly. For the Bank's hotline, we introduced a tailored experience to our customers based on their payroll bracket. The new experience shortened service time, reduced channel utilization and cost, and enhanced customers' navigation experience for the selected payroll customers. Further sub-segmentation is under consideration.

We are planning to further enhance IVR navigation, enrich the IVR service offering, and introduce IVR services to serve additional customer segments. This will further offload our agents and introduce IVR self-service for prepaid customers, allowing non-IVR subscribers to activate their cards.

In the year ahead, plans are underway to transform the call center into a contact center to support new channels (live chat) and identify customer personas and behaviors, aiding in customer migration to the best-fit channel.

94%
online banking migration rate of internal transfers from branches

88%
online banking migration rate of external transfers from branches

98%
online banking migration rate of credit card settlements from branches

2.6
EGP bn online banking cost synergy, 63% y-o-y increase

ATM Network

CIB's ATM network slightly grew to reach 1,307 ATMs, and it continues to be the largest ATM network among Egypt's private banks. The network handled over 73 million transactions worth EGP 153.8 billion (up 24% y-o-y). Average monthly dispensed cash reached EGP 10.5 billion, while average monthly deposits reached EGP 4.4 billion. The migration ratio from branches to ATMs was 95.2% for eligible cash deposit transactions and 99.2% for withdrawal transactions, saving EGP 1.6 billion.

The new modern ATM user interface (CX Banking) rollout was completed on all eligible machines. The new interface enhances customer experience and introduces a new tablet-like view that modernizes the ATM interface. We also launched our new flagship drive-thru ATM located at eight strategic locations, and we expanded our ATM centers to reach 13 up from 10 in 2021.

To crown the expansion, we are rolling out a refreshed branding of our ATM casing. Also, the daily deposit limit was increased in 2022 to EGP 100,000 using the card and the cardless deposit limit was increased to EGP 20,000. We also undertook a green initiative regarding ATM receipt paper-saving, aiming to reduce the overall consumption of paper rolls on our ATM channel.

Financial Inclusion & Digital Platforms 2022 Highlights

CIB's digital banking team successfully launched the first mobile payment platform in 202,2 with a cost-effective business proposition, being the first bank in the market to have mobile wallet payment that is fully managed and owned by the Bank. CIB's AMEEN mobile wallet is a unified scalable platform with service-oriented architecture setup implementation over middleware layer that offers open APIs, which can integrate easily with surrounding third-party ecosystems matching an open banking strategy.

The open APIs allow for diverse integrations with entrepreneurs and start-up solutions that cover a wide range of consumer lifestyle services, allowing us to extend our reach to a larger market segment. The core banking solution for the mobile wallet platform is a state-of-the-art inclusive core banking suite, which allows CIB to easily offer a flexible range of microfinance solutions, and is customized to fit the diverse needs of the underserved segment, which is planned for rollout during 2023.

The platform is integrated seamlessly with CIB data warehouse for online data base analytics, capable of analyzing and processing the data using algorithms, as well as providing meaningful insights for swift decision making and product offering.

We are committed to continuously offering our customers an exceptional experience. We successfully upgraded the current mobile payment solution, the Smart Wallet that serves over 753,000 customers, from the legacy setup to a new, enhanced wallet platform with a modernized customer experience and new services. The upgrade was implemented over a less complex infrastructure that leans toward a more stable and sustainable mobile wallet ecosystem.

The digital platforms strategy prioritizes customer centricity and embraces optimization through new means for fast service delivery. This is a key driver that directed us to utilize CIB's robotic process automation program and expedite our operational efforts to complete consumer registration and amendment from diverse bank channels, such as SMS, internet banking, and agent banking networks. Not only has leveraging on robotics positively impacted customer onboarding, but it has allowed us to re-utilize and optimize our resources.

The growth rate of the mobile wallet market is rapid, and it became necessary to expand our reach by making room for new bank agents to help support our aggressive acquisition strategies and help us benefit from their expertise in the market. We managed to introduce a new "agent registration portal" that will assist the Bank in expanding its agent banking network in the market. This portal can be offered to authorized bank agents that are not technically equipped with the needed technological tools to perform online acquisitions but have a wide geographic presence in rural areas. Throughout 2022, we managed to add one of the biggest agents in the market by performing API integration for consumer registration, money deposits and withdrawals, and a bill payment services catalogue.

Digital Banking Governance and Support 2022 Highlights

The Digital Banking Governance and Support team is dedicated to managing the collaboration among the teams of the Bank's different digital channels, the Bank's internal stakeholders, the regulator, and other external stakeholders.

In 2022, the division played a vital role in governing, managing, and coordinating different regulations issued by the regulator, with the product owners and the Bank's internal stakeholders, across GTB and digital banking channels, in addition to financial inclusion products, to guarantee full alignment among all engaged parties. The team also closely monitored the KPIs and deliverables of all digital channels to evaluate the overall performance, and it highlighted the slow momentum in some KPIs to take corrective action.

The team will continue to ensure compliance across the Bank's digital products and channels in the coming year and challenge stakeholders to adopt new technologies, while ensuring that digital products, strategies, and financial inclusion efforts comply with regulatory guidelines. We will also continue to pivot our strategy in line with updates to financial inclusion laws and initiatives issued by the government and CBE.

Financial Inclusion Division

Overview

In 2020, the CBE mandated banks to establish a financial inclusion department to advance Egypt's efforts in helping the unbanked and underserved vulnerable segments of society develop into a cashless society, while fostering financial stability and economic development. The department was required to consolidate and develop internal financial inclusion work streams and act as the single source of consolidated information for financial inclusion updates to the CBE.

As such, CIB launched its Financial Inclusion division and developed a Board-approved, five-year financial inclusion strategy to provide easier access to financial services to the most vulnerable segments of society by harnessing its digital acumen. The division collaborates with other lines of business to build on existing initiatives while developing and consolidating the Bank's strategy, products, services, and programs related to financial inclusion. The department aims to offer a consolidated, sustainable, and profitable work stream for financial inclusion, creating shareholder value and positive ROE for investors, while serving the community and fostering inclusive finance.

In June 2022, CIB received final CBE approval to launch its new mobile wallet, Ameen, which will be the first end-to-end platform fully managed by the Bank. It is currently being tested in a limited launch environment before the full commercial launch in 2023. Ameen will have an edge over other digital wallets in the market with its suite of digital financial products and services offered to customers.

2022 Highlights

In 2022, the Bank identified the targeted underserved and unbanked segments that should be prioritized using behavioral segmentation analysis through insights derived from third-party market research and behavioral and transactional analyses of CIB's existing lower income customer base.

For the second consecutive year, CIB participated in the national initiative Haya Karima. The Bank's collaboration with the CBE, the Ministry of Planning, and other stakeholders extended to provide financial literacy and awareness programs, in addition to simple KYC financial services and products to underserved, vulnerable communities in rural governorates. Through the program, CIB conducted awareness and literacy sessions for more than 1,000 vulnerable individuals until September 2022.

Additionally, CIB is actively participating in six annual CBE financial inclusion initiatives, which have enabled broader NTB customer acquisitions for the Bank. The key success indicators of these initiatives are highlighted below:

Products	Total
Savings & Current Accounts	381,175
Light KYC Savings Account for Individuals	10,017
Light KYC for Current Accounts, Business for Entrepreneurs, & Micro Business	278
Prepaid Cards	3,517
Mobile Wallets	417,710

> CIB is actively participating in six annual CBE financial inclusion initiatives, which have enabled broader NTB customer acquisitions for the Bank.

CIB's L&D department, alongside the Financial Inclusion division, developed internal bank-wide staff awareness sessions about financial inclusion to familiarize them with the importance of the national objective of financial inclusion and the newly launched simple KYC products.

Financial Inclusion Products

CIB Smart Wallet: The CIB Smart Wallet (SW) was launched in 2016 primarily to serve unbanked customers by providing a convenient, secure, and cost-effective way to make financial transactions through mobile devices. Through the wallet, customers can easily pay bills, recharge their mobile lines, transfer money to other wallet holders in Egypt, and deposit or withdraw funds from any ATM machine or any of CIB's authorized Banking Agent outlets. The application also supports contactless payments through QR code scanning. The total base of SW customers as of 31 December 2022 reached 753,098 users, with a 21% activity rate for 30 days. An upgrade to the user interface and experience took place in October 2022 to provide customers with a better experience.

Ameen Mobile Application: CIB is also developing the Ameen digital wallet, providing customers with access to even more advanced financial services and products, such as savings, loyalty, and lending. The wallet is intended to gradually replace the SW and should give the Bank an edge over other wallets in the market. It will help the Bank generate additional revenue streams and provide easier access and enablement to unbanked and underserved segments.

CIB received CBE approval for Ameen in 2022, and the wallet is currently being piloted in select governorates before the official commercial launch in 2023.

Bedaya Accounts: Bedaya, the LCY account, was launched in November 2021, targeting individuals, entrepreneurs, and micro enterprises with a special focus on housewives, youth, and freelance professionals. The account aims to include society's unbanked segments, eliminate entry barriers, and encourage the unbanked population to enter the banking sector through the simplification of the account-opening process. Bedaya Saving and Bedaya Entrepreneurs onboarding requires only a valid national ID, capped at certain transaction and balance limits. If a customer exceeds the balance limit, they shall be required to sign a full KYC form and will be shifted to another savings account (Easy Account).

Prepaid Cards: Prepaid cards are only issued to Egyptians, without the need to open a bank account, using their valid national ID. Customers can easily withdraw from any ATM in Egypt and purchase from any in-store merchant and Egyptian e-commerce platforms using their cards. They are cheaper to issue and transact with versus other debit/credit cards.

2023 Forward-Looking Strategy

In 2023, we will be leveraging our strategic partnership with agents, NGOs, microfinance institutions and startups to sustainably reach the targeted segments. The division will mainly focus on the launch of the Ameen Wallet as the main digital product that will assist the Bank in sustainably serving lower income segments. We identified three main phases for the wallet's product and service rollout:

Short-Term Product/Service Rollout

- Providing a competitively priced financial product, giving us an edge over other wallets in the market and driving up active usage.
- Providing registration from agents.
- Upgrading our billers gateway to proved more billers to end users.

Medium-Term Product/Service Rollout

- Developing a loyalty program and in-app marketing module to further encourage engagement and active usage.
- Creating an IOS version.
- Providing missing SW services to complete the migration.

Long-Term Product/Service Rollout

- Focusing on providing digital lending solutions and providing access to finance to vulnerable segments in a responsible and sustainable manner.

2023 Marketing Strategy

The marketing channels needed to support the acquisition and utilization of Ameen include digital media campaigns, on-ground activations, and in-store branding.

Digital Media: Throughout 2023, we plan to promote financial inclusion products and services through on-going campaigns, with a focus on all the use-cases and value propositions.

On-Ground Activation: On-ground activations will be launched across the year to promote and offer the Bank's financial inclusion products, particularly during the CBE Financial Inclusion and Haya Karima initiatives.

FINANCIAL INCLUSION

In 2022, CIB identified the targeted underserved and unbanked priority segments using behavioral segmentation analysis through insights derived from third-party market research and behavioral and transactional analysis.

04

Support Functions

CIB's support functions ensure the Bank runs with efficiency and ease.

Operations and IT

The COO area succeeded in implementing the Bank's transformational journey to deliver exceptional customer experiences and reduce costs to serve and optimize the bottom line this year, focusing on implementing its digital strategy, particularly in the current disruptive environment.

CIB's vision to transform day-to-day banking into a more customer-centric experience mainly relies on product innovation and digital transformation. This was successfully achieved by building a strong, cohesive environment between all COO area stakeholders, creating the right digital transformation strategy that is enabled by technological advancement and reflected in enhanced products, services, and operational excellence. This was also reflected during the COVID-19 pandemic in the Bank's ability to tackle challenges in day-to-day operations and expedite digital transformation, while ensuring business continuity and maintaining the highest service quality levels.

CIB established the Agile Delivery concept by leveraging its technological advancements to accelerate products' and services' time-to-market. The new methodology reduces manual efforts when it comes to project implementation, while reinventing processes and customer journeys through automation and agile processes. Time-to-market is expected to be significantly reduced by adopting this approach, consequently enhancing the Bank's productivity, profitability, and efficiency.

Operations continued to accommodate business growth, not only by supporting the digital transformation journey but also by improving and increasing the efficiency and productivity of front office and back-end operations. The main approach simplifies and streamlines processes, enhances digitalization for better customer experience through reduced TAT and customer serving time, and provides a superior banking experience. A focal point of our operations was reducing operating costs through applying the optimum cost synergies by migrating more services to our digital channels for branches' back-office services and activities; promoting the existing automation tools, such as Robotic Process Automation (RPA), across the centralized operating areas; and, accordingly, improving straight-through processing (STP) rates and absorbing transactional volume increase, with the same headcount.

The COO area implemented one of the first innovative work models in the Egyptian banking sector. CIB Flex is a program promoting remote working culture and allowing the Bank to achieve cost avoidance and introduce flexible work arrangements. As a result, CIB achieved a better life-work balance versus productivity, as well as overall cost reduction, in addition to creating flexibility to better respond to market challenges. CIB Flex phase II was rolled out covering a target of around 40% of the Bank's population.

Expanding the branch network remains one of the Bank's key practices to enhance its presence and work on building an upgraded branches layout to continue cementing the Bank's position in the market. Expanding the ATM network is a main touchpoint within our digital transformation strategy, which is reflected in reaching 1,307 ATMs across Egypt and the complete revamp of the ATM experience we offer our customers. Work is running diligently at the New Capital project, with the fit-out already completed for the Bank's branch.

CIB is the first organization in Egypt and first bank in the Middle East to be ISO 41001 certified for Facility Management, and it additionally acquired the ISO 9001 Quality Management certification for all CIB premises.

With the whole world collaborating to fight climate change, the Corporate Services and Premises Projects has been playing a pivotal role in supporting the Bank's environmental sustainability roadmap by applying green initiatives at existing premises. This includes implementing green walls in branches and head offices, energy savings, using solar energy, piloting operating fleet cars, improving air quality, and recycling paper and plastics. As a result, CIB obtained three Green Pyramid Rating System Certificates (GPRS).

CIB's state-of-the-art Command and Control Center is now successfully operational, allowing for better monitoring and control of all our branches nationwide and enhancing the quality of service provided at these branches.

Digital channels are crucial for enabling CIB to offer premium and convenient services, while driving cost down by serving our customers online rather than at our branches. The IT team has successfully digitized our most used products, and it continues to progress across remaining offerings in Consumer, SME, and Corporate.

IT is a major contributor to business enablement, and, with digitization, it provides more benefits and methods to help shape the business strategy and improve product offering. CIB is the first and only bank to launch a mobile wallet, Ameen Wallet, that is not dependent on ecosystem components but fully built using CIB IT systems, enabling the Bank to provide differentiated services while remaining fully compliant with CBE mandates and interoperability requirements.

To build the digital approach, CIB's IT department has worked diligently to introduce new and upgraded systems during 2022 and implement major transformational programs. Infrastructure resilience and operational excellence are also part of the IT strategy; hence, the finalized network virtualization, stabilizing customer facing systems, integration between Data Warehouse (DWH), and the core system to enhance reporting, especially the generation of regulatory reports. IT is progressing with the process of implementing a full-fledged transformational program for Retail Banking to transform the customers' banking experience. The program is executed using the agile concept and through implementing the micro-services topology to accelerate project delivery and new services time-to-market (TTM) delivery.

> CIB established the Agile Delivery concept by leveraging its technological advancements to accelerate products' and services' time-to-market.

Expanding across Africa remains a priority; CIB continues to support the expansion in Kenya with Mayfair CIB Bank and has implemented a complete transformation program to align activities in the region with CIB's vision and strategy. This mandates the improvement of the current IT landscape, introducing a technological revamp, and strengthening security posture.

Human development and retention is also a focus of the COO, with continuous training provided to the staff, ongoing support for career advancement, and setting up a program to promote internal calibers, while ensuring gender equality by allowing for a wide range of opportunities for women in all areas across the COO division.

Regulatory requirements were given the highest priority throughout the projects and initiatives taking place to ensure CIB is one of the first banks in the market to fully comply with the regulator's mandates.

Information Technology

In alignment with CIB's strategic pillars, business objectives, and market trends, IT continues to implement its technology strategy to enable the Bank to maintain its market leadership position. IT's strategy covers the end-to-end value chain required to better serve our customers, enables new product offerings, and supports implementing the Bank's transformational journey. CIB is continuously investing in technology to support customers with different digital services, product offerings, and embedding the Bank in the customer journey to deliver simple, fast, and contextual banking solutions while reducing cost to serve and optimize the bottom line.

For the Business Banking Sector, additional capabilities will continue to be introduced, such as internet banking, customer onboarding, and debt collection. This will enable a set of dedicated modules to better serve the Business Banking segment. For the Corporate Banking sector, the full credit cycle, including the origination, fulfillment, and servicing stages, is currently being automated.

To prepare CIB for open banking, we have successfully implemented the first phase of the API Gateway project, allowing the Bank to offer digital services through APIs. This provides our corporate clients with a more seamless experience, connecting their systems directly to the Bank's and opening new business opportunities via partnerships with fintech companies.

This dynamic technological landscape is supported by the modernization program for the enterprise service bus (CIB's main middleware system that enables our systems to connect to each other). The modernization program will enable us to further utilize microservice architecture in our platforms, improving the resilience of our systems and reducing the complexity of future technological solutions.

Supporting the Bank's data-driven strategy is fundamental for customer centricity and digital transformation. Artificial Intelligence (AI) monitoring tools are adopted for more in-depth insights about production services across customers' touch points. In light of the CBE's direction for the transition to a cashless society, CIB was one of the first banks to participate in an Instant Payment Network (IPN) and include these new services to the payment portfolio of services provided to CIB customers.

The Bank's IT department has a market-leading delivery team that consists of cross-functional technical teams, with a focus on Digital and RPA, at the IT Center of Excellence (CoE). The IT CoE staff receive specialized training to build CIB's internal delivery capabilities, allowing them to have faster adaptation to market changes without relying solely on vendor support. This provides best practices, insights, and training to enable our delivery teams to capitalize on leading technology innovation when delivering our solutions with the agile implementation approach.

To deliver our strategy safely and securely, IT has heavily invested in stabilizing services to continue the rapid implementation of technological advancements, while avoiding any negative impact on our customers or staff. This, in addition to reviewing and upgrading Disaster Recovery (DR) site capabilities, is a key factor in ensuring service availability and resilience.

The IT department also works closely with the Compliance and Risk teams to allow them to leverage technological solutions and provide improved oversight, as well as respond to regulatory requirements in a timely manner while minimizing impact on business activities.

To support the developments of these new work practices, the IT team is automating its manual processes to increase the efficiency of its delivery capabilities. The team is also investing in continuous integration and delivery, accelerating the implementation timeline, improving release management, and supporting agile delivery.

The transformation journey will build on the existing foundations and drive the business to new levels by leveraging investments in data analytics, digital, new core banking modules, campaign management capabilities, and additional loan origination, all of which will facilitate the achievement of the business strategy and respond to market and customer demands.

Operations

The transformation strategy has had an impact on many levels, especially operations. During 2022, the Operations Group continued accommodating business growth not only by participating in the transformation program but also by improving and increasing its efficiency and productivity with both front office and back-end operations.

The Group focused on reducing the current operating costs by applying the optimum cost synergies in various forms, starting from migrating more services to our digital channels to promoting the existing automation tools, such as RPA, for branch staff and across the centralized operating areas, consequently improving our straight-through processing (STP) rates and minimizing headcount (HC) requirements.

In an effort to maximize resource utilization, the optimization approach remains a continuous exercise. Capacity plans are regularly performed and updated for all Operations departments to identify HC requirements for each unit and ensure correct and efficient resource allocation, which will lead to a reduction in cost of services.

One of the Operations Group's strategic goals was to simplify and streamline processes and enhance digitalization for a better customer experience through reducing TAT and minimizing error rates. Accordingly, this will reduce customer serving time and result in a superior banking experience.

Additionally, the Process Improvement department is working on enhancing staff engagement within the Bank by introducing the Re-engineer YOUR Process initiative. The initiative aims to boost staff engagement and satisfaction, enhance work-life balance, and, accordingly, improve operational efficiency. The primary goal is to support and encourage employees to re-engineer and enhance their day-to-day operations.

The Branch Operations and Corporate Support department is pivotal to providing enhanced customer experience, given it is responsible for directing and leading all operational functions and activities performed across our branch network. This is achieved by establishing a strong control environment and maximizing efficiency and operational standards, while handling most non-sales activities to ensure that frontline branch staff are fully dedicated to sales and service activities. This creates synergies between different operations and business units and enhances and accelerates communication to ensure that all customer requests and inquiries are addressed in a professional and timely manner, while creating a wider span of managerial control.

In 2022, Branches Operations and Corporate Support, in coordination with IT, launched the new Generic Digitalized Work Flow (GDWF) BPM module, which was developed to provide a new platform for process flow enhancement between the branch network and centralized operations. The workflow halts the transfer of the customers' requests and documents via e-mail between branches and centralized areas, while ensuring clear individual ownership of each case for instant handling and execution. Currently, the workflow covers 19 services and has the flexibility to accommodate any additional services or processes in the future.

With the successful digitization of most products and the continued progress across remaining offerings in Consumer, SME, and Corporate, we have been able to improve our customers' experience by making their online journey more seamless. A key focus has been on enabling the Bank to offer STP over its online channels, allowing our customers to complete all transactions digitally without the need for manual intervention from back-office staff or branch visits. Another benefit is enabling us to personalize our services to each customer segment to enhance customer experience across CIB touch points.

Automating processes through the RPA program has enabled CIB to automate a number of manual processes. This has increased operational efficiency and freed up full-time employees (FTEs) to be redeployed to customer-facing roles.

The customer experience remains the main pillar on which the Bank's strategy is centered, with annual customer satisfaction surveys still an ongoing practice. The surveys revealed that customer satisfaction and NPS were in line with regional benchmarks. CIB's customer-centric approach is reflected in the operations of the Customer Care Department, the focal point for all customer concerns raised through the Bank's official channels, with priority given to regulatory and compliance complaints.

On the transformation front, the impact of the ongoing transformation strategy can be seen on many levels within the Bank's operations. To date, the strategy has served to enhance operational efficiency, productivity, TAT, and streamlining processes, with the aim of increasing customer satisfaction and supporting business growth.

Security and Resilience Management

Security and resilience have always been a top priority for CIB, aiming to deliver outstanding stakeholder value through providing best-in-class financial solutions to individuals and enterprises. This past year, focus was directed toward ensuring full alignment of the Security and Resilience strategy with the Bank's digital strategy and aspirations, staying abreast of the ever-changing threat landscape and evolving attack techniques. In order to improve our customer experience while controlling different security and digital fraud risks, Security and Resilience focused on further raising cyber security awareness among our customers and staff. Multiple awareness campaigns were launched across different internal and external channels, targeting all CIB employees and different customer segments.

Enhancements have also been introduced to the Bank's Data Classification and Protection program to further maintain the confidentiality, integrity, and availability of the Bank's and customers' data and prevent unauthorized access or disclosure over different channels. Efforts were also directed toward enhancing the maturity of our Security Operations Center (SOC) by introducing enhancements to our existing technologies, as well as introducing 24x7 operations to allow for more effective and proactive management of the threats and risks landscape and to accommodate the aspired SOC maturity and security incident response automation plans.

People development has also been one of the core objectives of the Security and Resilience area, where continuous investments in the development and upskilling of the different security staff is taking place to equip the team with the necessary knowledge, know-how, and skills to manage emerging risks and support the newly adopted technologies and concepts around Zero-Trust models, Containerization, Private Cloud, and Open Banking Security with an agile mindset, in line with the Bank's strategies.

Efforts were made during 2022 to align and comply with the released CBE Cyber Security Framework, which serves as the foundational guidance for cybersecurity capability development within the banking sector, incorporating a number of cybersecurity best practices and controls. For the third year, the Bank successfully maintained its ISO 27001 certification for the Information Security Management System, covering alternative channels and digital services, as well as the contact and data centers. CIB has also been able to successfully maintain its Payment Card Industry – Data Security Standard (PCI-DSS) certification for the fifth year and assure full compliance with SWIFT Customer Security Program requirements. The Bank has also maintained its ISO 22301 certification for Business Continuity Management, covering all the Bank's services and related operations for the fifth year.

Human Resources

At CIB, we know that the success and sustainability of our organization is contingent on the growth of our employees. We are committed to maintaining our status as the employer of choice for top talents through providing equal opportunity, security, and growth avenues, as well as empowering and investing in our employees. Our belief is that optimizing our employees' experience is crucial to ensuring the best customer experience. Adhering to our core values and guiding principles, our objective remains inspiring confidence in our operations, attracting high caliber, and fostering a high-performing and engaging environment.

2022 Highlights

Talent Strategy

CIB's talent strategy revolves around internal career mobility, ability attract and retain satisfied and inspired employees, and adapting to the Bank's changing needs. Our HR team works closely with business stakeholders to review and analyze current and future business needs and determine their availability in internal talents or the need for external candidates. Internal candidates remain our priority when filling vacancies, and we have maintained our approach of first identifying and leveraging talents within the organization and only hiring externally when necessary. This year, we hired 1,203 employees, encouraged the internal mobility of 944, and promoted 655 employees.

CIB values diversity in its workforce and is committed to providing equal opportunities irrespective of gender and background. The interviews and assessments are standardized, guaranteeing an unbiased and just hiring process. In 2022, a hybrid approach was adopted with regards to both internal and external hires, encompassing initial virtual interviews, with in-person interviews conducted further along the process.

In 2022, the HR team carried out 11 employment initiatives across universities and local employment fairs in Egypt, increasing brand awareness, announcing employment opportunities, and expanding our network among other organizations.

Building on previous efforts to identify and develop high performing employees, we introduced a comprehensive talent management framework responsible for identifying top performers bank wide and efficiently streamlining corporate succession.

Utilizing the 2021 competency evaluations and integrating them with our new performance management system, our team used the evaluation of behavioral competencies in the talent management and promotion assessment process in 2022. Through this process, our competency evaluations feed into our talent promotion process, encouraging high performance and ensuring talent retention.

Business Enablement and Skill Development

In 2022, CIB's total training hours provided reached 1,199,814, of which 350,298 were provided to female employees. The Bank's HR team designed an employee-tailored training guide in an effort to foster development and empower employees in achieving their strategic goals. More than 75 programs were offered over 550 rounds throughout the year to more than 3,000 employees. Additionally, CIB delivered over 50 specialized learning tracks consisting of technical training and advanced certifications to 1,241 employees. We continue to support career progression ambitions, including post-graduate studies, internal and external education, overseas programs, and the below key learning tracks.

In line with our aspired efficiency, our HR team continues to incorporate digitization in the training and learning opportunities offered to employees. We encouraged employees to utilize the provided 24 e-learning modules, and we integrated a reward system for the 7,068 employees who used them.

Analyst Program

180 Training Days

1,260 Hours

32 Trainees

SME Academy – 3 Cohorts

59 Training Days

413 Hours

80 Trainees

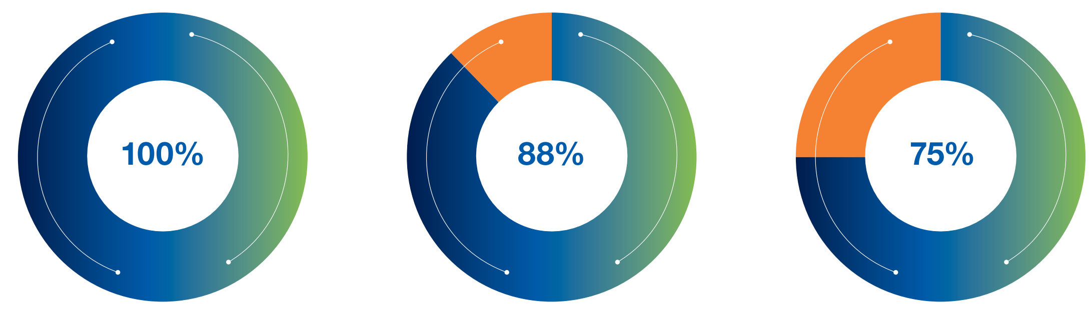
Other Retail Tracks

120 Training Days

840 Hours

74 Trainees

Trained Females vs. Eligible Population



Strategic Acumen for Women (Senior Management) | Middle Management Group | First-line Management Group

The iComprehend business assessments were also introduced to assess employee understanding of business-related policies. We were also able to extend more than 2,500 licenses marketing top-notch digital platforms that offer online courses presented by different industry experts.

Cross Functional Initiatives
During the year, CIB focused on a company-wide cultural transformation to further encourage a culture of excellence, success, and achieving strategic goals. Numerous cultural development activities, including experiential training programs, were delivered to more than 1,500 employees. The programs include, but are not limited to, the Risk, EGR, Auditing, and Legal teams to create harmony, promote cross-functional engagement, and elevate communication levels among teams. The CIB Sustainable Framework session was also conducted to highlight its importance in the organization and make it part of the company culture.

East Africa Developmental Initiatives

Following CIB's targeted expansion across Africa, the HR team sought to replicate the success of its talent and development programs across the continent. In 2022, HR kicked off an event in Kenya's Mayfair CIB to introduce branch employees to the newly-established CIB Mayfair training guide. The training guide has a hybrid program with virtual and in-person trainings, providing a variety of development opportunities.

Additionally, the second round of the East Africa Analyst Program successfully provided delegates with a unique opportunity to learn how to use credit management tools to make rational and sound lending decisions, apply best practices in fulfilling their roles, and utilize the strong Kenyan work ethic. CIB's commitment to providing growth opportunities across the continent is reflected in the aforementioned initiatives.

Youth Development Initiatives

In line with the nation's focus on youth empowerment and financial inclusion, we established a number of initiatives in 2022 catering to the development of the leaders of tomorrow.

- **Differently Abled Program "قادر باختلاف"**
  The Differently Abled Program is launched with Egypt's 2030 vision and CBE's directives and legislations in mind. The goal is to promote the inclusion of differently abled graduates in the workforce and equip them with the necessary skills to comfortably navigate the workplace.

  With a consortium of training partners and associates, CIB trainers, and guest speakers with vast shared experience, the program provides training and education in the financial, banking, and service sectors. Over 140 training hours were delivered to 60 differently abled graduates over two rounds in one month. It was further extended to cater for both mobility and visually impaired participants with content in Braille and audio format.

  The graduation ceremony was attended by the Minister of Social Solidarity, Deputy Governor of the CBE for Financial Inclusion, Executive Director of the Egyptian Banking Institute, CIB Chairman, CIB CEO & MD, and a number of CIB Senior Management employees.

- **CIB Summer Internship Program**
  As part of CIB's commitment to youth development, our annual summer program took place in 2022 with the theme of entrepreneurship, complementing the CBE's efforts in encouraging young entrepreneurs to think beyond the undergraduate mindset. The comprehensive program was endorsed by reputable academic institutes with over 55,000 undergraduate applications from over 65% of Egypt's universities, and it was ultimately delivered to 11,000 students.

  The program's closing ceremony included all 11,000 graduates, who created videos to raise awareness about entrepreneurship as part of their contribution to the program. The best out of the 1,000 videos were screened at the ceremony.

- **Signed MOU with Nile University: "SME Sustainable Finance"**
  Highlighting the importance of including corporate training in academia, our partnership with Nile University's School of Business in 2022 stipulates a joint collaboration to serve the Egyptian financial labor market. In doing so, we will be introducing new business specializations under the name SME Sustainable Finance for the first time in Egypt and the Middle East. The program is compliant with the direction taken by the CBE toward SME empowerment and providing sustainable finance legislations and frameworks.

39 International Certifications

145 employees

3 Local & Overseas EMBA Programs

11 employees

21 Overseas Training Programs

31 employees

Employee Engagement and Enablement

During 2022, CIB's strategy continued to focus on promoting organizational effectiveness by improving engagement and enablement levels and enhancing HR's value proposition through the following initiatives:

- **Recognition Program:** In 2022, our HR team worked on revamping the Employee Recognition Program to provide adequate engagement and empowerment tools to enhance the recognition culture and nurture our desired behavior. The program's aim is to retain top talents, increase motivation, boost employee productivity, and foster a positive working environment.

- **Employee Wellness Program:** In line with CIB's strategy to help employees manage their stress levels, improve productivity, and promote mental health, HR continued to provide a workplace counseling service in 2022. The service provides employees with integrated wellbeing and mental health support to promote a more secure environment and balanced work life.

  CIB also introduced a variety of workshops in a Mental Health series to raise awareness about the importance of mental health in the workplace across the organization. Staff that take care of their mental health will likely do better work and communicate their concerns effectively.

- Flexible Work Arrangement (FWA): In 2022, CIB continued to adopt the hybrid work approach established during the pandemic, providing a flexible work environment and adapting to the global digital transformation trend.

Diversity, Inclusion, and Gender Equality Initiatives

At CIB, we are committed to supporting people in fulfilling their potential through integrating and adopting ESG practices in our journey. We are equally committed to equality, inclusion, and diversity to ensure equal opportunity, dignity, and respect for our employees. This allows us to attract and retain a diverse workforce and create a work environment where everyone feels valued and can perform at their best. We are currently focused on our gender and inclusion initiatives, as they play a strategic role in promoting social development, expanding economic growth, and establishing a more stable and just organization. Accordingly, we developed and are actively involved in a number of initiatives promoting women's empowerment.

- **Better Together:** In 2022, we reinforced our commitment to cultivating and preserving an inclusive workforce through facilitating the employment prospects for the differently abled. The initiative started in 2020 with the ultimate goal of providing job opportunities for the differently abled in our different branches and departments. We want to foster a diverse and inclusive community, welcoming and valuing all members of society.

- **Helmek Yehemena:** Building on our accomplishments in 2020 and 2021, HR launched the third phase of the program, promoting female empowerment in the workplace. The program aims to encourage young female talents in the

Upper Egypt and Delta regions to join the workforce. It supports women through short training programs, which first started in South Valley and Port Said universities, to enable women to discover and expand their untapped potential and equip them with the necessary knowledge and skills to become members of CIB. We met with more than 200 females, around 169 of whom underwent a selection process, and the top 11 were selected to enter the program.

- **She is Back:** She is Back helps mothers in their transition back to work after their maternity leave. Women are informed of any external or internal changes that affect both the Bank and their own respective roles during their absence. In 2022, one round was organized for more than 20 women.

- **Egypt Gender Equity Seal (EGES):** CIB attained the EGES certification, awarded by the National Council of Women (NCW) and the World Bank, in 2021. The EGES certification process promotes gender equity in the private sector by building a series of practices in recruitment, career development, work-life balance, and harassment policies. It is guided by the World Bank's Gender Equity model, which identifies the areas of focus and maps out the needed actions to accomplish the model's objectives in each area. In 2022, HR developed our Anti-Harassment policy to ensure a safe environment that is free from harassment and where all employees and stakeholders are afforded the dignity and respect they deserve.

- **Women in Tech:** In 2022, CIB launched the third phase of the Women in Tech Program that was introduced in 2019. The aim of the program is to address the gender gap in the Bank's technology departments and build up talented women to work in these divisions. 15 female graduates had the opportunity to join the program, in which they rotated in various technology-related departments: IT, Security and Resilience Management, and Global Transaction and Digital Banking, and they received an introduction to Big Data Analytics.

- **FWA for Women:** In 2022, CIB continued to provide mothers with infant children the opportunity to work from home before applying for unpaid leave. This promotes gender equality, allowing a higher percentage of women's representation in different levels in the organization.

- **Women Empowerment Programs:** Further building on its initiatives, HR established multiple women leadership programs across all levels, equipping them with the necessary skills to enhance their leadership qualities. The dedicated programs covered 100% of women in senior and management levels, 88% of women in Middle Management, and 75% in First-Line Management, highlighting the advancement of women's development and empowerment within the organization.

Reward Management

CIB is committed to a fair and responsible remuneration approach to reward and recognize exceptional performance. CIB's remuneration approach and practices are gender-neutral, and we are committed to eliminating any bias in our practices. Our competitive remuneration and benefits packages attract top talents and strengthen employee loyalty. In 2022, CIB remuneration structure continued to be based on employee performance reviews to maintain its competitive variable pay program. CIB benchmarks its compensation and benefits scheme offerings against local and regional players to strengthen its value proposition and enhance employee enablement and satisfaction.

Accordingly, HR introduced an interactive salary adjustment framework based on the Bank's strategic direction to adopt benchmarking and, in turn, created a salary adjustment proposal to combat turbulence in market conditions, increased inflation rates, and hefty competition from rivals in the market.

Automation

On-going automation initiatives continued in 2022, with HR automating several processes, including the onboarding process to support new employees reach full productivity in a short period of time and enhance employee experience. In 2022, HR introduced the automated I-score generator to enhance control levels across the organization. CIB will continue to build on these automation initiatives to adopt better, more integrated, and innovative solutions with functional capabilities to improve productivity and efficiency.

HUMAN RESOURCES

At CIB, we are committed to supporting people in fulfilling their potential through integrating and adopting ESG practices in our journey.

Marketing and Corporate Communications

+10.7%
Facebook followers

+80.6%
Instagram followers

+37%
LinkedIn followers

+19.2%
YouTube subscribers

-40% y-o-y
cost of generating an online lead for cards

-60% y-o-y
cost of generating an online lead for loans

+26% y-o-y
conversion rates for online cards leads

+19% y-o-y
conversion rates for online loans leads

For the past three years, the world has been facing the consequences of the outbreak of the COVID-19 pandemic and the Russia-Ukraine war, which brought about such fast-paced change that is likely to amount to decades' worth. These global events accelerated the shift toward digitalization. All the while in business and marketing, the core challenge has not changed. Our key focus areas remain improving customer relationship and affordability and detecting customer intent.

2022 Highlights

CIBEG.COM: Our Digital Gateway

A corporate website is the most influential touchpoint for any company, and it acts as an intelligent platform that dynamically tailors relevant experiences to the needs of users, which is mission-critical for corporations to stay competitive, attract the best personnel, and serve investors. In June 2021, CIB launched its new corporate website. We started to witness marked improvements in key indicators when compared to the old site. We also started taking advantage of the new "Personalization" tool, which increased the overall traffic and performance of the website.

Over the long term, traffic and KPIs have all seen positive increases. Users, sessions, and pageviews have all gone up 35%, 45%, and 30%, respectively, compared to 2021. The increase in traffic can largely be attributed to an increase in organic traffic on the site. The Personalization tool has also been performing well since its launch in July 2022. Users are targeted with personalized content to increase the efficiency of the leads coming from digital platforms. We have also seen significant increases in key areas, with an 84% increase in traffic to the Cards Apply Online leads and a 46% increase in traffic to Loans in comparable periods since the site launched. The Offers page has also seen a 123% increase in pageviews.

Overall, paid leads have increased 617% compared to last year, and organic leads have increased 365%. The increase in organic leads is mainly attributed to improved search engine optimization (SEO), as well as the placement of helpful tools across the site, including funnels, that help guide customers from merely considering a product to taking action.

CIB's corporate website will play a central role in our strive to achieve greater quality of leads from our sales digitally, where we intend to continue to fully utilize the platform in building personable and relevant experiences for our visitors.

High-Net-Worth (HNW) Experiences Catered to our Customers' Lifestyle

CIB has always been committed to providing a fully integrated lifestyle experience for our top-tier clients and redefining the meaning of elite banking. We aim to bring luxury to every aspect of our clients' lives, providing them with a progressive and evolving experience that goes beyond banking.

Our lifestyle experiences platform has been evolving year after year, and in 2022, we made sure our cards were the main vehicle to provide clients with access to benefits at all venues. CIB clients had access to exclusive discounts and offers at their favorite restaurants and top entertainment platforms. It was a remarkable summer with CIB Private and Wealth through our solid presence among our partners. We are proud to say that 2022 was a great year to be part of CIB's HNW segments, as our lifestyle portfolio featured new partnerships with various iconic venues, allowing customers to utilize CIB banking services and enjoy a seamless customer experience.

Our exclusive partnerships and client benefits were extended throughout Cairo and El Gouna to complement our strategy of providing dedicated, year-long, one-of-a-kind experiences that are enriched with lavish privileges to lead the market.

CIB Business Banking Embracing SMEs in Egypt

One of the top priorities of the Egyptian government is ensuring that SMEs have access to financing to expand their operations. The CBE is a key player and establishes the framework that governs Egyptian banks moving forward, and efforts are ongoing to encourage medium- and long-term loans to support SMEs. Meanwhile, CIB's strategy is to develop and expand an SME growth asset plan to reach the CBE mandated target.

Accordingly, an extensive communication strategy was established in November, with a focus on SME lending facilities and other banking services to further increase the number of prospective customers and retain existing ones. The SME campaign included videos posted across social media and other online platforms, in addition to radio station coverage. The aim is to increase awareness in the Egyptian market about how CIB

2022 Financial Inclusion Initiative Participation

Celebrating Women's Financial Inclusion	Arab Financial Inclusion Day	Youth Initiative	Saving Initiative	Farmers Initiative	Persons with Disabilities Initiative

supports SMEs and has the necessary tools and services for these businesses.

Marketing Analytics

Customer behavior is ever-evolving, requiring the Marketing department to keep its finger on the pulse of customer behavior, lead generation trends, and technological advancement utilization and adaptation.

To do so, we established a Marketing Analytics function, which has automated most of our reporting, enabling us to utilize internal data for fast analytics pre-campaigns and bridge the gap between website traffic personalization, online campaigns, and customer behaviors.

CIB is in the process of expanding this function to ensure the department's cohesiveness and enhance learning to continuously adapt the formula to the plethora of variables.

Marketing Efficiency

With our core metrics, online leads surpassed 2021 leads by 157% (206% uplift in cards and 120% in loans). As the quality of leads improved due to the enhanced targeting techniques that we adopted, conversions to date are up 250% from 2021 (285% uplift in cards conversions and 146% increase in loans conversions), with a 36% hike in conversion rates.
We were able to increase the contribution of marketing efforts to the Bank's performance by 42% on card conversions and 134% on loan conversions.

Moreover, we were able to start gauging the marketing campaigns' assistance to in-branch sales. We estimate at least 9.2% of card sales and 11.5% of loan sales in H2 were exposed to digital marketing activities on Facebook. We aim to complete the picture by applying the same methodology on Google.

Going forward, we aim to further enhance the user experience and lead quality by further optimizing the online forms. Our target for 2023 is to migrate our media buying activity to be mostly in-house, saving costs, increasing efficiency, and retaining our knowledge and intellectual property internally.

Financial Inclusion: Serving the Underserved

2022 was marked by a rich calendar of initiatives supporting financial inclusion, whereby CIB participated in six different initiatives, as per the CBE mandate running nationwide. We have been committed to enhancing financial inclusion across various societal segments, along with raising financial literacy and awareness.

The team launched dedicated campaigns featuring the most convenient banking products and services to increase reach and ultimately serve our objective of having a financially included community for a better, more secure financial future. Additionally, we were keen on having on-ground presence throughout the year in selected governorates to serve in activations targeting the unbanked segment, promote financial inclusion, and conduct financial literacy sessions for more than 1,000 attendees during the Haya Karima campaign.

Our financial inclusion efforts have proven fruitful, with 90,000 accounts, 780+ prepaid cards, and 90,000 wallets opened to date. CIB pledges to continuously work on this front and support the financially excluded and underserved population, helping them access affordable banking products and services that cater to their everyday needs and support their future goals to help build a better community.

The year also saw the Marketing Communications department work on product branding, creating a distinct product identity for Ameen, the recently launched mobile wallet. The wallet's launch is done in phases, with the first phase being a limited launch that started in October with internal communication, followed by external on-ground activations at City Club targeting non-CIB customers. The commercial launch will be part of the upcoming phases.

Employees First

Because our employees are at the core of who we are and what we do, we strongly believe in the importance of internal communication to achieve success and build a culture that represents the vision and beliefs of our organization. Through internal communication, we are able to provide our employees with an effective flow of information, boost engagement and productivity, and, most importantly, bring people together. Working toward creating a positive culture, the team utilizes all communication channels at hand to convey various types of information to employees in a transparent and clear manner.

CIB uses a single source of e-mail communication to consolidate and share information with employees, ensuring consistency, quality, and accuracy. Receiving content from a single trustworthy source in a timely manner, while taking the target audience, priority, and tonality into consideration and ensuring we are not overloading employees with information, is key. Employees are updated with internal developments and external news from across the globe through the weekly Bank newsletter, CIB Roundup. The newsletter is sent out to all staff and includes a Sustainable Finance and Digital Banking and Transaction sections that outline the achievements made in these areas. The eagerly awaited staff portal is approaching the final phase of development. To support our strategy of creating a solid internal communication hub, we are constantly enhancing and upgrading our channels to be able to meet our objectives, and the CIB Intranet portal is front and center in that regard. Focusing on UI/UX enhancements and providing employees with a new and enhanced experience to keep them connected, informed, and engaged is our main goal. Another goal of the project is to create a one-stop shop experience through which employees can have a virtual environment where they can stay informed and connected. This will help increase productivity, engagement, and collaboration while concentrating on cross collaborating between departments.

ESG Communication

Throughout the year, the Bank conducted diversified marketing and communication activities to support our communication strategy to achieve sustainable finance and position CIB as the ESG champion domestically, while highlighting the Bank's ESG and sustainability efforts internationally. We worked on various initiatives through multiple campaigns that had internal and external activities, including social media posts, website blogs, press releases (published locally and abroad), round tables, event sponsoring, airport messages, adverts, and report publications (Equator Principles, GRI Report, Ecological Footprint Report, and Green Bond Report). The aim is to raise awareness of CIB's ESG performance while highlighting the fact that sustainability is integral to the Bank's corporate strategy, policies, values, and culture. With COP27 hosted for the first time in Egypt, where it took place in Sharm El-Sheikh, CIB laid out a clear marketing and communication activities plan to help set the conceptual and operational parameters of the approach and the way we wanted to position our brand pre, during, and post this vital conference. The activities that took place were constructed in a way that illustrates CIB's sustainability story to our stakeholders, with a focus on employees, clients, and investors. We engaged with the Federation of Egyptian Banks, in which CIB was present along with other banks in the conference's Blue zone, managed by the UN, and Green zone, operated by the Egyptian government, in coordination with the CBE. CIB's COP27 activities were fully covered on our internal and external channels to maximize our presence and maintain our position as Egypt's leading green economy bank.

Merchandise Marketing

Enhancing our customer experience has always been one of our priorities. One of the most important customer touchpoints is CIB ATMs. This past year saw our ATM network rebranded, with the objective of highlighting voice operated ATMs that serve visually impaired customers, as well as better promoting our products.

Mayfair Bank Is Now Mayfair CIB Bank

To assist CIB's business plan in Kenya and facilitate trade finance and credit facilities for Egyptian corporates wishing to interact with other African countries, Mayfair Bank has rebranded to Mayfair CIB Bank and established a branding, marketing, and communications strategy. To showcase CIB's trade finance and credit facilitation capabilities, as well as its market expertise and economic insights, the bank will assist CIB in hosting "teach-ins" for mid-sized corporates in Cairo. Additionally, it will organise and host exclusive marketing visits to Kenya for the most attractive Egyptian corporate targets to introduce them to pertinent suppliers or business partners. The rebranding of Mayfair CIB Bank has been executed across its branches and throughout CIB's online presence and touchpoints.

Foreign and Local Media Engagement

The Bank ensures close day-to-day monitoring of local and international media and works to maintain good relationships with media representatives. CIB's foreign and local media coverage increased to +5,000 pieces for more than +40 press releases. We maintained the highest local media exposure for the year within the banking industry based on media monitoring reports.

Corporate Social Responsibility

Corporate social responsibility (CSR) is at the heart of CIB's core values. This year, we implemented various CSR projects and supported initiatives carried out by other organizations. We diversified our community development activities by expanding our scope to include sports, culture, and social welfare.

Social Activities

CBE Initiatives

During 2022, CIB continued to be part of the governmental initiatives Haya Karima, Women International Month, Youth International Day, Farmer Day, and Saving Day by participating with the Smart Wallet program in different activities across several governorates to support financial inclusion in Egypt.

CIB Nile University Collaboration

The Nile University Business School (NUBS) will develop a new finance track titled Sustainable SME Financing. The will position the university as a pioneer in having this focus within its core School of Business curriculum. CIB, as the co-founder and partner in this track's development in terms of content and professors, aims to create a unique corporate and academic experience.

Autism International Day – ADVANCE

The Bank continued its sponsorship of the Egyptian Advance Society for Persons with Autism and Other Disabilities (ADVANCE). CIB powered the annual autism event for the academic year-end at the Cairo Opera House on 14 June.

Helmek Yehemena

In light of CIB's efforts to maintain an inclusive culture and support women's empowerment in the workplace, the Bank launched the Helmek Yehmena Program in partnership with Aswan University and the Arab Academy Aswan Branch on 24 and 25 May. The program aimed to empower young women across Egypt by developing their skills and banking knowledge in multiple phases. The first phase included various members of the CIB team who met students and fresh graduates on the campuses of both universities to raise awareness about the importance of women's role in the workplace and the economy. Participants submitted applications to join the next phase of the program, which is a tailored banking academy.

Nile Clean-Up

As part of CIB's social responsibility, and especially environmental responsibility, CIB supported the Nile Cleaning Day held in 15 governorates, namely Cairo, Kafr El Sheikh, El Gharbya, El Menofya, El Dakahlia, El Qalyubia, Sohag, Qena, Luxor, Aswan, Damietta, El Behira, Beni Suef, El Minya, and Assiut. The main event in Cairo saw the participation of the British and Norwegian ambassadors to Egypt.

Extra Children Incubators Across Egypt

CIB allocated an additional EGP 30 million to neonatal intensive care units (NICU), aiming to expand the existing children's incubators capacity across Egypt. The NICU is a special area of a hospital that combines advanced technology and trained healthcare professionals to provide specialized care for newborns who have medical complications or were born prematurely. Egypt has faced a shortage of newborn incubators. In 2018, CIB contributed to this national initiative with a total of EGP 140 million, with around 230 incubators installed serving more than 17,000 children across several governmental hospitals. The initiative's focus has mainly been on upper Egypt, based on the defined priorities and needs.

Egypt University of Informatics (EUI)

As part of our education responsibility, CIB sponsored four students under the patronage of H.E the Egyptian president's initiative. Full scholarships were provided for the highest performing students from the Egyptian National Diploma (*Thanawya Amma*) system at the Egypt University of Informatics.

The Magdi Yacoub Heart Foundation

CIB continued funding the Adult Outpatient Department at the Magdi Yacoub Global Heart Centre as part of the partnership created in June 2021 to improve access to care and meet the demand for cardiac care within Egypt. The Magdi Yacoub Heart Foundation took the decision to develop the Magdi Yacoub Global Heart Centre, located in Cairo, to build on the Aswan Heart Centre's legacy of excellence, while tripling the scale of operations and capacity. The center will consequently expand its reach and help those most in need.

Supporting Squash: Best Bank – Best Players

In 2022, CIB continued to positively impact local communities by strengthening the support of sports in Egypt, as well as nurturing the country's athletic talents. Squash-related initiatives were again at the core of CIB's CSR agenda, and we broadened our support to generate more opportunities and value for a wider community.

At CIB, we recognized early on the true potential of Egypt's squash players, who are dominating world rankings and completely revolutionizing how the game is played. This year, we extended our support of the sport to capitalize on the traction its players are gaining globally. We believe that through supporting these talents, more opportunities are generated for Egypt's athletic community and greater chances are presented to raise Egypt's ranking on the global arena.

Egyptian squash players have especially gained traction due to their innovative techniques, which have entertained worldwide spectators and brought home trophies. Egypt has produced five number ones in the men's game and three in the women's game in global competitions. As of December 2022, six Egyptian males and five Egyptian females have made it to their respective world's top 10 players lists.

CIB has tailored special sponsorships to help 16 talented players maintain their rankings and continue representing the country around the world. As of December 2022, the following players were recipients of the sponsorships:

- **Ali Farag:** #1 on the Men's PSA World Squash List —Since graduating from Harvard University with a degree in mechanical engineering in 2014, Ali Farag has established himself as one of the most popular players on the PSA World Tour, and is now the World No.1.
- **Nouran Gohar:** #1 on the Women's PSA World Squash List — Nouran Gohar is one of that core group of high quality Egyptian players, dubbed "The Terminator". She won her first tour title at the Prague Open in December 2013, where she played to her seeding to see off Luie Fialova to triumph at just 16 years of age.
- **Karim Abdel Gawad:** #16 on the Men's PSA World Squash List — Giza-born Karim Abdel Gawad has firmly established himself as one of the world's leading players after a breakthrough start to the 2016/17 season.
- **Nour El Tayeb:** #6 on the Women's PSA World Squash List — Cairo-born Nour El Tayeb is one of the most consistent female players on the PSA World Tour and a flamboyant crowd favorite. Known for her acrobatic abilities, she returned to her best following the birth of her baby daughter in 2021.
- **Tarek Momen:** #7 on the Men's PSA World Squash List — Tarek Momen first ensured he graduated with a bachelor's degree in electronic engineering from the American University of Cairo before fully committing himself to the sport, where he has gone on to become one of the best squash players of his generation.
- **Hania El-Hammamy:** #3 on the Women's PSA World Squash List — Hania El Hammamy has already made her name known around the squash world, becoming the PSA World Tour's most recent first-time major winner, after winning the 2020 CIB Black Ball Women's Squash Open at the age of 19.

> Our financial inclusion efforts have proven fruitful, with 90,000 accounts, 780+ prepaid cards, and 90,000 wallets opened to date.

- **Mohamed Abouelghar:** #201 on the Men's PSA World Squash List — Mohamed Abouelghar joined the PSA World Tour in 2009 and won his first title at the Royal Jordanian Squash Open in 2010, before going on to become one of the Egyptian contingents in and close to the top 10 of the World Rankings.
- **Marwan ElShorbagy:** #6 on the Men's PSA World Squash List — Marwan ElShorbagy is one of only four players to win the World Junior Championships twice after compatriot Ramy Ashour; older brother, Mohamed; and Peru's Diego Elias. He has built on his initial promise on the PSA World Tour.
- **Salma Hany:** #13 on the Women's PSA World Squash List — Salma Hany is another of the young crop of talented Egyptians ascending the path to the top of the rankings. She gained a lot of admirers in 2012 and 2013 for a number of impressive performances, capturing three tour titles over that period.
- **Mazen Hesham:** #8 on the Men's PSA World Squash List — Now a consistent member of the world's top 10, Mazen Hesham is well-known for his flair and racket skills. He has since built up a prolific reputation for being something of a maverick with his thrilling shot-making and penchant for playing some unorthodox shots, making him a firm crowd favorite.
- **Fares Dessouky:** #9 on the Men's PSA World Squash List — Fares Dessouky is one of Egypt's rising stars who has enjoyed a meteoric rise up the PSA World Rankings in recent years. Dessouky turned professional in 2011 and amassed his first PSA World Tour title at the NSA Open after a tense final against Raphael Kandra.
- **Rowan Elaraby:** #7 on the Women's PSA World Squash List — Rowan Elaraby joined the PSA World Tour in 2016 and went onto lift her maiden PSA World Tour title at the first time of asking. The Egyptian player beat Milnay Louw over three games to secure the Gauteng Open at the age of 15. Elaraby then beat Louw once more in her second tournament when she lifted the Keith Grainger Memorial UCT Squash Open to claim back-to-back titles.
- **Farida Mohamed:** #16 on the Women's PSA World Squash List — Another of the young Egyptian forces coming through on the PSA World Tour, Farida Mohamed has made her way into the top 50 in the World Rankings. In the first main draw she reached on the Tour, Mohamed took victory. She won the Growthpoint S.A. Open, beating Menna Nasser in the final.
- **Youssef Ibrahim:** #18 on the Men's PSA World Squash List — Egypt's Youssef Ibrahim is another member of the core group of young Egyptians climbing the rankings, and he already has a major final appearance under his belt.
- **Moustafa El Sirty:** #27 on the Men's PSA World Squash List — Moustafa El Sirty is one of several young Egyptian talents, and he broke into the Top 30 in the World Rankings at the end of 2021 after winning nine challenger tour titles in the calender year.
- **Jana Shiha:** #51 on the Women's PSA World Squash List — Up-and-coming youngster Jana Shiha is close to breaching the top 50 in the World Rankings while still in her teenage years. She made her debut on the tour at the young age of 13 and has already gone on to win four titles in her short career so far.

CIB continued its partnership with Wadi Degla Clubs to support young Egyptian squash athletes by developing their skills and enhancing their international rankings. The partnership is part of the Bank's strategy to support up-and-coming talents from the ground up.

Squash Tournaments Sponsorships

CIB has expanded its squash-related sponsorships to allow for more Egyptian athletes to progress in the PSA World Rankings by participating in major squash events. For the fourth consecutive year, and in cooperation with Black Ball Club, CIB sponsored the CIB Black Ball Squash Open under the supervision of the PSA from 12 to 17 March. CIB also brought to Egypt one of the most successful squash events and a unique World Championship, which became the very first sporting event to be held at the amazing National Museum of Egyptian Civilization, from 12 to 22 May. This event also marked the first time for there to be an element of entertainment at a sporting event, with a new motivating song dedicated to the tournament and the Egyptian players by the brilliant Carol Samaha, who also performed on the final day. Additionally, CIB powered the successful and popular El Gouna Squash Open for the second consecutive year from 27 May to 3 June.

As part of CIB's responsibility to national sports and after a two-year halt, the Egyptian Squash League was held once again, under CIB's sponsorship, from 14 to 18 June, with Wadi Degla Club winning the title. By the end of the season, and for the fourth consecutive year, CIB and Wadi Degla Club brought the CIB PSA World Tour Finals at Mall of Arabia from 21 to 26 June. CIB also brought to Egypt a new Bronze tournament in partnership with ZED Club. The CIB ZED Squash Open, was held from 24 to 28 August to support young players and add to the successful PSA tournaments in Egypt.

The year also saw the return of CIB Egyptian Squash Open 2022 for men and women, which took place at Sodic Club S from 19 to 21 September and at The Pyramids of Giza from 22 to 25 September. The tournament's fourth edition was held under the auspices of the Ministry of Tourism and Antiquities, the Ministry of Youth and Sports, and the Egyptian Tourism Authority.

Sponsoring the Egyptian Squash Federation

CIB maintained its sponsorship of the Egyptian Squash Federation. The Bank also expanded its commitment by sponsoring the Women's World Team Championship at Madinaty Club, in which our national team achieved great victory led by CIB champs: Nouran Gohar, Hania El Hammamy, and Nour El Tayeb.

Currently, Egyptian players hold the Men's World Team Championship and the Women's World Team Championship titles.

05

Our Controls

CIB works to ensure it has in place the independent and objective oversight and assurance needed to secure the wellbeing of the clients and the Bank.

Risk Group

> The Bank maintained a strong liquidity position throughout 2022, with healthy buffers to meet both the global and local increase in risk profile.

The Risk Group is an integral part of the Bank's organizational structure. It implements the Enterprise Risk Management (ERM) framework, creating value by contributing to the achievement of CIB's objectives and the improvement of business performance. The Group uses the Three Lines Model in risk oversight, control, and governance to efficiently utilize existing risk management capabilities and help enhance the environment. It further ensures the sustainable development of a risk management function that is operationalized, allowing management to make informed and risk-adjusted decisions. The ERM framework consists of the following five interrelated components:

1. Alignment of business and risk strategy and risk appetite framework;
2. Robust identifying, measuring, managing, monitoring, and reporting (IMMMR) initiatives for all principal risks;
3. Effective risk infrastructure consisting of people, data, systems, methodologies, policies, and limits;
4. Robust risk governance and culture; and
5. An integrated and forward-looking risk approach reflected in the ICAAP, ILAAP, and the Integrated Stress Testing framework.

2022 – 2023 Highlights and Forward-looking Strategy

In light of the current conditions triggered by the Russia-Ukraine conflict, economic volatility, persisting global turbulence in international trade, and EGP devaluation, the Risk Group is focused on maintaining a dynamic approach to risk management that accounts for the changes in the international and domestic markets. The Group aims to preserve the Bank's risk profile within acceptable appetite and portfolio quality levels through continuous monitoring of current and potential market implications on credit quality, required growth, and balance sheet structure, in addition to the integration of ESG standards within all risk functions. In 2022, the Group helped expand the customer base according to CBE directives, which included financial inclusion of the unbanked, mortgage facilities as a part of the housing initiative, and SME portfolio growth.

Maintaining a Strong Liquidity Position

The Bank maintained a strong liquidity position throughout 2022, with healthy buffers to meet both the global and local increase in risk profile. CIB continues with its robust liability strategy, relying on customer deposits (stable funding) as the main contributor to total liabilities 98.9% and low dependency on Wholesale Funding. Local currency liquidity ratio recorded 48% and foreign currency liquidity ratio recorded 68.1%, both well above the CBE requirements of 20% and 25%, respectively. The Bank's Liquidity Coverage (LCR) and Net Stable Funding (NSFR) ratios remained steady at 1,086% and 229%.

The interest rate risk in the banking book (IRRBB) remained at acceptable levels and allowed the balance sheet to benefit from a volatile interest rate environment. In 2023, the Bank is expected to maintain a healthy balance sheet, supported by dynamic growth and the ongoing realignment of the funding strategy.

Portfolio Growth and Quality

On the credit quality side, the Bank continued to be prudent with stress testing scenarios to ensure robust capital adequacy in the event of a material increase in impairment requirements. Moreover, the Group maintained focus on current portfolio concerns, including concentration and sector diversification.

	2021	2022
Default Ratio	5.13%	4.81%
Specific Coverage Ratio	94.17%	89.62%

Institutional Banking

The Bank aimed to increase its institutional banking portfolio, achieving significant loan growth of 35.6%. Loan growth focus was also coupled with a significant increase in the Bank's securitization portfolio reaching EGP 24.7 billion.

During 2022, sectoral concentration continued to be a priority through maintaining a well-diversified loan book in compliance with all set internal and CBE limits. Efforts to dilute the contribution of riskier industries continued to be successful, allowing the Bank to be in a stronger position in anticipation of any adverse outcome of the current economic landscape.

Consumer Banking

In 2022 the Consumer loan portfolio increased by 31%. New programs were developed and parameters were amended to strengthen product offering and cater for a wider target segment. The Consumer Banking department introduced advanced risk assessment techniques through developing risk-based pricing and limit optimization models for key products and segments. Additionally, comprehensive portfolio analysis and monitoring reports continue to be conducted to ensure robust controls and preemptive measures are adopted.

Business Banking

In line with the Banks' strategy and the CBE mandate to allocate 25% of bank portfolios to SME lending, the Business Banking loans portfolio achieved significant growth of 111%, while credit program parameters and process will be enhanced to facilitate the same growth. The portfolio is closely monitored, and early warning capabilities and dashboards are continuously enhanced to ensure the Bank is within the risk appetite. The Business Banking team partnered with a new credit guarantee company to mitigate high risk segments.

Environmental, Social, and Governance (ESG) Risk

The Bank is keen on the adoption of sustainable finance in its core banking operations, through the analysis and assessment of ESG risks in the loan portfolio, in addition to the development of sustainable financial products. CIB is adopting several international frameworks and guidelines as a benchmark to assess its internal ESG risks and ensure compliance with national laws and regulations.

Complying with ESG best practices and sustainability initiatives, the Bank extended a new offering of green finance lending to its Business Banking customers, in addition to supporting the Women-Led Business segment through a tailored value proposition with a portfolio of 16% from the total Bank SME assets.

Enhancing Non-Financial Risk Framework

The Bank continued to improve its approach to non-financial risk management, with the implementation of more effective oversight tools and techniques to improve the end-to-end identification and management of these risks.

Operational Risk: CIB aligned the Operational Risk Management Policy with the Enterprise Risk Management Framework to identify, assess, manage, measure, monitor, and remediate its operational risks across all business processes. The main measurements include operational risk incident management, Risk and Control self-assessments (RCSA), key risk indicators (KRIs), control testing validation, and operational risk assessment procedures (ORAP).

Third-Party Risk: A comprehensive policy and framework were developed to assist in managing Third-Party Risk and support the alignment of the Business and Risk Groups' objectives. The framework provides a foundation that enables a consistent approach bank-wide to cover existing and potential risks related to third-party relationships that may impact the Bank's assets and reputation.

Technology Risk: The Technology Risk Management Guide was developed to provide a standardized and consistent mechanism to set the principles and controls for managing technology risks, achieve the Bank's goals and business objectives, and ensure compliance with regulatory requirements.

The Technology Risk Committee (TRC) was established to support the six domains of technological risk: information security, cybersecurity, IT resilience and continuity, IT third party, IT project execution, and technology control assurance. The TRC independently oversees and monitors all aspects pertaining to technological risk, compliant with the recent Egypt Financial Cyber Security Framework issued in December 2021.

Reputational Risk: The Bank considers reputational risk an integral part of ERM, with the development of overall reputational risk management capabilities, through on-going internal and external mapping. The Bank works on engaging key internal and external stakeholders through tools that assess the Bank's reputation.

Improving Risk Infrastructure

The Risk Group supports digital financial inclusion initiatives for lending to the unbanked and lower-income segments by leveraging the Bank's channels and automated solutions. CIB successfully signed an agreement with a renowned vendor to digitize and automate several processes and data points across the institutional banking business. The project has allowed for enhancement in risk grading models to ensure adequate assessment of credit and automating workflow processes across credit origination.

On the Retail Banking side, the Risk Group launched the first SME Behavioral Lending Program to optimize expected outcomes through an online application service. Enhancements were introduced to the existing Behavior Credit Scoring Models to further develop the forward-looking risk factors and predict behavioral trends for Consumer Banking clients.

Spreading Risk Culture

CIB continues to promote a strong risk culture in which employees of all levels are engaged and empowered. The Risk Group conducted awareness sessions for employees, including e-learning and virtual trainings, using different platforms.

RISK GROUP

The Risk Group uses the Three Lines Model in risk oversight, control, and governance to efficiently utilize existing risk management capabilities and help enhance the environment.

Internal Audit

> IAG complies with the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) and its Code of Ethics.

CIB's Internal Audit Group (IAG) is an independent and objective function that provides assurance and consulting services to its stakeholders, designed to add value and improve the organization's operations. IAG supports the Board of Directors (BoD) and Senior Management in accomplishing the Bank's objectives by evaluating the adequacy and effectiveness of the Bank's governance processes, risk management, and internal control systems.

IAG takes its authority and independence from the Board Audit Committee, overseeing the Bank's Audit function and approving its Audit Plan. The Chief Audit Executive reports functionally to the Board Audit Committee and administratively to the CEO and Managing Director, according to international standards and practices.

IAG complies with the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) and its Code of Ethics. This falls in line with results derived from a regular, external quality assessment, which takes place as a part of the quality assurance and improvement program that IAG maintains. The assessment covers all aspects of IAG's mandates and allows it to increase the efficiency and effectiveness of the division's activities, while identifying opportunities for improvement.

IAG's activities are backed by a team of highly qualified, professional calibers that are continuously undergoing professional development, awareness, and training.

2022 Highlights

IAG continued to focus on the Bank's digital transformation and the effectiveness of controls in this regard, while utilizing the Bank's big data capabilities. To further ensure resilience through global crises, such as the Russia-Ukraine war, IAG consistently reassesses the prevalent, top risks to ensure they are reflected in the audit plan.

2023 Forward-Looking Strategy

IAG will continue to monitor ever-shifting market dynamics to meet its mandates and for strategic alignment with CIB's objectives. The division's strategy is fundamental to remaining relevant, playing an important role in achieving a balance between cost and value, while making meaningful contributions to the organization's overall governance, risk management, and internal controls.

Compliance

With our unique positioning, we aspire to consistently uphold our fundamental principle of remaining in compliance. Our unyielding belief is that no matter what we do, we will always strive to do it the right way while upholding our responsibility toward our employees, customers, shareholders, and society.

Compliance Risk Management Framework

CIB started a transformative journey in 2019 by establishing a best-practice framework positioned on strong, well-defined pillars. In 2022, we completed the roll-out of the compliance program pillars that properly identify, measure, monitor, and decide on ways to manage risks at a bank-wide level. We also defined our approach toward managing the different compliance risks in a pragmatic, business-centric, and forward-looking way.

The Compliance Group's strategic objective is to oversee compliance risk across the Bank and continue strengthening its ability to identify, measure, monitor, control, and report on the different compliance risks.

Regulatory Risk

CIB defines regulatory risk as the potential for financial or non-financial losses to the Bank, or an adverse impact on our customers, stakeholders, or the integrity of the markets we operate in as a result of a failure to comply with applicable laws and regulations. The Regulatory Compliance team is responsible for overseeing this pillar of the compliance program, with a focus on identifying the regulatory landscape and promoting a culture that supports our first-line partners to remain in compliance.

Regulatory Engagement

CIB prioritizes maintaining a transparent relationship with regulators through open channels of communication. The Regulatory Compliance team continues to reinforce its role as the point of contact between the Bank and the regulator, as per the Contact with Regulator Policy, with focus on how the Bank manages the various types of regulatory engagements and relationships. It ensures that all regulatory engagements are managed in a logical, transparent, and well-coordinated manner through standardized practices, processes, and tools.

In 2022, the Regulatory Compliance team partnered with different business lines, achieving many of its strategic objectives, particularly business enablement in digital transformation and financial inclusion. The team has taken up its advisory role through active engagement in business initiatives. Acting in this capacity, it advises on acceptable behaviors and practices and encourages a proactive approach to identifying and assessing compliance risks. Such risks can arise in relation to the development of new products and business practices, the proposed establishment of a new business, or customer relationships. The team communicates with the CBE regarding all CIB business initiatives and fulfills all the regulatory requirements, as well as secures the needed regulatory approvals.

Technology for Regulatory Compliance

In 2022, CIB launched the Regulatory Directory as part of the compliance modernization efforts and commitment to promoting a robust compliance culture within the Bank. The Directory is a web-based application with a user-friendly interface and easy access to all regulations received from the CBE. Regulations are categorized, allowing for easier access to instructions, and the platform supports bilingual search capabilities.

Regulatory Landscape

2022 saw a rapidly changing and dynamic regulatory environment in response to the economic instability caused by the pandemic and the Russia-Ukraine war. The CBE implemented new import regulations, complementing the activation of the Advance Cargo Information (ACI) System, aiming to improve the quality of goods imported from abroad, govern the foreign trade system, and protect national sovereignty. The significant shift to primarily relying on Letters of Credit (LCs) entailed a detailed change of the management process that was led by the team in close cooperation with the business and operations partners. This included jointly overseeing the implementation of the new regulations and setting the standards through policies and procedures, as well as responding to customers' requests and inquiries to keep the business growing and ensure adherence to the new regulations.

Financial Crime Risk

Financial crime risk is the risk of perceptively or mistakenly assisting parties to commit or to further illegal activity through CIB. This includes money laundering, bribery and corruption, tax evasion, international sanctions breaches, and terrorist financing. Our objective is to make our bank a hostile environment for criminals and terrorists and to ensure operations are not misused to commit or conceal illegal activities.

Effective policies, systems, and controls allow us to detect, prevent, and deter financial crimes. The team consistently reviews the effectiveness of the Financial Crime Risk Management Program, which includes consideration of the complex and dynamic nature of sanctions risk, as well as adhering to the new regulations and designations of the year.

Combatting Financial Crime

We believe in our role as a key driver of growth through providing life-changing financial services. This places us at the forefront of the fight against financial crime and ascertains our duty to ensure that appropriate defenses are built and maintained.

Over the past year, new methods, schemes, and technologies increased the risk of financial crime in Egypt. In an effort to combat such activity, CIB continues to increase its investment in financial crime prevention and detection technologies to protect the Bank and its customers. Through next-generation infrastructure for the surveillance and monitoring of financial crime and data analytics, our Financial Crime Compliance team's strategic plan continues to identify and prevent money laundering. The Bank further implements preventative measures in all new product sales and client interactions.

In 2022, CIB focused on enhancing its three lines of defense by ensuring certain financial crime surveillance responsibilities are taken up by the firstline of defense, while enhancing the oversight and monitoring role of the secondline. In doing so, policies and procedures were revamped to ensure the highest standards in conduct and compliance and enable sustainable business and financial crime combatting, all while still prioritizing customers. The team continues to engage actively with the industry to address new regulatory and statutory initiatives, with a focus on enhancing the efficiency of financial crime compliance and providing valuable information to law enforcement.

Significant Geopolitical and Economic Challenges

In 2022, macroeconomic and geopolitical uncertainties continued to pose significant risk globally and challenge the way the Bank operates. The Russia-Ukraine war resulted in rapidly escalating tensions, financial and economic sanctions, and export controls against certain Russian organizations and individuals. Throughout the year, the U.S., the U.K., and the EU each imposed packages of financial and economic sanctions that, in various ways, constrain transactions with numerous Russian entities and individuals, transactions in Russian sovereign debt, and investment, trade, and financing to, from, or in certain regions of Ukraine.

The Sanctions Risk Management team experienced an upswing in the number of Russian companies and banks attempting to circumvent international sanctions. Top-tier technology served to efficiently protect the expanding business and provide a sustainable detection and prevention tool.

Conduct Risk

CIB's Conduct Risk program is focused on behaviors rather than demonstrating solutions in a tick-box exercise. This requires combining the core elements of a conduct framework, strategy, appetite, governance, and reporting, across the life cycle of products and services. Conduct Risk encompasses advertising and promotional materials, product and sales process development, and after-sales services.

Improving customer service continues to be a priority, and to ensure success, the Compliance team evaluates and measures quantitative and qualitative conduct risks retrospectively and proactively, so that current and future outcomes are considered.

Conduct Risk Framework Pillars:

- Defining a Conduct Risk Strategy that is aligned with the Bank's strategy and business model to ensure a customer-centric approach is applied
- Reinforcing the required culture and behavior to do the right thing for our customers and the markets in which we operate
- Working with the Bank's stakeholders and throughout the operating model to uphold customers' best interests by ensuring customer rights are protected and in compliance with regulatory requirements and customer expectations
- Identifying and preventing actions and behaviors that constitute market misconduct and responding accordingly

The principles of treating customers fairly, protecting their rights, and positively impacting the communities we serve are at the heart of our Conduct Risk strategy.

Whistleblowing

"Speaking Up" encompasses the Bank's confidential and anonymous whistleblowing program, which was designed to comply with all applicable regulations. Our whistleblowing channels are available to everyone, including employees, contractors, suppliers, and members of the public. In addition to existing reporting channels, including the dedicated whistleblowing hotline and email, a new portal was launched in 2022 on the CIB official website, enabling anyone to submit a whistleblower report anonymously.

All received reports are handled independently and confidentially while ensuring that the identity of the whistleblower is safeguarded and protected. Results of investigated cases are raised directly to the Board Audit Committee while ensuring that appropriate remediation actions have been implemented.

Compliance Monitoring and Testing Program

A critical pillar of the compliance program is the oversight of key risks and activities carried out by the Bank to ensure they are in compliance with the relevant laws, regulations, and compliance policies. The monitoring and testing program provides the Board and senior management with the necessary assurance that compliance risks are being adequately managed within the business.

During 2022, the Compliance Monitoring and Testing team conducted the first annual bank-wide Compliance Risk Assessment (CRA). The exercise included the identification of the regulatory universe, the assessment of applicability, and identifying the responsible auditable entities. The designated controls were assessed to ascertain the level of compliance and the residual risks, if any. The results of this exercise provide the basis of the 2023 Monitoring and Testing Plan and offer management and the Board visibility on operational standards and the level of compliance at a bank-wide level. They also point to weaknesses in the processes and controls that are in place, from the perspective of controls that require design enhancement to mitigate the risk of non-compliance.

The regular testing programs cover core activities and are added to and complemented by more frequent risk-based or thematic monitoring activities. This type of activity follows the risk-based approach that focuses resources on key areas of concern, highlighted by trigger events or indicators.

Our Transformation

Through our transformation, we are working to modernize the way we manage compliance risk. By modernizing our data and technology infrastructure and evolving our culture, we are strengthening the soundness of our controls and improving our ability to safeguard our Bank, industry, and society.

CIB believes in continuously reinventing and adjusting to remain relevant and continue to be a leader and trendsetter in the field. Compliance has remained an overarching principle that ensures that we remain compliant at all times as we modernize our bank for the future. The transformation that the Compliance Group has undergone is an interconnected, enterprise-wide effort. This journey started with Compliance Risk Framework design and continues with the implementation of a full-fledged compliance program, supported by the talent, culture, technology, and vision needed to remain on the cutting edge of compliance best practices.

Leadership and Tone from the Top

The Bank's commitment to a culture of compliance and ethical business is led by our Board of Directors and senior management. Our belief is that a true compliance culture ultimately starts at the top. This determines how CIB wants to do business and how we are regarded by shareholders, employees, customers, and regulators.

At the Board level, the Board Audit Committee (BAC) provides oversight of our compliance program and oversees the Compliance Risk Management Framework. Our senior management provides leadership and oversees the delivery and implementation of the compliance program in all activities. Such tone from the top has been ascertained through the senior management's bank-wide messages, as well as sponsoring the ongoing compliance transformation journey.

Talent, Culture, and Awareness

Putting the right teams in place is critical to creating consistency in our approach and in driving the success of our compliance journey. To encourage bank-wide engagement, training and awareness needs are clearly identified, based on which a training and awareness program is designed and implemented. Senior leaders are setting the tone for their teams, showing a high level of engagement with and commitment to our compliance objectives.

A compliance risk-aware culture is the most valuable asset in which CIB continues to invest, especially confronted with ever-changing regulatory requirements and industry standards. Our overall approach toward managing talent and culture is governed by the principle of accountability. We prioritize strong governance and decision-making and require colleagues to speak up with transparency.

Awareness is the only guarantee that our efforts truly materialize into sound compliance risk management. This entails engaging our employees and fostering a culture where compliance is a basic component of everyone's daily job, regardless of their position within the Bank. The Bank has invested significantly to ensure employees are properly equipped to combat financial crime. In 2022, over 40 training and awareness activities were delivered to employees, including e-learning, instructor-led trainings and specialized training, all of which have been supported by bank-wide communication campaigns and messages from the CIB's senior management.

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ESG

CIB's commitment to creating shared value is the guiding post of its sustainability and sustainable finance strategy.

Sustainable Finance

In 2022, CIB's Sustainable Finance team initiated the process of further integrating and implementing its Sustainable Finance Pillars across the Bank's operations and functions, after building the solid base structures of Governance, Policy, Framework Architecture, Systems, and Strategy in 2021. Recognizing the role all internal functions play toward the success of mainstreaming sustainable finance in the Bank, CIB aimed to bring all internal stakeholders together to ensure seamless implementation of ESG principals across the Bank.

Sustainable Finance Policy Integration

To ensure sustainable finance is streamlined across all bank functions and departments, an ESG clause was added to 37 policies and policy guides bank-wide, involving sustainability KPI assessment by the Sustainable Finance team and the engagement of all departments.

Sustainable Finance Strategy & System Implementation

In 2021, CIB's Sustainable Finance Strategy was integrated within the Bank's Corporate Strategy, as mandated by the Board of Directors. The strategy aims to create synergies between the Bank's diverse departments to enact bank-wide change within the realm of sustainability, driven by four main strategic directions:

- Risk Management
- Revenue Generation
- Reputation
- Ecological Footprint

To ensure smooth and effective implementation of the strategy, the Sustainable Finance team introduced eight Sustainable Finance Strategy and System Workstreams that involve all relevant internal stakeholders:

- Risk
- Corporate and GCR
- Retail and Financial Inclusion
- Direct Investment
- Ecological Footprint
- Branding and Advocacy
- Education
- Innovation and ESG Data Digitalization

Reporting and Disclosures

In an effort to maintain transparency among stakeholders and align with the global frameworks to which the Bank is committed, CIB continues to innovate and maintain its reporting practices to ensure a constant communication channel is accessible to its community. For further information on the Bank's sustainability performance, published reports can be found on the official website.

Net-Zero Banking Alliance (NZBA)

CIB became a founding signatory of the Net-Zero Banking Alliance in 2021. In 2022, CIB published its first Net-Zero Banking Alliance Report, identifying the Bank's three main carbon intensive sectors, with the purpose of identifying a baseline.

Equator Principles

CIB published its first Equator Principles Report in 2022, highlighting the Bank's environmental and social risk management practices that are put in place in accordance with the framework.

GRI 2021 Report

In keeping with tradition, the Bank published its 2021 Sustainability Report titled *The System Transformation*, prepared in accordance with GRI Standards and incorporating SASB disclosures. The report highlighted the Bank's efforts to integrate sustainability across its operations, as well as its commitment to promoting transparency among its stakeholders, partners, and peers.

Task Force on Climate-Related Financial Disclosures (TCFD)

CIB's first TCFD report covers 2022, including the governance structure, risk management, and strategy put in place to align with the framework and ensure necessary disclosures are included.

Ecological Footprint Report

CIB is the first bank in the MENA region to develop an Ecological Footprint Report that tackles a range of environmental indicators of critical relevance to the Bank's stakeholders. This is the second year that CIB has widened the reporting scope to include carbon, water, and land, evolving from the Carbon Footprint Report the Bank started publishing in 2018. Since CIB started reporting its efforts in 2018, significant progress has been made in improving the Bank's carbon footprint, with a 22% reduction in scopes 1, 2, and 3. This report highlights CIB's efforts to address the threat of climate change and showcases the Bank's progress in the past three years, with 2018 as the baseline.

Carbon Disclosure Project (CDP)

Since the first environmental disclosure through the CDP in 2018, CIB's goal has been to improve its reporting mechanisms and data accuracy management, positioning sustainability and responsible banking at the core of its operations. In 2022, CIB achieved a "B" rating (Management Level). CDP's B score recognizes the Bank for taking coordinated actions on climate issues and represents an improvement from its 2021 score. CIB continues to be the only Egyptian bank to have received a rating and a place on the CDP list. The Carbon Disclosure Project Climate Change Questionnaire allows thousands of companies to measure their impact, set ambitious targets, and demonstrate progress for key stakeholders, in alignment with the latest climate science practices.

Principles for Responsible Banking (PRB) Impact Report

CIB became a founding signatory of the PRB commitment in September 2019. In 2022, the Bank published its PRB Impact Assessment Report covering the whole lending and investment portfolio based on 2020 figures.

Sustainable Finance Programs and Initiatives

Sustaining Sectors Program

CIB's Sustaining Sectors Program, launched in 2021, was designed to support our corporate clients in different sectors in leveraging sustainability to advance their growth and profitability, while decarbonizing and driving system transformation toward a greener economy. The program equips businesses with the necessary tools, capacity-building training, certification opportunities, and financial products to transition toward a low carbon economy. In 2022, the Bank conducted workshops for over 200 corporate clients in the green building and textile sectors. The Bank also performed Walkthrough Energy Audits via its dedicated team of engineers to identify energy savings opportunities to support our clients' operational efficiency and profitability.

Sustaining SMEs Program

In October 2022, CIB launched its Sustaining SMEs Program, a multi-purpose platform seeking to provide SMEs with capacity building, certification, and sustainable finance instruments to support their sustainable growth.

Cooperation Agreement with the GIZ

CIB signed a cooperation agreement with the German Gesellschaft fuer Internationale Zusammenarbeit (GIZ) for Empowering and Promoting Sustainable Finance within the Financial Sector in Egypt, with the purpose of providing a holistic framework to support our SME clients.

Commitment to Financial Health and Inclusion

In 2021, CIB became a founding signatory of the Commitment to Financial Health and Inclusion, under the Principles of Responsible Banking (PRB) of the United Nations Finance Initiative (UNEP-FI), publicly declaring its commitment to supporting universal financial health and inclusion and fostering a more financially inclusive banking sector.

Bloomberg Gender Equality Index

CIB retained its position on the Bloomberg Gender Equality Index for a fifth year. The Bank is the only company in Egypt and one of just a handful from Africa to be included in the index.

FTSE4Good Index

CIB remains a constituent on the FTSE4Good Index Series.

	2018 (BY)	2022	2020	2021
Scope 1 – direct emissions ($mtCO_2e$)	10,058	5,148 (▼49%)	5,551 (▼45%)	2,685 (▼73%)
Scope 2 – indirect emissions ($mtCO_2e$)	37,678	36,704 (▼3%)	34,105 (▼9%)	31,541 (▼16%)
Scope 1 & 2 ($mtCO_2e$ / employee)	7.6	6.0 (▼21%)	5.5 (▼28%)	4.11 (▼46%)
Scope 3 – indirect emissions ($mtCO_2e$)	8,170	10,879 (▲33%)	8,916 (▲9%)	9,236 (▲13%)
Total Scope 1, 2 & 3 emissions ($mtCO_2e$)	55,906	52,731 (▼6%)	48,572 (▼13%)	43,461 (▼22%)
Avoided emissions ($mtCO_2e$)	-144	-144	-144	-170 (▲18%)

MEED Award

In 2022, CIB was recognized by MEED for its sustainability efforts on a regional scale and was awarded MENA Sustainable Bank of the Year for 2021/2022.

COP27 Highlights

Following CIB's participation at COP26 in Glasgow, the Bank played an active role in the 2022 edition of COP27 under the theme Together for Implementation, in Sharm El Sheikh, Egypt. The Bank held six panels tackling various topics, such as sustainable finance instruments innovation, global decarbonization frameworks, and mainstreaming adaptation finance in the region, under the overarching theme of From Africa to the World. The six panels addressed the below:

1. The Business Case of Adaptation Finance: Brain Trust

Launching the Brain Trust Program by CIB to facilitate an empowering ecosystem for financing adaptation projects in Africa, with a focus on agriculture and water systems.

2. Climate Finance Instruments Innovation

CIB's collaboration with the IFC to pursue new innovations in sustainable finance instruments and implement the new CBE regulations on sustainable finance.

3. The Role of Financial Institutions in Sectoral Decarbonization

H.E. Dr. Hala El Said, Minister of Planning and Economic Development, was a keynote speaker on the panel. The discussion emphasized the role of financial institutions in the decarbonization of the sectors to support the government's efforts and direction. CIB showcased its flagship program, Sustaining Sectors, and its benefits to its corporate clients.

4. Net-Zero Banking Alliance: The Business Case for Banks in Developing Countries

H.E. Dr. Amani Abou-Zeid, African Union Commissioner for Infrastructure and Energy, was a keynote speaker on the panel. The discussion emphasized the need to close the gap between frameworks, such as NZBA and GFANZ, and banks in Africa and developing countries.

5. Education for Sustainable Development

Launching CIB's Sustainable Finance Academy and emphasizing the need for integrating sustainability in education to meet business needs and economic transformation.

6. ESG Data Digitization

Introducing CIB's ESG Data Digitization project and the need for efficiently integrating, managing, and reporting on banks' sustainability performance.

In addition to its six panels, CIB's senior management and members of the Sustainable Finance team were invited to participate in other panels and contribute to discourse related to a variety of topics, including climate finance, sustainable development, and revising the role of financial institutions within the climate sphere.

> In 2021, CIB's Sustainable Finance Strategy was integrated within the Bank's Corporate Strategy, as mandated by the Board of Directors.

Corporate Governance

> CIB strives for excellence in business operations through transparency and accountability to its stakeholders.

CIB's leading position in the private banking sector has always been a driver for having a robust corporate governance framework that ensures all applicable laws and regulations are adhered to, in line with international best practices. CIB Corporate Governance is ever-evolving, keeping pace with the changes that occur in the business world. The governance framework helps build an environment of trust, transparency, and accountability, necessary for fostering long-term investment, financial viability, and business integrity, thus supporting stronger business growth and more financial inclusion.

The Bank strives for excellence in business operations through transparency and accountability to its stakeholders for the purpose of safeguarding the business and the interests of our shareholders. Corporate Governance best practices entail defining roles and responsibilities; appointing a qualified board of directors, with the majority being independent members to ensure objective and fair decision-making, while evaluating their performance; and engaging in regular succession planning.

A robust governance framework is imperative for conducting business in a secure and controlled environment, whereby updated and clear policies are well-defined through training programs for new and existing staff members to ensure adherence and encourage proactive disclosure that helps build trust with key stakeholders and provides effective internal control within the Bank.

The ultimate responsibility of bank activity lies in the hands of the distinguished and diversified Board of Directors, which is composed of one executive member and ten non-executive members, two of whom are females and seven are independent members. The Board exercises its oversight role in an effective and efficient manner, provides guidance to the Bank's professional and highly-skilled management team and competent Board committees, and receives reports from internal control departments and the unbiased assurance performed by its internal and external auditors.

The Board and executive management recognize the importance of corporate governance in enhancing shareholder confidence, specifically that of minority shareholders and stakeholders. Indisputably, investors' outlook about the Bank is enhanced by increasing the level of transparency of ownership and control.

CIB's Governance Framework relies on adopting the international best practices of corporate governance consisting of a single-tier board, competent board committees, experienced management team, and a set of internal policies and processes. This enabled CIB to conduct its business in a secured, transparent, and controlled environment with a focus on the clear segregation of duties and responsibilities of the Board and senior management. This allows for stronger focus on the reporting mechanism of the internal control departments, the independence of external and internal auditing, cooperation with supervisory and regulatory authorities, and the assurance of the disclosure and transparency of material information regarding the Bank, its ownership, board constitution, operations, and financial performance. It is also an advocate for the equal treatment of all shareholders and sound protection of their voting rights.

Governance policies are designed to promote a corporate culture that emphasizes building trust with key stakeholders and providing effective internal control within the Bank. These policies are continuously updated and reviewed to keep up with the dynamic changes in the business environment, thus ensuring proper maintenance of the governance framework.

Using best practices as its foundation, CIB's Code of Corporate Governance outlines the role and composition of the Board of Directors, relationships with shareholders and executive management, the role of the internal control departments, reporting transparency, and information disclosure with an aim of protecting shareholder investments and fostering a culture of integrity, accountability, and confidence. The aim of the code is to mitigate any adverse impact on the stakeholders arising from failure to comply with Corporate Governance regulations and best practices.

The Code of Conduct stipulates the guiding principles and values, essential in building our worthy reputation and our competitive excellence, on which we remain a strong and agile Bank. It sets forth the ethical standards expected from all leaders and employees, providing a comprehensive frame of reference regarding their rights and duties toward the Bank. The code reinforces the importance of conducting business within the framework of professional standards, laws, and regulations, together with our own policies and procedures. It also further highlights the importance of the principles of equal employment opportunity and gender equality, encourages collaboration and innovation, and fosters a sense of care, integrity, and responsibility in maintaining discretion regarding confidential information. This strengthens the valuable trust we build with our clients, employees, and the community, which, in turn, enriches all stakeholders collectively.

The Conflict of Interest policy addresses potential conflicts of interest and governs situations where employees personally benefit from actions that contradict the Bank's best interests. The policy outlines high-level organizational and administrative procedures to identify and manage conflicts of interest in the Bank as part of its corporate governance and business activities. The policy established a framework for managing and monitoring all possible conflicts of interest between the Bank, BOD members, management, employees, customers, and any relevant third party.

Induction sessions on the Code of Conduct and Conflict of Interest policy are organized for new employees to introduce the related principles, while more specified awareness sessions are provided for all employees to assure adherence to the highest ethical standards.

The Staff Issues Committee handles staff complaints related to the Code of Conduct and Performance Management. It is a communication channel for employees to express their queries, complaints, and any work-related issues to an unbiased body.

The Disclosure Policy ensures that communications with the public, investors, employees, customers, and other stakeholders are timely, reliable, accurate, balanced, and broadly disseminated in accordance with all applicable regulatory requirements. The Bank is committed to providing comprehensive public disclosure with respect to all the material matters concerning the Bank, as well as providing access to such information. The policy helps enhance the transparency of the Bank's activities, thus boosting the Bank's reputation among existing and potential investors. The policy promotes desirable transparency practices and aims to minimize the risks of violating relevant laws and regulations in relation to communicating information to the investing public and regulators of the capital and financial markets. It regulates the trading of Bank shares by Material Risk Takers (Insiders), where all Board Members and other staff members who have access to material non-public information and have key functional responsibilities with significant potential impact/ influence (in addition to their spouses and minor children), are prohibited from trading CIB shares during the blackout period.

Together with the Bank's bylaws and the charters of the Board and its committees, this comprehensive set of policies guarantees a strong governance culture and effective implementation of a strong governance framework, exemplified by each of the Bank's BOD members' firm leadership, excellence, and great vision. CIB's competent executive management team plays an outstanding role in executing CIB's governance strategy through the effective implementation of the Bank's policies and procedures, executing the Bank's strategy set by the Board, and ensuring the clarity of goals and objectives of the respective Line of Business functions, while directing their activities in alignment with the Bank's policies and regulations.

In 2022, ESG integration across Corporate Governance policies according to the Board Sustainability Committee resolution was assessed, ensuring that the policies address opportunities for sustainability being exceptionally detailed and responding to the main requirements set in the GRI Standards.

Board of Directors

The Board aims to promote CIB's long-term success, deliver profitable and sustainable value to shareholders, and promote a culture of integrity, transparency, trust, and respect among its stakeholders, while performing its duties with entrepreneurial leadership, excellence, and in good faith.

The Board has a professional and legal responsibility toward shareholders and stakeholders to act in good faith, with due diligence and care, and in the best interest of the Bank and to protect the rights of the depositors, shareholders, and stakeholders.

CIB's Board consists of a majority of independent non-executive directors. Led by its non-executive Chairman, the Board is primarily responsible for providing a sound base for good corporate governance in the Bank's operations, setting the Bank's strategic objectives, and providing oversight of senior management, ensuring the effectiveness of the Bank's internal control systems, managing risk, and securing CIB's institutional reputation and long-term sustainability.

The Board ensures the Bank's accounts and financial statements are fair, balanced, understandable and provide information necessary to shareholders to assess CIB's position, performance, business model, and strategy.

The Board liaises with and supports the Bank's internal control functions and constructively uses outcomes and reports received by these functions to take the necessary corrective actions. The Board ensures the clear segregation of the roles and responsibilities of these functions so that each one is able to communicate directly and independently with the Board and senior management.

The Board conducts Corporate Governance in a transparent manner, publicly disclosing to the general assembly significant matters and transactions — particularly conducted with related parties. CIB recognizes the Board's role in implementing high standards of corporate governance across the Bank and in promoting a work environment where such standards can thrive and operate.

The Board ensures the Bank has the proper focus on risk, reviews the Bank's risk appetite as proposed by executive management, and constantly monitors the risk profile in relation to such appetite to ensure the proper mitigation of all possible risks.

It forms the respective Board committees that assist the Board by providing organized and focused means to achieve the Bank's goals and to properly address issues in a timely and effective manner. The Board evaluates the effectiveness and contribution of these committees on an annual basis in light of their respective charters.

The Board's structure complies with the local prevailing regulations and international best practices and allows for the position of a lead director. The strength of our Board is a product of the variety of our directors' experience, diversity, perspectives, and institutional knowledge. We are committed to maintaining independence and fostering diversity, in terms of gender and nationality, on our Board. As a result of this commitment, two of our directors are women and 63 % are independent NEDs, according to the latest Board structure.

Changes to the Board of Directors During 2022

On 19 May 2022, the CBE approved the appointment of Mr. Fadhel Al Ali and Mr. Aziz Moolji as non-executive members representing the interests of Alpha Oryx Ltd. — a subsidiary of ADQ — in CIB, following its recent acquisition of 18.595% of the Bank on 12 April 2022.

Mr. Fadhel Al Ali is a strategic leader with decades of experience in corporate governance and commercial roles across a variety of business contexts, such as startups and rapid growth. Mr. Al Ali serves as Chairman of Dubai Financial Services Authority (DFSA) and brings 30 years of experience in multiple industries, including real estate, hospitality, investment, and banking. He also led several corporate functional organizations, such as Finance, HR, Legal, Business Excellence, and Marketing and Communication. Mr. Al Ali started his career as a banker in 1989 in Citibank, and he led the financial restructuring of Dubai Holding's investment groups in which he served as its Chief Executive Officer until 2017 before serving as FAB's Deputy CEO and Group COO from 2017 to 2021.

Mr. Aziz Moolji serves as ADQ's M&A and Alternative Investments Director, prior to which he was Dubai Holding's Vice President of Investment and Portfolio Management from 2019 to 2021. Throughout his career, Mr. Moolji held several positions in global investment banks, such as Goldman Sachs and Merrill Lynch. Mr. Moolji brings to the Board over 20 years of experience in Private Equity and Investment Banking across North America and Emerging Markets. He invested over USD 2.0 billion in transactions across Financial Services, Consumer Products, Industrials, Infrastructure, Education, Hospitality, and Logistics.

On 21 November 2022, Mr. Hisham Ezz Al-Arab joined CIB's Board of Directors as a Non-Executive Director for his special expertise based on the Board's recommendation and the approval of the CBE. Mr. Ezz Al-Arab brings a wealth of knowledge in the banking sector at large and CIB in particular, as he was at the helm of leading the Bank as Chairman and Managing Director from 2002 to 2020. He was recognized several

Serial	Board Member Name	(Executive / Non-Executive / Independent)	Joining Date	Capacity
1	Mr. Sherif Samy	Non-Executive /Independent	Mar-20	Self-capacity
2	Mr. Hussein Abaza	Executive	Mar-17	Self-capacity
3	Dr. Amani Abou Zeid	Non-Executive /Independent	Dec-17	Self-capacity
4	Mrs. Magda Habib	Non-Executive /Independent	Dec-17	Self-capacity
5	Mr. Paresh Sukthankar	Non-Executive /Independent	Oct-19	Self-capacity
6	Mr. Rajeev Kakar	Non-Executive /Independent	Oct-19	Self-capacity
7	Mr. Jay-Michael Baslow	Non-Executive /Independent	Oct-20	Self-capacity
8	Mr. Tarek Rouchdy	Non-Executive /Independent	Mar-21	Self-capacity
9	Mr. Fadhel Al Ali	Non-Executive	May-22	Representing the interest of Alpha Oryx Ltd., a subsidiary of ADQ
10	Mr. Aziz Moolji	Non-Executive	May-22	
11	Mr. Hisham Ezz El Arab	Non-Executive	Nov-22	Self-capacity

times by international houses for his contribution to financial services in the Middle East. Mr. Ezz Al-Arab joined CIB in 1998 from Deutsche Bank and previously served with both JP Morgan and Merrill Lynch in postings that took him to Bahrain, New York, and Cairo.

On 8 December 2022, CIB's BOD recommended the appointment of Mr. Ezz Al-Arab as Non-Executive Chairman, subject to the approval of the CBE and succeeding Mr. Sherif Samy, who will remain on CIB's Board as a Non-Executive Director.

CIB's BOD currently consists of eleven members who represent a diverse group in terms of gender, culture, perspectives, knowledge, expertise, and ethnicity, while also having an exceptional number of years of combined experience and acquired skills. These collective qualities give the Bank a distinct competitive edge. Throughout 2022, CIB's BOD met 13 times, nine of which were conducted via video conferencing. One meeting was attended in person by the directors who were present in Cairo, with directors residing abroad joining via video conference in view of the prevailing preventive measures due to the COVID-19 pandemic.

Board Committees

Backed by an experienced executive management team, CIB's highly qualified BOD is also supported by specialized committees. All Board committees are chaired by the NEDs, who brief the Board on major points raised by their respective committee. Such briefings enable the BOD members to carry out their duties in an effective manner. CIB's BOD has six standing committees that assist in fulfilling its responsibilities. Each committee operates under a written charter that sets out its responsibilities and composition requirements and reports to the Board on a regular basis. Separate committees may be set up by the BOD to consider specific issues when the need arises.

Board Audit Committee

Responsibilities: The Committee was established to provide oversight over the integrity of the Bank's financial reporting process, the effectiveness of the Bank's internal control systems, and its compliance with all statutory requirements. The Committee is also responsible for overseeing and reviewing the performance of the Bank's Internal Audit and Compliance functions, as well as the work of the Bank's external auditors, to ensure the independence and objectivity of each, in addition to the quality of the applied outputs.

2022 Audit Committee Highlights

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

Oversight of the Financial Reporting

During 2022, as mandated in its Charter by the Board, the Audit Committee reviewed the financial statements and their notes and discussed them with the relevant bank officers and external auditors, and it received assurances that the financial statements fairly presented CIB's financial position and complied with regulatory (CBE and FRA) directives and reporting standards. This is in addition to the 2021 IFRS statements.

Internal Audit

The Audit Committee monitored the effectiveness of the Internal Audit Department, approving its three-year audit plan (2022–2025) and annual work plan, discussing the utilization of its resources, while also taking into account the impact of the COVID-19 pandemic on its day-to-day operations. The Committee also discussed audit engagement reports regularly, addressing measures taken to remediate identified deficiencies.

The Committee also discussed the proposal for the fee agreement with the external auditors for the 2022 financial year.

Compliance

The Committee discussed policies, controls, and procedures related to compliance, combatting money laundering, and preventing financial crime. The Committee took note of whistleblowing issues, discussing material whistleblowing cases, enhancements to respective arrangements, and plans for periodic updates to the Committee. It also regularly discussed customer protection unit updates.

The Committee also took note of legal provisions for the 2021 financial year.

During 2022, the principal activities of the Committee were:

- Examining the 2021 full year financial statements and the 2022 quarterly financial statements and recommending their approval to the Board.
- Examining the 2021 IFRS financial statements and recommending approval to the Board.
- Overseeing the performance of the Internal Audit function and approving the three-year audit plan including 2022.
- Receiving audit reports from management on certain areas of the business where reports from the Internal Audit function had recommended improvements to existing controls.
- Overseeing the implications of remote working and future ways of working on the control environment.
- Monitoring the whistleblowing program, including receiving regular whistleblowing updates from the Compliance Group.
- Receiving updates on financial crime activity from the Compliance Group.
- Receiving Board Risk Committee meeting minutes, including a summary of write-offs and a summary of ALCO meetings.
- Considering future internal control needs.

The Committee met eight times in 2022.

Chairperson: Mr. Tarek Rouchdy
Members: Mrs. Magda Habib, Mr. Paresh Sukthankar

Board Risk Committee

Responsibilities: The Risk Committee assists the BOD in carrying out its duties related to risk management oversight, concurs on all Risk Policies, and makes the necessary resolution recommendations to the BOD. The Committee's role includes assisting the BOD in the organization's governance and exercising due care and diligence in terms of the risk management framework and processes for all financial and non-financial risks.

2022 Risk Committee Highlights

The Committee reviewed Standard Risk Reports advising the Institutional, Consumer, and Business Banking divisions, as well as the main challenges of balance sheet and other financial and non-financial risks that occurred throughout the year.

The Committee revised the macroeconomic indicators in alignment with the effects of the Russia-Ukraine conflict, and ensured the Bank oversees emerging risks, along with other financial and non-financial risks. It also reviewed and challenged the expected credit loss (ECL) calculation, and was confident of the Bank's relatively better and more stable portfolio quality and healthy coverage ratios. Additionally, the Committee reviewed risk-related policies and addressed the necessary recommendations.

The Committee met nine times in 2022.

Chairperson: Mr. Jay-Michael Baslow
Members: Mr. Paresh Sukthankar, Mr. Fadhel Al Ali

Board Governance and Nomination Committee

Responsibilities: The Governance and Nomination Committee (GNC) advises the Board on the general oversight of governance matters and ensures the promotion of a sound governance culture within the Board and the Bank. The GNC also reviews additions and amendments to the Board and Committee Charters, along with the governance group of policies. This entails a periodic review of the Bank's corporate governance structure, while recommending changes, when and if necessary, to the BOD. The committee also acts as the Nomination Committee, which contributes to the Board's effectiveness and governance, sets the criteria for selecting new directors, and assists the Board in identifying suitable individuals for nominations as non-shareholder representative board members. The Committee's duties extend to Board succession planning, including the Bank's CEO.

2022 Governance and Nomination Committee Highlights

Throughout 2022, the Committee regularly advised the Board on governance matters based on its periodic review of the Bank's governance framework. The Committee assisted the Board in operating as effectively as possible and governing the Bank's operations to be executed in accordance with international governance best practices. The Committee reviewed the Bank's 2022 Annual Corporate Governance and BOD reports. During the year, the Committee received updates on newly issued or amended laws, executive regulations, rules, or decrees affecting the governance of the Bank, and it recommended the necessary actions. During 2022, three NEDs were appointed, and potential candidates were identified and assessed by the Committee throughout the year. The GNC ensured that the newly appointed candidates received proper induction, and the non-executive BOD committees were formed to accommodate the new directors and leverage their knowledge and experience.

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total Board members in 2022

The Committee met six times in 2022.

Chairperson: Dr. Amani Abou-Zeid
Members: Mrs. Magda Habib, Mr. Rajeev Kakar

Board Operations and Technology Committee

Responsibilities: The Operations and Technology committee assists the Board of Directors in fulfilling its oversight responsibilities over Operations and Technology, with respect to direction and alignment with the Bank's strategy, efficiency, and support of the business, robustness, and resilience. This is in addition to ensuring it is at the forefront of developments, adopting cost justified best practices, with the objective of increasing the Bank's competitiveness and reducing risks.

2022 Operations and Technology Committee Highlights
During 2022, the Operations and Technology committee maintained its oversight over 2022 key strategic projects, direction, and the associated budget. The committee reviewed the operations and technology projects and strategies in light with the overall Bank's strategy, best practices, and competitive assessment.

Under the committee's oversight, the Bank was able to work on several initiatives to enhance customer experience, key service indicators, and operational key performance indicators. It also developed a strategy to enhance the contact center setup to capitalize on existing resources and generate new opportunities to serve the Bank's strategy.

Focus was also given to enhancing our digital platforms and customer notifications, the branches' transformation, digital and agile transformation projects, and financial inclusion for the untapped segments, as well as enhancements to our disaster recovery setup to support IT Resilience and improve our services availability levels.

The committee continued its focus on the critical non-financial risks, across different operational and technology domains. The committee also focused on the outstanding internal and external audit issues and stressed on the importance of having full alignment and consistency across the different layers of defense in identifying and assessing the associated risk criticality and business impacts.

The Committee met five times in 2022.

Chairperson: Mr. Rajeev Kakar
Members: Mrs. Magda Habib, Mr. Tarek Rouchdy, Mr. Aziz Moolji

Board Compensation Committee

Responsibilities: The Compensation Committee was established to provide guidance regarding the appropriate compensation for the Board and the Bank's executive officers and to ensure that compensation is consistent with the Bank's objectives, strategy, and control environment. The Committee ensures that clear policies for the Bank's salaries and compensation schemes are in place, and that they are effective at attracting and retaining best caliber professionals.

2022 Compensation Committee Highlights
During 2022, the Committee assessed Management Committee members, executives, and CEO Direct reports performance for 2021 and recommended the appropriate compensation accordingly. The Committee also reviewed and approved the Bank's overall variable compensation guidelines for 2021. The Salary Review methodology and guidelines were presented to the Committee for alignment. The committee also presented a brief about 2021 performance management to shed light on the performance rating distribution approach followed in 2021.

The Committee met seven times in 2022.

Chairperson: Mr. Rajeev Kakar
Members: Mr. Jay-Michael Baslow, Mr. Aziz Moolji

Board Sustainability Committee

Responsibilities: The CIB BOD established the Board Sustainability Committee to ensure that sustainable finance is well-attended on the Bank's agenda. The Committee provides the Bank with strategic guidance on ESG matters and oversees the effective integration of ESG practices within the Bank's business and operations, while ensuring alignment with global and regional frameworks. In acknowledging and identifying that all businesses have the potential to affect people and the planet in both positive and negative ways, CIB's focus is to ensure that its products and services are intended to minimize the Bank's long-term negative impacts and to create and maximize sustainable value to all its stakeholders.

2022 Highlights of the Board Sustainability Committee
The Committee monitored CIB's compliance with the Six Guiding Principles of the Sustainable Finance CBE Circular and the FRA Resolution 108, both issued in July 2021. It reviewed the Sustainable Finance Governance Structure, ensuring ESG integration within all Bank departments' policies and procedures. The Board Sustainability Committee also closely monitored the SOP update of the Environmental and Social Risk Management System (ESRMS) in terms of implementation and KPIs. It continued to monitor the Bank's architecture of Sustainable Finance Frameworks and Standards and moved forward with the integration of the Sustainable Finance Strategy within the Bank's five-year Corporate Strategy.

As part of its mandate, the committee gave direction on the Bank's reporting and disclosure strategy, as well as guidance and follow-up on ESG Data Digitization plans, Additionally, it followed up on and supported the sustainable finance system and strategy implementation across departments and functions. To ensure sustainable finance principles are embedded in the Bank's activities, the committee actively oversaw sustainable finance education and capacity building exercises for CIB and Mayfair CIB staff, as well as peer knowledge exchange. It ensured the promotion of gender equality through proper policies, activities, services, and products, as well as training and capacity building.

In light of the Bank's membership in a number of global sustainable finance initiatives, the committee continued to follow up on sustainable finance advocacy and communication by the Bank, both locally and globally. It also offered guidance and direction on CIB's role at COP27, held in Sharm El Sheikh, Egypt, in November 2022.

The committee met four times in 2022.

Chairperson: Mr. Jay-Michael Baslow
Members: Dr. Amani Abou-Zeid, Mr. Tarek Rouchdy, Mr. Fadhel Al Ali

External Auditor

Based on the Audit Committee's statutes, approved by the Bank's BOD, the Audit Committee proposes the appointment of the External Auditors to the Bank's Board. The recommendations are then presented to the General Assembly to approve the nominations and agree on their annual fees.

Nominated External Auditors should be CBE-listed, selected from reputable and competent firms, and be registered with the FRA. This is to ensure their expertise, competence, and ability to review the Bank's business.

When selecting External Auditors, applying governance principles and standards should be considered. Hence, the following should be considered:

- They must be completely independent of the Bank and have no representation on the Bank's BOD, or being shareholders; and
- They must not be relatives of any member of the Bank's BOD or Senior Management.

This is in order to ensure their independence and that they are not subject to any pressure that might affect their impartiality and independence.

To promote the independence of the External Auditors, only the Audit Committee is responsible for overseeing their technical work, examining the efficiency of their audit work, discussing and approving their audit plan, and evaluating their performance, as well as making decisions related to terminating or renewing their contracts, in a manner that does not violate the provisions of laws.

The Audit Committee also periodically ensures that the External Auditors face no difficulties upon performing their work, and it coordinates between External Auditors and the Internal Audit Group. It also ensures there are no restrictions impeding the communication and cooperation among Chief Audit Executive, Chief Compliance officer, the External Auditors, and all members of the BOD and Audit Committee.

> Backed by an experienced executive management team, CIB's highly qualified Board of Directors are also supported by specialized board committees.

The members of the Audit Committee also review the reports issued by the External Auditors, discuss their observations, follow up on corrective actions, and notify the Bank's BOD with them, along with the Audit Committee's directives and recommendations.

Furthermore, to ensure the External Auditors' independence, their services should be limited to the External Audit functions. In some cases, where one or both are required to perform any other function, the Audit Committee's approval must be obtained in advance before assigning any service to the concerned External Auditors.

External Auditors are periodically changed, based on the CBE's regulations in this regard.

The Audit Committee also discusses with the External Auditors the internally prepared disclosure report on the Bank's Governance and Compliance practices. A copy of the report is made available to all shareholders, in accordance with the provisions and regulations in this regard.

Shareholders' Rights

CIB's Annual General Meeting of Shareholders is held in March of each year, no later than three months after the end of the Bank's financial year. Additional extraordinary general shareholder meetings may be convened at any time by the Board. The General Assembly provides a platform for shareholders to engage with the BOD, ask questions, and exercise their voting rights. Shareholder consent is required for key decisions, such as:

- The adoption of financial statements
- Voting on proposed dividends by the BOD
- Significant changes to the Bank's corporate governance practices
- The Remuneration Policy
- The remuneration of NEDs
- The appointment of the External Auditor
- The appointment, suspension, or dismissal of the members of the BOD
- The issuance of shares or rights to shares, restriction or exclusion of preemptive rights of shareholders, and the repurchase or cancellation of shares
- Amendments to the Articles of Association

Social Development

The CIB Foundation

CIB Foundation is dedicated to improving healthcare and nutrition services extended to children of underprivileged families with limited access to quality healthcare. Its efforts include not only donations, but also the monitoring of projects' impact. In addition to the direct donations made to its fundraising account, the Bank supports the CIB Foundation with 1.5% of its annual net profit. With a vision to ease the burden on families in need, the CIB Foundation works with private, public, and non-governmental healthcare providers that offer free-of-charge services to ensure the widest community reach and to maximize the value of its work through achieving positive and sustainable results.

2022 Newly Approved Projects

Their Care…Our Responsibility

As part of CIB Foundation's longstanding partnership with Yahiya Arafa Children's Charity Foundation, the Board allocated EGP 6 million to fund the annual operating costs of Ain Shams University Hospital's four pediatric units. This covers the pediatric congenital heart defect unit, pediatric heart surgical unit, children's hospital's pediatric surgical unit, and the women and obstetrics hospital's neonatal unit, serving 17,000 children annually.

A Journey of Hope

Building on our successful collaboration with the Nile of Hope Foundation, and after establishing a Center of Excellence to treat children with congenital defects in the great Alexandria region, the CIB Foundation participated in establishing the diagnostic and microsurgical endoscopy units, serving 300 children annually for a total of EGP 18.38 million.

The Social Preventative Medicine Center, Cairo University Hospitals, Faculty of Medicine

The Cairo University Dental Care Clinic receives a wide range of pediatric dental conditions from all over Egypt. The Center provides free of charge surgical and dental services for children with maxillofacial conditions, cleft lip, and palate, as well as children with special needs under general anesthesia. Due to the continuous growing demand for these services, the faculty is incapable of providing the capital needed for these operations. Consequently, the Board allocated approximately EGP 2.93 million in order to fund outfitting and equipping the pediatric outpatient dental care clinic, serving 20,000 children annually.

A Vision to the Future

Building on the successful collaboration between the CIB Foundation and Alexandria University Hospital, the Board allocated EGP 1.31 million to fund the purchase of a 3D Visualization System, in addition to the previously funded Auxiliary for Ophthalmology Operation Microscope. The 3D Visualization System will provide up to five times extended depth of field, up to 48% increased magnification, and up to 42% increased depth resolution. With both the visualization system and the microscope, they can increase precision, reduce operating time, and, in turn, raise the rate of success for surgeries. This project is expected to serve 48,000 children annually.

57357 Fighters

Maintaining the longstanding partnership between 57357 Hospital and CIB Foundation, the Board allocated funding amounting to EGP 30 million to cover the costs of treatment provided by the hospital for about 5,000 children annually. Costs cover medical tests, examinations, chemotherapy, radiotherapy, immunotherapy, and more. The Foundation allocated an additional EGP 4 million to fund key activities at the hospital, such as radiology, laboratories, medication, radiotherapy, nuclear medicine, and supplies that serve 836 children annually.

SOCIAL DEVELOPMENT

CIB continues to honor its commitment to giving back and benefiting the communities in which it operates.

Rehabilitation Center for Children with Cerebral Palsy and Muscular Dystrophy

In line with the Presidential initiative to support children with cerebral palsy and muscular dystrophy, the Board allocated a total budget of EGP 54 million to establish the first Rehabilitation Center for Children with Cerebral Palsy and Muscular Dystrophy in the region. The goal is to provide medical services and rehabilitate children with these physical disabilities and reintegrate them into society in the hopes they become functional members of the Egyptian society. This project is expected to serve 1,000 children annually.

A Warmer Winter

The CIB Foundation allocated EGP 21 million to fund the ninth round of collaboration with the Egyptian Clothing Bank, distributing warm clothing to children to make sure they are warm during harsh winters. The funding covers 100,000 winter training suits and pairs of shoes to be distributed to children in underprivileged and poverty-stricken areas in the Red Seas, Al Wadi Al Gadid, Al Minya, Beni Suef, Fayum, Cairo, and Giza. It also covers relief convoys to be sent to victims of natural disasters nationwide. The full amount was disbursed in 2022.

Supporting Health Interventions for Refugee Children in Egypt

The equivalent of USD 100,000 in EGP was allocated to treating 240 children of refugee families in Egypt, in collaboration with the United Nations High Commissioner for Refugees (UNHCR). The funding will go to children suffering from diseases that require secondary and tertiary medical care, such as cardiovascular and chronic respiratory diseases, diabetes, neurological disorders, cerebral palsy, and cancer.

Beit Yehmeni

In collaboration with Sawiris Foundation for Social Development (SFSD), the CIB Foundation's Board allocated EGP 6.5 million to support the Beit Yehmeni program with a comprehensive pediatric section through funding medical convoys. The initiative provides a comprehensive package of services to underprivileged families living in unsafe conditions to improve their quality of life. This project is expected to serve 30,000 children annually.

L'MISR Initiative

In line with the Presidential Haya Karima initiative, the CIB Foundation launched its first national initiative, L'MISR, after a decade of successful contribution to children's health. The initiative focuses on supporting the physical and mental health of children to help them become productive members of society. It also localizes the sustainable development goals across the most extensive base of beneficiaries.

- The Board approved EGP 15 million of funding to the Healthy Children project with Raie Misr Foundation for Development. It covers the purchasing of three outfitted mobile clinics, in addition to the operating costs of 900 medical convoys, each with a team of qualified doctors providing examinations and treatments to children in schools and health centers. The project is expected to serve 200,000 children. The first installment amounting to EGP 9.59 million was disbursed during 2022.
- Furthermore, the Board allocated EGP 19.2 million to fund another round of the project with Sonaa El Kheir Foundation, building on the previous successful collaboration. The allocated fund will enable the medical convoys to reach poverty-stricken areas in Beni Suef and El Behira governorates in 88 elementary and middle schools, which will serve 95,000 children. These medical convoys will provide comprehensive medical services to those underprivileged children in many fields, such as ophthalmology, general pediatrics, anemia and stunting, diabetes, and others. Furthermore, the convoys will provide the necessary medications, tests, and surgeries if needed.

The Pediatric Surgery Hospital – Part of Ain Shams University Integrated Medical City

In support of President Abd El-Fattah El-Sisi's direction to establish an integrated medical city inside Ain Shams University, the Board allocated a budget of EGP 100 million to sponsor the surgical suite in the New Pediatric Surgery Hospital, which is expected to serve around 30,000 children annually. The suite encompasses 10 surgical theaters with the capsule system, and the fund will cover the theaters' medical and non-medical equipment.

The New Pediatric Surgery Hospital will enable Ain Shams University to double its current capacity. The new hospital is expected to serve 20,000 inpatients with 30,000 surgeries annually, and 250,000 outpatients.

Ongoing Projects from Previous Years

Strong Heart…Stronger Future

The Aswan Heart Center (AHC)

Building on the longstanding partnership between the Magdi Yacoub Foundation and CIB Foundation, the Board allocated EGP 30 million to fund 200 open heart surgeries and purchase 345 catheterization lab consumables at the Aswan Heart Center. The project started in 2021 and was completed in 2022, with a total of EGP 15 million disbursed each year.

The New Global Heart Center in Cairo

According to the data from the AHC, the center performs around 4,000 surgical and cardiac procedures on 2,400 children annually, maintaining international standards. However, due to ever-increasing demand, AHC is able to address only a small number of all the complex and critical cases. To improve access to and meet the demand for cardiac care within Egypt, the Magdi Yacoub Foundation's board has decided to establish the Magdi Yacoub Global Heart Centre in Cairo (MYGHC). The facilities in the new center will enable medical teams to treat up to 12,000 patients per year, a three-fold increase on their current capacity. CIB Foundation sponsored EGP 35 million over three years to establish a pediatric catheterization lab that allows doctors to perform minimally invasive tests and procedures on patients with various heart conditions. The catheterization lab dedicated to the treatment of pediatric patients will see around 960 children per year. The first tranche amounting to EGP 12 million was disbursed in 2022.

Their Care…Our Responsibility

As a part of the CIB Foundation's longstanding partnership with Yahiya Arafa Children's Charity Foundation, the Board allocated EGP 3 million to fund the retrofit of depreciated medical equipment in the five pediatric units encompassing Ain Shams University Hospital's pediatric congenital heart defect unit, pediatric heart surgery unit, women and obstetrics hospital's neonatal unit, children's hospital's pediatric surgery unit, and the children's hospital's neonatal unit. A total of EGP 1.47 million were disbursed during 2022.

Kidney Care and Cure

The Board allocated EGP 16 million to expand and outfit Sohag University Hospital's pediatric dialysis unit. As the largest unit serving children with kidney diseases in Upper Egypt, there was a pressing need for the hospital to expand. The new dialysis unit features an ICU, a plasma separation room, 16 new dialysis machines, and a central delivery system that will lower infection rates. It is expected to serve approximately 5,000 children each year. The full amount was disbursed in 2022.

Gift of Life

In light of the successful collaboration between the CIB Foundation, Rotary Club of Giza Metropolitan, and El Kasr El Eini Hospital, the Foundation allocated EGP 4.5 million to fund the third round of 100 open-heart surgeries to be performed in El Kasr El Eini Hospital to reduce the number of children on the waiting lists and alleviate some of the hospital's financial burdens. During 2022, a total of EGP 2.7 million was disbursed.

Our Differences…Our Strength

In line with the its commitment to supporting children with special needs, the CIB Foundation allocated a budget of EGP 5.39 million to establish clinics for cerebral palsy and audio and mental measurement in five rehabilitation centers in Cairo, Giza, and Helwan under the umbrella of the National Foundation for Family and Community Development. This project is expected to serve approximately 1,000 children annually. The project was completed in 2022 with disbursements amounting to EGP 1.84 million.

An additional EGP 1 million was allocated to the National Foundation for Family and Community Development to outfit the sensory, psychomotor, and occupational therapy rooms in the Asmarat Center to improve the sensory and motor skills of children with disabilities, particularly children with autism. The funding is expected to serve 250 children annually.

Our Kids, Our Future

The Board allocated EGP 7.33 million to fund a project in partnership with Ibrahim A. Badran Foundation. 48 convoys took place in underprivileged areas in Beni Suef, where a team of qualified doctors led those convoys to offer examination and treatment to the children in schools and health centers in the area. The project served 65,000 children, and it was completed in 2022 with a total disbursements amounting to EGP 3.48 million.

For a Better Childhood

The Board allocated EGP 1.91 million to fund 50% of the annual operating costs of the pediatric and neonatal ICU sections of Benha University hospital, which were outfitted through a fund from the CIB Foundation. The two units serve about 3,500 children in Qalyubia region annually. This fund will ensure the project's sustainability and maintain the highest level of service provided to the children in both units. A total of EGP 954,000 was disbursed in 2022.

One Heart

The CIB Foundation allocated EGP 24.36 million to fund NICU and PICU with new state-of-art equipment to Al Nas Hospital. Since its inauguration, Al Nas Hospital, managed by Al Joud Foundation, has been a strategic partner for the CIB Foundation; the hospital operates in line with international standards, and both units will serve approximately 2,000 children annually and offer their services free of charge to underprivileged communities. A total of EGP 8.51 million was disbursed during 2022.

Children without Risk

Building on the successful collaboration with the Garden City Cosmopolitan Lions Club, the Board allocated EGP 7.5 million to establish a fully equipped open-heart surgery room for children in Mabara El Maadi Hospital. It will provide health care to children with congenital heart defects and those who suffer from heart complications. This project is expected to serve approximately 720 children each year. A total of EGP 3.23 million was disbursed during 2022.

Touch of Hope

Building on its previous successful collaboration with the Sporting Students Hospital, the CIB Foundation allocated EGP 3.88 million to establish an advanced pediatric cardiac operating room with the capsule system. The room is expected to enable the hospital to operate on 288 children annually while ensuring the highest levels of sterilization and hygiene. It will also enable the hospital to perform minimally invasive and highly advanced surgeries with the utmost accuracy according to international standards. This project will contribute to decreasing the number of children on the waiting lists for pediatric cardiac surgeries. The total amount was disbursed during 2022.

New Children's Hospital in Alexandria

In 2020, the CIB Foundation allocated EGP 78 million to outfit of the New Children's Hospital in Alexandria, which is expected to serve around 1,200 children annually during the first phase, reaching its full capacity (3,600 children annually) after two years. The fund was allocated to purchase medical equipment and medical furniture, as well as finance the medical finishing and electro-mechanical works for the following units and areas: emergency rooms, two surgical theaters, anesthesia and recovery rooms, five pediatric cardiac care units, a reception, waiting areas/services, a catheterization lab, 20 inpatient rooms, 16 neonatal ICUs, and 10 pediatric ICUs. The project will have a direct effect on reducing the mortality of newborns, infants, and children in the Greater Alexandria region and its surrounding governorates. A total of EGP 18 million was disbursed in 2022.

A Journey of Healing

The Foundation's Board allocated EGP 11.6 million in April 2020 to outfit the pediatric department in the Shifaa Al-Orman Hospital in Luxor. The new department allows children to obtain the required chemotherapy and radiotherapy without the need to travel long distances, considering there are a few centers specialized in treating children with cancer in Upper Egypt and, in most cases, children have to travel to Cairo. Traveling does not only constitute a great health hazard on the patient but also places a great financial burden on the families. The pediatric department is expected to serve around 900 children annually. A total of EGP 2.29 million was disbursed in 2022.

Going Miles for Their Smiles

As part of the Foundation's mandate to support children in need, the Board allocated EGP 1.85 million to support the annual operating costs to FACE for Children in Need to cover a part of their medical services and care provided to orphans in Maadi Home, which hosts 50 children. During 2022, a total of EGP 1.25 million was disbursed.

Heal a Child…Change the World

The CIB Foundation allocated a total budget of EGP 2.17 million to support the annual operating costs for two residence facility shelters in 6th of October and Imbaba, operated and supervised by Abnaa Al Ghad Foundation – Banati. The two shelters provide various types of protection and support for children at risk, including children who spend most of their time in the streets and children deprived of family care, and they will serve approximately 200 children annually. A total of EGP 1.08 million was disbursed in 2022.

The Dream of the South

A total budget of EGP 9.2 million was allocated to fund the outfitting of the pediatric neurosurgery department at Aswan University Hospital, aiming to establish a center of excellence in Upper Egypt by establishing inpatient care, an intermediate care unit, and an ICU, which will serve 800 children annually. The project was completed during 2022, and a total of EGP 4.86 million was disbursed.

The Right to Live Upright

The CIB Foundation allocated EGP 4.48 million to purchase surgical equipment to perform the complex and minimally invasive surgical procedures with the highest quality and precision in Assiut University Hospital. This unit will enable the hospital to serve 104 children annually. A total of EGP 1.78 million was disbursed during 2022.

Super Smile

The CIB Foundation allocated EGP 1.25 million to fund 50 cleft lip and cleft palate surgeries to be performed at Ain Shams University Hospitals. During their medical convoys, Rotary District 2451 has noticed that this congenital defect is evident in Upper Egypt. Since they affect the child's appearance and constitute speech difficulties, these defects hinder the children from living a normal life. The project was completed and the full amount was disbursed during 2022.

A Step for Life

The Board allocated EGP 12.5 million in January 2021 to establish a specialized center for psychological, physiological, and social rehabilitation of children with disabilities in Beni Suef University to help integrate them into society, in collaboration with the Awad Charity Foundation. The outfitting of the rehabilitation center will include a pediatric rehabilitation unit, a psychomotor room, and an electromyography unit, which are expected to serve 20,000 children annually. A total of EGP 5.49 million was disbursed during 2022.

Together We Can

The CIB Foundation allocated EGP 1 million to support the remedy of patients of Epidermolysis Bullosa (EB), a rare genetic skin disease caused by the absence of VII collagen that attaches skin layers together. This disease causes the skin to be fragile and blister, easily and it is estimated to affect one in 40,000 people. A total of EGP 500 thousand was disbursed in 2022.

Little Smiles

The CIB Foundation allocated a budget of EGP 4.8 million to establish a general anesthesia unit in the Faculty of Dentistry in Beni Suef University. In the dental field, it is difficult to operate using only local anesthesia on children and toddlers; it is even harder when the patients are of special needs. This necessitates that pediatric dentistry clinics have a general anesthesia unit. The project is expected to serve 1,000 children annually. A total of EGP 1.66 million was disbursed during 2022.

Establishing a Cochlear Implant Unit in Al-Azhar University in Assiut

The CIB Foundation allocated EGP 5 million to establish a cochlear implant unit at the Faculty of Medicine, Al-Azhar University, in Assiut, since the cases that require this type of surgery are on the rise. In certain cases, hearing aids do not achieve any results for children with hearing impairment, and the only solution to prevent hearing loss is to perform a cochlear implant surgery. This unit is expected to serve 500 children annually.

Superstars Are Born from Scars

The Board allocated EGP 39.02 million to fund its third collaboration with the Ahl Masr Foundation for outfitting the pediatric floor in Ahl Masr Trauma and Burn Hospital. This collaboration comes in response to a severe shortage in medical care for burn victims across Egypt, and it is expected to serve around 3,500 children annually. A total of EGP 14.32 million was disbursed during 2022.

Golden Smile

The Foundation granted the Suez Canal University Hospital EGP 3.5 million to purchase an outfitted mobile dental clinic, which will be able to reach children living in poverty-stricken areas in orphanages and children with special needs. The project includes a mobile clinic (vehicle), medical equipment (dental unit, autoclave, x-ray machine, and more), and non-medical equipment (air conditioner, cabinet, mini bar fridge, and more). The clinic serves 600 children annually.

57357 Fighters

During 2021, the CIB Foundation allocated a total of EGP 4 million to 57357 to fund key activities at the hospital, such as radiology, laboratories, medication, radiotherapy, nuclear medicine, and supplies. The full amount was disbursed in 2022.

The Foundation also allocated EGP 30 million to establish the Digital Pathology Lab at the hospital. The Lab will use a computer-based technology to generate information from digitized specimen slides. The specimen glass slides (conventional) are converted into digital slides that can be electronically shared and analyzed using a computer software. This piece of technology will increase diagnosis efficiency by rendering faster results and reducing human error. The automated lab is expected to benefit approximately 7,000 children annually.

For Better Eyesight

The Board allocated EGP 3.07 million to support in establishing a specialized pediatric ophthalmology center in the Memorial Institute for Ophthalmic Research, Giza. The funds will be directed to outfit the outpatient clinics and will work to help eradicate the causes of blindness in children and infants. Additionally, the outpatient clinics in the Pediatric Eye Center enable the Institute to provide specialized services tailored for children, who are currently diagnosed and treated with adults. The specialized center will be able to extend its services to more children from suburban areas in Giza, Upper Egypt, and the Delta region. The expected number to benefit from this project is 12,000 children per year.

A Bridge of Knowledge

The Foundation will fund a five-year education and training program for 150 staff members of the Ain Shams clinical team (including doctors, nurses, and technicians) in partnership with Great Ormond Street Hospital for Children (GOSH) in London. This initiative follows the upgrade of the hospital's facilities and equipment in line with international standards.

Ain Shams University Children's Hospital is expected to double its capacity and serve an additional 67,000 children following the project's completion, which is also expected to enhance the hospital's overall level of care.

GOSH is an international center of excellence in pediatric care, globally recognized as one of the few world-class hospitals for children suffering from rare, complex, or multiple conditions. The emphasis on education and training is key to the delivery of improved patient outcomes. GOSH trains more pediatric specialist doctors than any other center in Europe and has Europe's largest pediatric nurse education program. The center will work with Ain Shams University Children's Hospital to deliver bespoke education and training with specific focus on pediatric/neonatal intensive care and hematology/oncology. A total of EGP 6.94 million was disbursed in 2022.

L'MISR Initiative

Under the umbrella of the presidential initiative Haya Karima to support Egyptian children's physical and mental health, this initiative aims to raise the level of knowledge and awareness to enable Egyptian children to become capable citizens in the future. The CIB Foundation allocated EGP 10.91 million to fund the operating costs of medical convoys that will reach poverty-stricken areas in Al-Waqf, Qena Governorate, in 27 elementary schools and 15 middle schools. These medical convoys will provide comprehensive medical services to those underprivileged children in many fields, such as ophthalmology, general pediatrics, anemia and stunting, diabetes, and others. The convoys will also provide the necessary medications, tests, and surgeries if needed. The project was completed during 2022.

Children Without Virus C Program

In collaboration with the Egyptian Liver Care Society, the Foundation dedicated over EGP 5.1 million to fund the Children Without Hepatitis C program. The fund covers medications, blood tests, x-rays, medical staff training (doctors and nurses), and awareness sessions for infected children and their families.

FRA Disclosure Reports

Environmental, Social and Governance (ESG) Key Performance Indicators (KPIs)

ESG Key Performance Indicators (KPIs)	Actions taken by the Company	Answer		Comment/Clarification
		Yes	No	
Environmental Disclosures				
Environmental Operations & Oversight	• Does the company follow Environmental and Social (E&S) or sustainability policies?	✓		The Sustainable Finance Policy was developed and implemented in 2021.
	• Is the policy one that the company has developed and issued on its own or adopted from global or national policies?	✓		The Sustainable Finance Policy was developed based on CIB's policies for the various departments, which are in line with national and international standards.
	• Does your company identify/assess environmental and social risks arising from your economic activity?	✓		The Environmental and Social Risk Assessment System was implemented starting 2017 and updated in 2021.
	• Does your company follow specific waste, water, energy, and/or recycling polices?	✓		CIB has in place a system to recycle damaged cards, in addition to applying various measures to reduce water and energy consumption.
	• Does your company identify any targets related to GHG emissions? If yes, please disclose.	✓		GHG emissions have been identified for three sectors, with the aim of setting goals to reduce emissions within the framework of the Net Zero Banking Alliance.
	• Does the management have any system/certification regarding environmental practices (ISO 14001 certification)? If yes, please disclose		✓	An environmental management system is being established in preparation for obtaining the ISO 14001 certificate.
CO_2 Emissions	• Does the company calculate total amount of carbon emissions in metric tons? If yes, please disclose.	✓		Total annual carbon emissions for 2021 stood at 43,462 metric tons of CO_2.
Energy Consumption/ Sources of Energy	• Does the company calculate the total annual amount of energy directly consumed?	✓		The total energy consumption is calculated annually according to the type of fuel, for the purpose of annual reporting requirements and consumption monitoring.
	• Does the company calculate the percentage of energy consumption by generation type?	✓		
	• Does the company calculate the total percentage of energy saved, annually?	✓		

ESG Key Performance Indicators (KPIs)	Actions taken by the Company	Answer		Comment/Clarification
		Yes	No	
Water Consumption	• Does the company calculate its total water consumption, annually?	✓		Total water consumption and wastewater treatment is calculated annually for the purpose of annual reporting requirements and consumption monitoring.
	• Does the company calculate the total amount of recycled/treated wastewater annually, if any?	✓		A solid waste system is in development, which includes: • Recycling damaged cards • Reducing paper consumption • Electronic waste management
Social Disclosures				
Gender Diversity and Pay Gap	• Does the company disclose the total number of male and female by employees type (temporary or permanent)?	✓		Disclosures are made within the Bank's annual reports.
	• Does the company disclose the total percentages of both male and female employees?	✓		
	• Does the company disclose the total percentages of both entry and mid-level positions held by men and women?	✓		
	• Does the company disclose the total percentages of both Senior and executive level positions held by men and women?	✓		
	• Does the company disclose the ratio of median male compensation to median female compensation?			N.A.
Employee Turnover	• Does the company disclose the percentage of year-over-year change for full-time employees?	✓		Disclosures are made within the Bank's annual reports.
	• Does the company disclose the percentage of year-over-year change for temporary labor?	✓		
	• Does the company disclose the percentage of year-over-year change for contractors and/or consultants?	✓		

ESG Key Performance Indicators (KPIs)	Actions taken by the Company	Answer		Comment/Clarification
		Yes	No	
Non-Discrimination	• Does the company follow a sexual harassment and/or non-discrimination policy based on religious, gender, nationality?	✓		These policies are included in the Bank's policies.
Global Health & Safety	• Does the company follow an occupational health and/or global health & safety policy?	✓		Disclosures are made within the Bank's annual reports.
	• What is the number of fatalities if any?		✓	No Fatalities
	• What is the number of training hours for environmental, social and health issues?	✓		419,819 hours in 2021.
Child & Forced Labor	• Does the company apply a prohibiting child and/or forced labor policy?	✓		These policies are included in the Bank's policies.
	• If yes, does the company's child and/or forced labor policy also cover suppliers and vendors?		✓	
Labor Rights	• In addition to the Egyptian Labor Code requirements, Does the company follow committed to and observes the ILO core conventions or any other labor-related global frameworks/standards/ or codes? • If yes, please disclosure	✓		The bank's internal policy follows the Egyptian Labor Law however, it integrates additional rules and regulations. Suppliers and vendors are not covered.
	• Does the company's policy cover suppliers and vendors?		✓	
Sustainability-related Governance				
Board Diversity	Does the company disclose the following in numbers and percentages: • Total board seats occupied by men and women;	✓		Disclosures are made within the Bank's annual reports.
	• Committee chairs occupied by men and women	✓		
Bribery/ Anti-Corruption	• Does the company publish and follow Bribery/Anti-Corruption Codes?	✓		Disclosures are made within the Bank's annual reports. With continuous and sufficient training on bribery, corruption and anti-money laundering provided.

ESG Key Performance Indicators (KPIs)	Actions taken by the Company	Answer		Comment/Clarification
		Yes	No	
Ethics and Code of Conduct	• Does the company publish and follow an Ethics Code of Conduct?	✓		
Data Privacy	• In addition to the Egyptian Data Protection Law requirements, does the company follow any other international data Privacy framework, rules, or recommendations? If yes, please disclose	✓		In addition to the Personal Data Protection Law and the Egyptian Consumer Protection Law, CIB follows customer data protection and account confidentiality policies.
Sustainability Reporting & Disclosures	• Does the company publish a GRI, CDP, SASB, IIRC, or UNGC or any other form of sustainability reports?	✓		The Bank annually issues the following sustainability reports: GRI, SASB, and CDP.
	• Does the company focus on specific UN Sustainable Development Goals (SDGs)?	✓		CIB seeks to achieve the following UN SDGs (SDG 6 - SDG 7 - SDG 9 - SDG 11 - SDG 13 - SDG 5 - SDG 4 - SDG 12 - SDG 8)
	• Does the company set targets and report progress on the UN SDGs?	✓		Annual sustainability reports.
	• Does the company state a clear commitment to recognize corporate responsibility standards?	✓		Disclosures are made within the Bank's annual reports.
	• Does the company set an explicit policy/ statement toward community investment?	✓		CIB supports health, culture, and education programs for children, initiatives for youth empowerment and volunteer work, and public events for people with disabilities.
	• Does the company participate in public private initiatives for community development?	✓		One of the most recent initiatives in which the Bank participated was the initiative to clean the waters of the Nile, in cooperation with the Youth Love Egypt Foundation, at the end of September.
External Assurance	• Are the company's ESG disclosures assured by an independent third party?	✓		Third party independent assurance is provided for different report. Assurance is dependent on each report issued.

Task Force for Climate Related Financial Disclosers (TCFD)

TCFD Key Performance Indicators	Actions taken by the Company	Answer		Comment/Clarification
		Yes	No	
	Governance			
Climate Related Governance	• Does the board have oversight of climate-related risks and opportunities? • If yes, please disclose	✓		CIB believes in the importance of monitoring climate-related risks and opportunities. Therefore, it monitors various risks such as physical and transitional risks through the following committees: the Board Sustainability Committee, the Risk Committee.
	• Does the management have a role in assessing and managing climate related risks and opportunity? • If yes please disclose	✓		CIB has assigned well-defined and separate roles and responsibilities for the measurement and management of ESG risks, including climate-related risks, from the Board of Directors all the way through to operational levels to ensure adequate oversight and day-to-day management. In addition to the sustainable finance department created in 2020, the bank created its ESG Risk Management unit recently in 2022 under the Risk department to be independently responsible for ESG risk management including climate-related financial risk. This serves as a second line of defense to identify, evaluate, measure and prepare reports on these types of risks.
	Strategy			
Environmental operations, Oversight and mitigation	• Does the Company identify any climate related risks and opportunities over the short, medium and long run?	✓		CIB identifies physical and transitional risks in the short, medium, and long terms and their impact on all sectors that the Bank finances, such as agriculture, energy, transportation, and others.
	• Does the company reflect the climate-related risks opportunities on the organization's business, strategy, and financial planning? • If yes please disclose	✓		Climate-related financial risks and opportunities are one of the key pillars of the sustainable finance strategy. The bank is currently developing its capabilities in measuring and evaluating climate-related financial risks and its impact on other financial risks such as credit risk. This will contribute fundamentally to the implementation of the bank's climate strategy and incorporate these risks and opportunities in its financial planning.
	• Does the company invest, annually, in climate-related infrastructure, resilience, and product development? • If yes please explain			CIB makes annual investments in combatting climate change, such as emissions related to the Bank's operations, through various activities such as converting some electricity consumption to solar energy, rationalizing water and paper consumption, and others. The Bank also helps customers reduce their emissions by providing financial products and various grants to implement projects that contribute to rationalizing energy and water consumption and increasing the production of renewable energy sources.

TCFD Key Performance Indicators	Actions taken by the Company	Answer		Comment/Clarification
		Yes	No	
	Risk Management			
Climate Change-related Risks	• Does the company set a defined process for identifying and assessing the climate related risks? • If yes, please disclose	✓		Climate-related risks of various types have been identified as a major and essential type of risk to which the Bank may be exposed. The bank is currently working on a climate risk management framework that includes the calculation and assessment of climate-related financial risks and setting plans to integrate those risks within the bank's current framework for managing different risks. This is all in line with the latest international standards and recommendations on this regard.
	• Does the company have a solid process for managing the climate related risks? • If yes, please disclose	✓		
	Metrics & Targets			
Carbon/GHG Emission	• Does the company use any metrics to assess climate-related risks and opportunities in line with its strategy and risk management process? • If yes, please disclose	✓		The Bank measures carbon emissions related to its activities for scope 1 and 2. The Bank has also measured financing emissions for three different sectors, and will expand to include the rest of the financed sectors to set policies and targets for them that are consistent with the Paris Climate Agreement.
	• Does the company report on its total GHG emissions for Scope 1?	✓		The Bank has been fully disclosing scope 1 and 2 of its carbon emissions since 2018, and scope 3 emissions exponentially every year.

06

Subsidiaries & Associates

CIB's subsidiaries and associates are a core part of the Bank's strategy to build a diversified institution.

Subsidiaries

CVentures

CVentures invests in fast-moving, forward-thinking founders with deep market insights and a long-term commitment to building successful businesses. CVentures is focused on achieving above average financial returns through equity investments in early-stage tech startups, in addition to supporting and complementing CIB's innovation agenda, financial inclusion strategy, and digital expansion efforts whenever possible.

2022 Highlights

During 2022, CVentures successfully built and maintained a robust pipeline of potential investment targets in the Egyptian market, as well as onboarding several new investments. Accordingly, the company grew its portfolio by 2.5x compared to 2021. 50% of CVentures' portfolio companies are currently collaborating with CIB with both financial and/or non-financial products/services.

The year was not without challenges, the most significant being the Russia-Ukraine conflict and its impact on global economies and financial markets, including the venture capital (VC) industry at large. The local VC ecosystem was negatively impacted as a result of lower investor appetite and valuation challenges, particularly in light of the recent local currency exchange dynamics.

It is commonly understood that VC is a high-risk asset class, and startups are the most vulnerable at times of global market turbulences. Lower valuations, down-rounds, mergers, consolidations, and business discontinuations are all fairly common scenarios within the VC investment context. Despite inevitable challenges, we believe CVentures' portfolio companies are better positioned to weather this storm, given:

- The vast majority of CVentures' portfolio companies have successfully raised capital during 2022 and/or have sufficient runways to smoothly carry out their business.
- All portfolio companies have institutional investor(s) among their respective shareholder base, therefore having stronger opportunities to access additional capital if needed.
- The majority of CVentures' portfolio companies are providing products/services that are relatively in high demand, even at times of crises, as evident by the growth rates achieved during 2022 by each of the respective companies.
- Being affiliated with CIB, CVentures has always maintained a rigorous assessment process when onboarding new investments, leading to a strong portfolio of resilient startup companies with competent management teams and a strong shareholder base.

2023 Forward-Looking Strategy

In January 2023 and during CIB's board of directors' usual review of the bank's strategy and in light of the management's recommendation, the board has decided to transfer Cventures' investment portfolio to CIB, and therefore liquidate the company.

Mayfair CIB Bank Limited (MCIB)

Established in 2017, Kenya's Mayfair CIB Bank (MCIB), formerly known as Mayfair Bank Kenya, has five branches in Nairobi, Eldoret, and Mombasa, making it Kenya's fourth smallest lender. In April 2020, CIB acquired 51% of the bank, marking CIB's first cross- border acquisition into Sub-Saharan Africa. CIB's strategy for MCIB focuses on trade finance activities and digital banking solutions, particularly growing the Egypt-Kenya trade corridor, enabling large Egyptian corporates and Egyptian SMEs to do business in the hub of Eastern Africa. The bank's niche market is large- and medium-sized corporates and high net worth individuals.

In January 2023, CIB continued to empower its investment in Kenya by acquiring the remaining 49% of Mayfair CIB.

2022 Highlights

As of 31 December, the bank's total capital and core capital stood at KES 3.6 billion (USD 29.32 million), against a minimum core capital threshold of KES 1 billion (USD 9.3 million). Both the total capital and core capital in relation to risk weighted assets stood at 36.7%, against a regulatory minimum of 10.5% and 14.5%, respectively, reflecting that the bank was adequately capitalized.

MCIB reported a profit of KES 445 million for the period ending 31 December 2022, against a budget of KES 149 million and prior year profit of KES 96 million. The reported profit is mainly attributable to deferred tax income recognized in the financial statements.

Net Interest Income y-t-d closed at KES 773 million compared to KES 691 million recorded in the same period of 2021, a 12% increase y-o-y. This is attributable to a 25% decrease in government securities y-o-y.

Non-interest income closed at KES 83 million a 59% decline y-o-y from KES 200 million in 2021. The variance was mainly driven by reduced trading income on bonds and lower processing fees on loans.

Other operating expenses y-t-d closed at KES 417 million, up 18% y-o-y from KES 352 million in 2021. The increase was mainly driven by general and administrative expenses, as a result of the rise in inflation and depreciation expenses due to the capitalization of projects. Staff expenses recorded KES 529 million, up 18% from the KES 448 million reported in 2021. The y-o-y increase is due to an increase in staff headcount, in line with the bank's expansion strategy.

Loan Portfolio at Risk increased by more than 100% y-o-y as of 31 December 2022. Meanwhile, the NPL ratio stood at 14% compared to 3.36% in the same period of 2021, reflecting the challenging economic environment in which the bank has been operating. The growth in the NPL ratio is due to macroeconomic factors that are exogeneous to the bank and that have affected the ability of customers to repay their loan obligations. Bank customers are still recovering from the effects of the COVID-19 pandemic, the economic slowdown due to the just concluded general election, and the adverse weather changes that have affected commodity prices, hiking inflation and reducing customers' repayment power.

The bank has secured the services of KPMG, an audit consulting firm, to provide transfer pricing, Foreign Account Tax Compliance Act (FATCA), and tax compliance consultancy services. Transfer pricing will enable the bank to proactively manage its transfer pricing risk, increase knowledge of intercompany transactions, and determine the criteria through which transfer prices are evaluated. The consultant will also advise on and validate the enhancement of the bank's Core Bank System with all mandatory FATCA indicia covering due diligence obligations. Additionally, the firm will guide the bank regarding the creation of an automated FATCA reporting mechanism and the proper application of a decryption and conversion tool consistent with IRS reporting standards.

The bank is currently implementing an effective climate governance structure to ensure it properly assesses climate-related risks and opportunities, takes appropriate strategic decisions managing those risks and opportunities, and sets and reports on relevant goals and targets. The aim is to have robust governance arrangements in place that will enable it to effectively identify, manage, monitor, and report on risks.

Damietta Shipping and Marine Services

Damietta Shipping and Marine Services (DSMS) is a shareholding company, established in 1986 through a public offering with a paid capital of EGP 10 million. DSMS is a small-sized company with minimal operations that focus on marine services, such as container repairs, fuel tank rentals, and electricity repairs. The company's main income is the dividend income derived from its investment in Damietta Container and Cargo Handling (DCHC).

The investment was part of an in-kind settlement of facilities initially granted to one of CIB's clients in the shipping sector. The investment is currently being monitored by the Direct Investment Group (DIG) and Investment Exposure Management (IEM), whereby CIB's strategy is to exit from the investment to a co-shareholder or an external investor (Strategic – Financial).

Commercial International Finance Company

Commercial International Finance Company (CIFC) was established in June 2022, offering mortgage and factoring facilities, with operations scheduled to start in 2Q23. CIFC's aim is to transform the complicated mortgage customer experience into a simpler, faster, and more accessible one with streamlined processes and flexible repayment plans. The company will offer a comprehensive mortgage finance suite introduced in phases: Ijara purchase, Ijara refinance, Murabaha, Musharaka, Portfolio Acquisition, and Financing Usufruct.

Additionally, the company will offer a full factoring product suite catering to increasing demand for alternative financial solutions. The solutions will consist of three categories: Export Factoring, Local Factoring, and Import Factoring, including buyer-led reverse factoring programs. Factoring products will provide a wide range of value-added services catering for multinationals, large, and SME clients.

> CIB's subsidiaries and associates complement the Bank's strategy to diversify operations.

ASSOCIATES

The Bank has four strategic subsidiaries: CVentures, Mayfair CIB Bank, Damietta Shipping Marine Services (DSMS), and Commercial International for Finance Company (CIFC).

Associates

ACE

Investment Overview

Al Ahly Computer Equipment (ACE) was established in October 1996, under law No.159 for the year 1981, as a joint stock company. ACE has a long track record in the field of Information Technology. The company's product mix ranges from tailored maintenance services to specialized hardware, whereby the company sources the original hardware from recognized companies in the field, such as Sedco, Fujitsu, Cisco, and Oracle. ACE provides IT maintenance services all over Egypt through a large team of highly trained technical engineers. The company is well-positioned as the IT system integrator of choice for governmental entities, major banks, and large institutions.

2022 Highlights

In 2022, despite the significant challenges in market conditions, ACE's management team exerted notable efforts to increase the company's revenues through securing maintenance and sales contracts with well-known banks and governmental bodies in Egypt. The company's marketing team has also been working to add new offerings to ACE's portfolio of products by initiating a collaboration agreement with well-established brands and hardware providers in the IT sector.

ACE 2023 Forward-Looking Strategy

The company's management will continue focusing on maintaining its strong relationships with existing customers, in addition to enhancing its maintenance experience and expanding its clientele base. ACE is also planning to introduce new services and products to its current and potential customers. The main goals are to expand the company's market reach, increase market share, and build a solid competitive edge.

TCA

Investment Overview

In January 2021, CIB and Talaat Moustafa Group (TMG) established a new Real Estate SPV, TCA Properties. TCA started its operations in early 2021 by acquiring a number of TMG Holding's outstanding premium commercial assets located in Al Rehab and Madinaty.

2022 Highlights

In 2022, TCA's management company, Alexandria Company for Projects Management (APM), embarked on the promotion of TCA commercial assets for rent and sale to reputable brand names in the F&B and retail businesses. The company has been able to secure various contracts with many market players in those areas.

TCA 2023 Forward-Looking Strategy

The company's management team will continue focusing on expanding TCA's clientele base through targeting the best in-class retailers, enabling TCA to include a premium tenant mix, serving customers' needs and fulfilling market demand. TCA is also exploring high-end expansion projects to add to the company's portfolio.

ASSOCIATES

In addition to CIB's strategic subsidiaries, the Bank has direct ownership in four affiliates: Al Ahly Computer Equipment Company (ACE), TCA Properties, Falcon Group, and FawryPlus.

Falcon Group

Falcon Group was established in 2006 as a joint venture between CIB, the CIB Employees Fund, Al-Ahly for Marketing, and other private entities, with management's strategy centering on service excellence. The company provides state-of-the-art, holistic solutions tailored to every client, such as security, money transfers, technical systems and security products, public services and project management, and tourism and concierge services. The company services a variety of industries, such as the industrial, commercial, tourism, and public sectors. Its key strength lies in its single-point-of-contact solutions that ensure it provides consistent services at the highest quality, lowest risk, and with great flexibility at a reasonable cost.

Falcon for Security Services

Falcon for Security Services has been the main security service provider for several top-tier governmental and non-governmental organizations, such as the United Nations and a number of embassies in Egypt. The company provides a myriad of services, such as property protection, event security, corporate security and training, personal protection, and safety and industrial training to some of the biggest companies in Egypt.

2022 Highlights

Falcon for Security Services maintained its client roster, with no new contracts in 2022. The company also secured many public events in 2022.

2023 Forward-Looking Strategy

Falcon for Security Services continuously works to increase its market share y-o-y. In 2023, the Group plans to expand its market presence and work to maintain its market leadership by growing both organically and through acquisitions. As part of the Group's goal of providing top-notch solutions, Falcon plans to use managed service providers for its activities. The Group also expects to target prominent institutions and clients to add to its roster, while simultaneously expanding its product and service offering to ensure clients remain fully satisfied and confident in the company as the number one choice for efficiency and customer service.

Falcon for Public Services and Project Management

Falcon for Public Services and Project Management operates all facility systems to the comfort and satisfaction of facility occupants. The company offers general cleaning, landscaping, façade cleaning, and marble polishing at the highest quality, efficiency, and cost effectiveness. Falcon for Public Services and Project Management holds a market share of 20%, serving a large client base.

2022 Highlights

Through considerable efforts to build solid relationships and gain the trust and confidence of public and private institutions, the company renewed all important contracts, such as with the Port Said Security Directorate, the Embassy of the Sultanate of Oman, and the Social and Healthcare Improvement Fund for Police Staff.

2023 Forward-Looking Strategy

The company's strategy is based on the firm belief that performance is measured by its clients' success. Over the next year, the company plans to sign several sizeable contracts with new customers.

Falcon for Cash in Transit Services

Falcon's Cash in Transit division works with reputable banks and companies in Egypt, providing CIT services, ATM replenishment, maintenance, vaulting, cash management, and valuables transportation through a highly qualified team.

Falcon Tech

Falcon Tech designs, implements, and maintains all integrated electronic systems in the field of technical security for facilities and individuals.

Falcon for PR and Communications (Tawasul)

Falcon for PR and Communications (Tawasul) specializes in communication services and constancy, event and conference management, and media services.

FawryPlus

FawryPlus was established in 2017 as a joint venture between CIB, Banque Misr, Fawry, and ACIS to become Egypt's first banking agent and forerunner in the nation's strategy to achieve financial inclusion. FawryPlus seeks to provide a wide array of banking and financial services to consumers and businesses through a wide network of retail branches across Egypt, with a focus on urban and underserved regions.

FawryPlus branches provide banking services, including limited KYC services and a document collection service for mobile wallet registration, prepaid, credit card issuance, and loan issuance. Other services include mail and bank correspondence collection, loan and credit card payments, cash withdrawals and deposits, and various bill payments that include utilities, telecom, subscription fees, taxes, and fines.

2022 Highlights

In 2022, FawryPlus opened up 60 additional branches, bringing the total number of operating branches to 220, to cover all cities across Egypt, providing consumers and businesses with easier access. It also witnessed a growth of more than 44% in revenues due to the operational expansion.

FawryPlus also collaborated with several banks and received CBE approvals to further expand its agent banking services portfolio by introducing the Meeza prepaid card KYC service, international remittance disbursement service and Consumer Finance Customer Acquisition, and wallet registration services.

Fawry banking, in collaboration with Misr Capital (CI Capital), launched the first FRA-approved money market fund, using Fawry and FawryPlus networks to target both banked and non-banked customers for investing/purchase and withdrawal/redemption services. Through its expansive branch network, FawryPlus acts as the authorized banking agent responsible for onboarding new customers.

2023 Forward-Looking Strategy

FawryPlus seeks to become the banking destination of choice for customers in 2023. The company is planning to increase the number of its branches to cover all governorates, attracting customers through the convenience of its branches, which are less crowded, more accessible, and operate longer working hours than banks (seven days a week, 14 hours a day). The company will also look to expand its scope of services through a multitude of avenues, seeking partnerships with some of Egypt's leading banks, financial institutions, and industry players to offer their services through FawryPlus. In addition, it will focus on serving the e-commerce industry through offering cash management and logistics solutions, including setting up branches as drop-off/pick-up hubs.

08

Financial Statements

Auditor's Report

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Saleh, Barsoum & Abdel Aziz - Grant Thornton
Accountants & Auditors

AUDITORS' REPORT

To the Shareholders of Commercial International Bank Egypt S.A.E

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Commercial International Bank Egypt S.A.E "the Bank", which comprise the consolidated financial position as at December 31, 2022 and the consolidated statements of income, comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Bank as of December 31, 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the banks' financial statements, issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Cairo; 12 February 2023

Auditors

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Farid Samir
Farid Samir Farid
Financial Regulatory Authority
Register Number "210"
Saleh, Barsoum & Abdel Aziz - Grant Thornton
Accountants & Auditors

Consolidated Statement of Financial Position

As at December 31, 2022

	Notes	Dec. 31, 2022 EGP Thousands	Dec. 31, 2021 EGP Thousands
Assets			
Cash and balances at the central bank	15	47,492,549	43,492,248
Due from banks	16	133,856,720	80,141,769
Loans and advances to banks, net	18	2,978,197	312,216
Loans and advances to customers, net	19	193,599,872	145,575,243
Derivative financial instruments	20	1,939,961	225,376
Investments			
- Financial Assets at Fair Value through P&L	21	-	240,987
- Financial Assets at Fair Value through OCI	21	204,020,733	193,198,894
- Financial Assets at Amortized cost	21	34,524,760	20,547,465
- Investments in associates	22	186,062	205,315
Other assets	23	14,521,427	11,207,128
Goodwill	43	96,268	137,525
Intangible assets	44	24,188	34,554
Deferred tax assets (Liabilities)	32	185,746	456,002
Property and equipment	24	2,405,434	2,461,116
Total assets		**635,831,917**	**498,235,838**
Liabilities and equity			
Liabilities			
Due to banks	25	3,496,698	866,056
Due to customers	26	531,616,550	407,241,538
Derivative financial instruments	20	219,752	265,470
Current income tax liabilities		3,051,583	2,234,985
Other liabilities	29	11,606,912	8,085,545
Issued debt instruments	27	2,456,607	1,557,263
Other loans	28	7,978,975	5,140,782
Other Provisions	30	7,066,672	3,541,462
Total liabilities		**567,493,749**	**428,933,101**
Equity			
Issued and paid up capital	31	29,825,134	19,702,418
Reserves	34	19,643,327	33,774,990
Reserve for employee stock ownership plan (ESOP)	34	1,895,435	1,674,392
Retained earnings *	34	16,393,841	13,696,402
Total equity and net profit for the year		**67,757,737**	**68,848,202**
Non Controlling Interest		580,431	454,535
Total minority interest, equity and net profit for the year		**68,338,168**	**69,302,737**
Total liabilities and equity		**635,831,917**	**498,235,838**

The accompanying notes are an integral part of these financial statements .
(Audit report attached)

*Including net profit for the current year

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Consolidated Income Statement

For the Year Ended December 31, 2022

	Notes	Dec. 31, 2022 EGP Thousands	Dec. 31, 2021 EGP Thousands
Interest and similar income		55,723,701	45,078,169
Interest and similar expense		(24,718,803)	(20,112,378)
Net interest income	6	**31,004,898**	**24,965,791**
Fee and commission income		5,555,082	4,045,573
Fee and commission expense		(2,476,945)	(1,655,096)
Net fee and commission income	7	**3,078,137**	**2,390,477**
Dividend income	8	52,411	59,725
Net trading income	9	2,749,657	708,297
Profits (Losses) on financial investments	21	1,162,195	594,863
Administrative expenses	10	(7,371,629)	(6,182,730)
Other operating (expenses) income	11	(5,080,138)	(1,986,692)
Goodwill amortization		(41,257)	(41,257)
Intangible assets amortization		(10,366)	(10,366)
Impairment release (charges) for credit losses	12	(1,584,942)	(1,679,747)
Bank's share in the profits / losses of associates		(17,680)	14,996
Profit before income tax		**23,941,286**	**18,833,357**
Income tax expense	13	(6,345,103)	(5,679,734)
Deferred tax assets (Liabilities)		(1,424,033)	114,135
Net profit for the year		**16,172,150**	**13,267,758**
Minority interest		57,762	(4,451)
Bank shareholders		**16,114,388**	**13,272,209**
Earning per share	14		
Basic		4.83	4.03
Diluted		4.78	3.99

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Consolidated Statement of Comprehensive Income

For the Year Ended December 31, 2022

	Dec. 31, 2022 EGP Thousands	Dec. 31, 2021 EGP Thousands
Net profit for the year	16,172,150	13,267,758
Comprehensive income items that will not be reclassified to the Profit or Loss:		
Change in fair value of equity instruments measured at fair value through comprehensive income	171,293	(162,812)
Tax impact for investments that will not be reclassified to P&L	61,753	13,489
Transferred to RE from financial assets at fair value through comprehensive income	(3,436)	(177,488)
Comprehensive income items that is or may be reclassified to the profit or loss:		
Change in fair value of debt instruments measured at fair value through comprehensive income	(12,278,446)	(2,293,405)
Selling FVOCI financial instruments	(1,116,776)	(702,776)
Tax impact for investments that will be reclassified to P&L	(1,119,625)	82,416
Cumulative foreign currencies translation differences	181,324	(4,218)
Effect of ECL in fair value of debt instruments measured at fair value through comprehensive income	455,047	(93,566)
Total comprehensive income for the year	**2,523,284**	**9,929,398**
As follows:		
Bank's shareholders	2,465,522	9,933,849
Non Controlling Interest	57,762	(4,451)
Total comprehensive income for the year	**2,523,284**	**9,929,398**

Consolidated Cash Flow

For the Year Ended December 31, 2022

	Notes	Dec. 31, 2022 EGP Thousands	Dec. 31, 2021 EGP Thousands
Cash flow from operating activities			
Profit before income tax from continued operations		23,941,286	18,833,357
Adjustments to reconcile profits to net cash provided by operating activities			
Fixed assets depreciation	24	885,801	885,060
Impairment charge for credit losses (Loans and advances to customers and banks)	12	1,043,776	1,756,505
Other provisions charges	30	2,133,535	381,138
Impairment charge for credit losses (due from banks)	12	8,395	16,808
Impairment (Released) charge for credit losses (financial investments)	12	524,838	(93,566)
Impairment (Released) charge for other assets		(277,766)	31,975
Exchange revaluation differences for financial assets at fair value through OCI and AC	21	(7,477,865)	17,261
Goodwill amortization	43	41,257	41,257
Intangible assets amortization	44	10,366	10,366
Utilization of other provisions	30	(3,126)	(45,483)
Other provisions no longer used	30	(172)	(2,451)
Exchange differences of other provisions	30	1,394,973	(15,243)
Losses (profits) from selling property and equipment	11	(2,208)	(2,947)
Losses (profits) from selling financial investments at fair value through OCI	21	(1,162,195)	(702,776)
Impairment (Released) charges of investments in associates	21	-	107,913
Shares based payments		723,965	609,744
Bank's share in the profits / losses of associates		17,680	(14,996)
Operating profits before changes in operating assets and liabilities		**21,802,540**	**21,813,922**
Net decrease (increase) in assets and liabilities			
Due from banks	16	(25,811,654)	(17,183,300)
Financial assets at fair value through P&L	21	240,987	118,972
Derivative financial instruments	20	(1,760,303)	(42,220)
Loans and advances to banks and customers	18 - 19	(51,705,061)	(27,280,547)
Other assets	41	(2,862,478)	(2,135,921)
Due to banks	25	2,630,642	(7,951,479)
Due to customers	26	124,375,012	66,072,088
Current income tax obligations paid		(3,293,520)	(3,444,749)
Other liabilities	29	1,286,382	1,499,027
Net cash used in (generated from) operating activities		**64,902,547**	**31,465,793**
Cash flow from investing activities			
Payment for purchases of associates		-	(158,360)
Payment for purchases of property, equipment and branches constructions		(1,033,499)	(981,186)
Proceeds from selling property and equipment	11	2,208	2,947
Proceeds from redemption of financial assets at amortized cost		6,738,937	4,741,459
Payment for purchases of financial assets at amortized cost		(19,978,014)	(3,844)
Payment for purchases of financial assets at fair value through OCI		(45,646,889)	(250,679,698)
Proceeds from selling financial assets at fair value through OCI		27,478,730	203,315,958
Net cash generated from (used in) investing activities		**(32,438,527)**	**(43,762,724)**

Consolidated Cash Flow (Cont.)

For the Year Ended December 31, 2022

	Notes	Dec. 31, 2022 EGP Thousands	Dec. 31, 2021 EGP Thousands
Cash flow from financing activities			
Other loans	28	2,838,193	(2,606,164)
Dividends paid		(4,420,569)	(1,384,721)
Issued debt instruments		899,344	1,557,263
Capital increase		122,716	-
Net cash generated from (used in) financing activities		**(560,316)**	**(2,433,622)**
Net (decrease) increase in cash and cash equivalent during the year		31,903,704	(14,730,553)
Beginning balance of cash and cash equivalent		61,065,822	75,796,375
Cash and cash equivalent at the end of the year		**92,969,526**	**61,065,822**
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	47,492,549	43,492,248
Due from banks	16	133,906,112	80,182,766
Treasury bills and other governmental notes	17	59,146,824	41,579,504
Obligatory reserve balance with CBE	15	(40,493,607)	(38,100,936)
Due from banks with maturities more than three months		(47,286,754)	(23,801,430)
Treasury bills with maturity more than three months		(59,795,598)	(42,286,330)
Total cash and cash equivalent		**92,969,526**	**61,065,822**

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2021

Dec. 31, 2021	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Reserve for transactions under common control	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Cumulative foreign currencies translation differences	Total Shareholders Equity	Non Controlling Interest	Total
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	8,183	14,906	3,975,514	6,423	10,539,715	1,064,648	(3,684)	59,475,756	483,055	59,958,811
Capital increase	4,925,605	-	(4,925,605)	-	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	514,939	8,420,479	1,461	-	1,094	-	-	(8,937,973)	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(1,360,652)	-	-	(1,360,652)	(24,069)	(1,384,721)
Net profit of the year	-	-	-	-	-	-	-	-	13,272,209	-	-	13,272,209	(4,451)	13,267,758
Transferred from reserve of financial assets at fair value through OCI	-	-	-	-	-	-	(177,488)	-	177,488	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	8,333	-	-	8,333	-	8,333
Net unrealised gain/ (loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	-	(3,063,088)	-	-	-	-	(3,063,088)	-	(3,063,088)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	2,718	(2,718)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	(93,566)	-	-	-	-	(93,566)	-	(93,566)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	609,744	-	609,744	-	609,744
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(534)	(534)	-	(534)
Balance at the end of the year	**19,702,418**	**3,293,074**	**28,260,532**	**1,550,906**	**8,183**	**16,000**	**641,372**	**9,141**	**13,696,402**	**1,674,392**	**(4,218)**	**68,848,202**	**454,535**	**69,302,737**

Consolidated Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2022

Dec. 31, 2022	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Reserve for transactions under common control	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Cumulative foreign currencies translation differences	Total Shareholders Equity	Non Controlling Interest	Total
Beginning balance	19,702,418	3,293,074	28,260,532	1,550,906	8,183	16,000	641,372	9,141	13,696,402	1,674,392	(4,218)	68,848,202	454,535	69,302,737
Capital increase	10,122,716	-	(10,000,000)	-	-	-	-	-	-	-	-	122,716	-	122,716
Transferred to reserves	-	670,872	8,836,326	-	-	2,947	-	-	(9,007,223)	(502,922)	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	(4,410,322)	-	-	(4,410,322)	(10,247)	(4,420,569)
Net profit of the year	-	-	-	-	-	-	-	-	16,114,388	-	-	16,114,388	57,762	16,172,150
Transferred to RE from financial assets at fair value through comprehensive income	-	-	-	-	-	-	(3,436)	-	3,436	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	-	(14,281,801)	-	-	-	-	(14,281,801)	-	(14,281,801)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	2,840	(2,840)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	455,047	-	-	-	-	455,047	-	455,047
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	723,965	-	723,965	-	723,965
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	185,542	185,542	78,381	263,923
Balance at the end of the year	**29,825,134**	**3,963,946**	**27,096,858**	**1,550,906**	**8,183**	**18,947**	**(13,188,818)**	**11,981**	**16,393,841**	**1,895,435**	**181,324**	**67,757,737**	**580,431**	**68,338,168**

Notes to the consolidated financial statements

For the Year Ended December 31, 2022

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 190 branches, and 21 units employing 7700 employees on the statement of financial position date.

Commercial international Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange.

The bank owns investments in subsidiaries "C-Ventures", "May Fair", "Damietta Shipping" and "Commercial International for Finance" in which the bank's shares are 99.99%, 51%, 49.95% and 99.83% respectively.

Financial statements have been approved by board of directors on February 12, 2023.

2. Summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with the instructions of the Central Bank of Egypt approved by the Board of Directors on December 16, 2008 as modified by the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

2.1.1. Basis of consolidation

The basis of the consolidation is as follows:

Eliminating all balances and transactions between the Bank and group companies.

The cost of acquisition of subsidiary companies is based on the company's share in the fair value of assets acquired and obligations outstanding on the acquisition date.

Minority shareholders represent the rights of others in subsidiary companies.

Proportional consolidation is used in consolidating method for companies under joint control.

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are those investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Bank applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

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

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

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

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the period are translated into the Egyptian pound using the prevailing exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

Net trading income from held-for-trading assets and liabilities.
Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.
Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income.

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. 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 a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition.
Financial instruments at FVTPL are initially recorded at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the bank commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories.
The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

Financial Instrument	Methods of Measurement according to Business Models		
	Amortized Cost	Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	• The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds. • 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. • Lowest sales in terms of turnover and value. • The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	• Both the collection of contractual cash flows and sales are complementary to the objective of the model. • High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	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 model objective. • Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Bank did not change its business model during the current and comparative year and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

When the financial asset is derecognized, the difference between the carrying amount of the financial asset and the total of the consideration received in other comprehensive income is recognized in profit or loss.

Gain / Loss recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

2.7. Derivative financial instruments and hedge accounting

Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

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

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

Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).

Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge) Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore,

At the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.7.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date using the effective interest method.

2.7.2. Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value , in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

2.8. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period 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 represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.

When calculated interest for corporate are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.9. Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset. Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions. Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities or the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement .

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

Operating revenues in the holding company are:

Commission income is resulting from purchasing and selling securities to a customer account upon receiving the transaction confirmation from the Stock Exchange.

Mutual funds and investment portfolios management which is calculated as a percentage of the net value of assets under management according to the terms and conditions of agreement. These amounts are credited to the assets management company's revenue pool on a monthly accrual basis.

2.10. Dividend income

Dividends are recognized in the income statement when the right to collect is established.

2.11. Sale and repurchase agreements

Securities may be lent or sold subject to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased subject to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.12. Investment property

The investment property represents lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore do not include real estate assets which the Bank is carrying out its operations through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with property and equipment.

2.13. Property and equipment

Land and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits 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 period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and safes	3/5 years
Calculators and air-conditions	5 years
Vehicles	3/5 years
Computers and core systems	3 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.14. Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. 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. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Assets are tested for impairment with reference to the lowest level of cash generating unit/s. A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that it would have been had the original impairment not been recognized.

2.14.1. Goodwill

Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.14.2. Other intangible assets

The intangible assets other than goodwill and computer programs (trademarks, licenses, contracts for benefits, the benefits of contracting with clients).

Other intangible assets that are acquired by the Bank are recognized at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized and tested for impairment.

2.15. Leases

The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value. The other leases contracts are considered operating leases contracts.

2.15.1. Being lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.15.2. Being lessor

For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the period. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.16. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with Central Bank, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.17. Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.18. Share based payments

The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions and performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments at the date of grant. At each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund

Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obliged to pay to the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian accounting standards.

2.19. Income tax

Income tax on the profit or loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.20. Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost also any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.21. Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.22. Comparatives

Comparative figures have been adjusted to conform to changes in presentation in the current period where necessary.

2.23. Noncurrent assets held for sale

a non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

(a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
(b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

(a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
(b) Presented separately on the face of the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.24. Discontinued operation

Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) Represents a separate major line of business or geographical area of operations,
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

Important Accounting Estimates, and Judgements in Applying Accounting Policies

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The bank used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were CBE key interest rate, GDP growth rate, Foreign currency index and Inflation rate. In addition to these assumptions, unemployment rate has been used for the retail sector.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP 1,188,080 thousand as of 31 December 2022 (31 December 2021: by EGP 664,882 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP 1,179,558 thousand as of 31 December 2022 (31 December 2021: by EGP 654,793 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP 1,530,366 thousand at 31 December 2022 (31 December 2021: increase or decrease of EGP 716,600 thousand).

Credit exposure on revolving credit facilities. For certain loan facilities, the bank's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the bank's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the bank measures ECLs over the period that the bank is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The bank applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the bank becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the bank applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The bank considered historical information and experience about: (a) the period over which the bank is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the bank segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period using, for Corporate and Business Banking: transition in risk ratings, delinquency status, industry and restructured status and for retail: watch list, individual profile, restructured status, and delinquency status. The bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1. Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly.

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

Bank's rating	description of the grade
1	performing loans
2	regular watching
3	watch list
4	non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

3.1.1.2. Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2. Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

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

3.1.2.2. Clearing house

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

3.1.2.3. Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

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

3.1.3. Impairment and provisioning policies

The internal rating system described in Note 3.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred at the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

	December 31, 2022		December 31, 2021	
Bank's rating	Loans and advances (%)	Impairment provision (%)	Loans and advances (%)	Impairment provision (%)
1-Performing loans	78.40	22.91	77.87	18.98
2-Regular watching	15.02	25.02	11.90	22.00
3-Watch list	1.76	12.93	5.12	14.94
4-Non-Performing Loans	4.82	39.14	5.11	44.08

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor Breach of loan covenants or conditions Initiation of bankruptcy proceedings Deterioration of the borrower's competitive position Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower Deterioration of the collateral value Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collective impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies loans and advances based on more detailed subgroups in accordance with instructions for the implementation of the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance with EAS. That excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE Rating	Categorization	Provision%	Internal rating	Categorization
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 watching
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

3.1.5. Maximum exposure to credit risk before collateral held

In balance sheet items exposed to credit risk	Dec. 31, 2022	Dec. 31, 2021
	EGP Thousands	
Cash and balances at the central bank	47,492,549	43,492,248
Due from banks	133,906,112	80,182,766
Gross loans and advances to banks	2,988,410	314,334
Less: ECL	(59,605)	(43,115)
Gross loans and advances to customers		
Individual:		
- Overdraft	2,132,876	1,268,376
- Credit cards	7,636,331	5,716,197
- Personal loans	40,374,834	31,683,161
- Mortgages	3,399,858	2,484,598
Corporate:		
- Overdraft	42,595,303	29,333,541
- Direct loans	78,759,856	50,357,437
- Syndicated loans	44,722,871	43,062,028
- Other loans	124,453	33,489
Unamortized bills discount	(678,795)	(68,410)
Unamortized syndicated loans discount	(221,018)	(312,682)
ECL	(24,536,712)	(17,917,363)
Suspended credit account	(709,985)	(65,129)
Derivative financial instruments	1,939,961	225,376
Financial investments:		
-Debt instruments	237,224,773	212,803,366
Other assets (Accrued revenues)	11,437,147	8,938,356
Total	**628,529,219**	**491,488,574**
Off balance sheet items exposed to credit risk		
Financial guarantees	8,977,208	5,807,379
Customers acceptances	3,482,249	3,211,139
Letters of credit (import and export)	8,640,327	5,656,740
Letter of guarantee	123,073,882	82,964,410
Total	**144,173,666**	**97,639,668**

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2022, before taking into account any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, 31.27% of the total maximum exposure is derived from loans and advances to banks and customers against 29.67% on December 31, 2021, while investments in debt instruments represent 37.74% against 43.30% on December 31, 2021.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both the bank's loans and advances portfolio and debt instruments based on the following:

- 93.42% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system against 89.77% on December 31, 2021
- Loans and advances assessed individualy are valued EGP 10,663,438 thousand against EGP 8,375,085 thousand on December 31, 2021 -
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2022.
- 89.49% of the investments in debt Instruments are Egyptian sovereign instruments against 94.83% on December 31, 2021.

3.1.6. Loans and advances

Loans and advances are summarized as follows:

	Dec.31, 2022		Dec.31, 2021	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
				EGP Thousands
Gross Loans and advances	**219,746,382**	**2,988,410**	**163,938,827**	**314,334**
Less:				
ECL	24,536,712	10,213	17,917,363	2,118
Unamortized bills discount	678,795	-	68,410	-
Unamortized syndicated loans discount	221,018	-	312,682	-
Suspended credit account	709,985	-	65,129	-
Net	**193,599,872**	**2,978,197**	**145,575,243**	**312,216**

Impairment provision losses for loans and advances reached EGP 24,546,925 thousand.

During the year, the Bank's total loans and advances increased by 35.60%.

In order to minimize the probable exposure to credit risk, the Bank focuses more on the business with large enterprises or banks or retail customers with good credit rating or sufficient collateral.

Total balances of loans and facilities to customers divided by stages:

Dec.31, 2022	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
				EGP Thousands
Individuals	47,483,664	5,269,640	790,595	53,543,899
Institutions and Business Banking	91,616,120	64,555,274	10,031,089	166,202,483
Total	**139,099,784**	**69,824,914**	**10,821,684**	**219,746,382**

Expected credit losses for loans and facilities to customers divided by stages:

Dec.31, 2022	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
				EGP Thousands
Individuals	1,024,932	171,725	397,479	1,594,136
Institutions and Business Banking	2,631,413	11,053,147	9,258,016	22,942,576
Total	**3,656,345**	**11,224,872**	**9,655,495**	**24,536,712**

Loans, advances and expected credit losses to banks divided by stages:

Dec.31, 2022	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
				EGP Thousands
Time and term loans	-	2,988,410	-	2,988,410
Expected credit losses	-	(10,213)	-	(10,213)
Net	-	**2,978,197**	-	**2,978,197**

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

EGP Thousands

Dec.31, 2022	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	84,513,998	45,046,087	5,636,373	135,196,458
Expected credit losses	(3,561,390)	(1,443,926)	(1,670,378)	(6,675,694)
Net	**80,952,608**	**43,602,161**	**3,965,995**	**128,520,764**

Total balances of loans and facilities to customers divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Individuals	36,579,875	3,904,276	668,181	41,152,332
Institutions and Business Banking	65,511,996	49,532,625	7,741,874	122,786,495
Total	**102,091,871**	**53,436,901**	**8,410,055**	**163,938,827**

Expected credit losses for loans and facilities to customers divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	826,702	91,111	264,646	1,182,459
Institutions and Business Banking	1,484,973	7,600,199	7,649,732	16,734,904
Total	**2,311,675**	**7,691,310**	**7,914,378**	**17,917,363**

Loans, advances and expected credit losses to banks divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Time and term loans	-	314,334	-	314,334
Expected credit losses	-	(2,118)	-	(2,118)
Net	**-**	**312,216**	**-**	**312,216**

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	60,720,384	30,943,446	168,459	91,832,289
Expected credit losses	(1,925,355)	(1,113,857)	(165,893)	(3,205,105)
Net	**58,795,029**	**29,829,589**	**2,566**	**88,627,184**

Expected credit losses divided by internal classification:
corporate and business banking loans

EGP Thousands

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
Performing loans (1-5)	1%-11%	2,066,209	2,522,526	-	4,588,735
Regular watching (6)	11%-22%	565,204	5,403,728	-	5,968,932
Watch list (7)	22%-38%	-	3,126,893	46,758	3,173,651
Non-performing loans (8-10)	100%	-	-	9,211,258	9,211,258

Individual Loans:

EGP Thousands

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
Performing loans (1-5)	(1% - 9%)	1,024,932	-	-	1,024,932
Regular watching (6)	(10% <)	-	171,724	-	171,724
Watch list (7)	(10% <)	-	1	253	254
Non-performing loans (8-10)	100%	-	-	397,226	397,226

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

EGP Thousands

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Performing loans (1-5)	1%-11%	81,876,093	42,257,778	-	124,133,871
Regular watching (6)	11%-22%	9,740,027	18,454,375	-	28,194,402
Watch list (7)	22%-38%	-	3,843,121	82,698	3,925,819
Non-performing loans (8-10)	100%	-	-	9,948,391	9,948,391

Individual Loans:

EGP Thousands

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Performing loans (1-5)	(1% - 9%)	47,483,664	-	-	47,483,664
Regular watching (6)	(10% <)	-	5,269,603	-	5,269,603
Watch list (7)	(10% <)	-	37	1,429	1,466
Non-performing loans (8-10)	100%	-	-	789,166	789,166

Expected credit losses divided by internal classification:
Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total (EGP Thousands)
Performing loans (1-5)	1%-11%	1,070,496	1,502,072	-	2,572,568
Regular watching (6)	11%-22%	414,477	3,525,664	-	3,940,141
Watch list (7)	22%-38%	-	2,572,463	14,788	2,587,251
Non-performing loans (8-10)	100%	-	-	7,634,944	7,634,944

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total (EGP Thousands)
Performing loans (1-5)	(1% - 9%)	826,596	-	-	826,596
Regular watching (6)	(10% <)	106	1,074	-	1,180
Watch list (7)	(10% <)	-	90,037	-	90,037
Non-performing loans (8-10)	100%	-	-	264,646	264,646

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total (EGP Thousands)
Performing loans (1-5)	1%-11%	59,238,907	31,794,540	-	91,033,447
Regular watching (6)	11%-22%	6,273,089	13,235,904	-	19,508,993
Watch list (7)	22%-38%	-	4,502,181	21,274	4,523,455
Non-performing loans (8-10)	100%	-	-	7,720,600	7,720,600

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total (EGP Thousands)
Performing loans (1-5)	(1% - 9%)	36,561,572	-	-	36,561,572
Regular watching (6)	(10% <)	18,303	11,065	-	29,368
Watch list (7)	(10% <)	-	3,893,211	-	3,893,211
Non-performing loans (8-10)	100%	-	-	668,181	668,181

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

Dec.31, 2022 — Due from banks	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total (EGP Thousands)
Credit rating				
Performing loans	112,176,513	-	-	112,176,513
Regular watching	15,634,001	6,095,598	-	21,729,599
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**127,810,514**	**6,095,598**	**-**	**133,906,112**
Less: ECL	(38,884)	(10,508)	-	(49,392)
Net	**127,771,630**	**6,085,090**	**-**	**133,856,720**

Dec.31, 2022 — Individual Loans	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total (EGP Thousands)
Credit rating				
Performing loans	47,483,664	-	-	47,483,664
Regular watching	-	5,269,603	-	5,269,603
Watch list	-	37	1,429	1,466
Non-performing loans	-	-	789,166	789,166
Total	**47,483,664**	**5,269,640**	**790,595**	**53,543,899**
Less: ECL	(1,024,932)	(171,725)	(397,479)	(1,594,136)
Net	**46,458,732**	**5,097,915**	**393,116**	**51,949,763**

Dec.31, 2022 — Corporate and Business Banking loans	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total (EGP Thousands)
Credit rating				
Performing loans	81,876,093	42,257,778	-	124,133,871
Regular watching	9,740,027	18,454,375	-	28,194,402
Watch list	-	3,843,121	82,698	3,925,819
Non-performing loans	-	-	9,948,391	9,948,391
Total	**91,616,120**	**64,555,274**	**10,031,089**	**166,202,483**
Less: ECL	(2,631,413)	(11,053,147)	(9,258,016)	(22,942,576)
Net	**88,984,707**	**53,502,127**	**773,073**	**143,259,907**

Dec.31, 2022 — Debt Instruments at Fair value through OCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total (EGP Thousands)
Credit rating				
Performing loans	163,452,629	-	-	163,452,629
Regular watching	39,247,384	-	-	39,247,384
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**202,700,013**	**-**	**-**	**202,700,013**
Less: ECL	(979,945)	-	-	(979,945)
Net	**201,720,068**	**-**	**-**	**201,720,068**

Dec.31, 2022				EGP Thousands
Debt Instruments at amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Credit rating				
Performing loans	31,376,120	-	-	31,376,120
Regular watching	3,227,477	-	-	3,227,477
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**34,603,597**	**-**	**-**	**34,603,597**
Less: ECL	(78,837)	-	-	(78,837)
Net	**34,524,760**	**-**	**-**	**34,524,760**

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

Dec.31, 2021				EGP Thousands
Due from banks	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Credit rating				
Performing loans	64,904,120	-	-	64,904,120
Regular watching	9,328,618	5,950,028	-	15,278,646
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**74,232,738**	**5,950,028**	**-**	**80,182,766**
Less: ECL	(20,283)	(20,714)	-	(40,997)
Net	**74,212,455**	**5,929,314**	**-**	**80,141,769**

Dec.31, 2021				EGP Thousands
Individual Loans	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Credit rating				
Performing loans	36,561,572	-	-	36,561,572
Regular watching	18,303	11,065	-	29,368
Watch list	-	3,893,211	-	3,893,211
Non-performing loans	-	-	668,181	668,181
Total	**36,579,875**	**3,904,276**	**668,181**	**41,152,332**
Less: ECL	(826,702)	(91,111)	(264,646)	(1,182,459)
Net	**35,753,173**	**3,813,165**	**403,535**	**39,969,873**

Dec.31, 2021				EGP Thousands
Corporate and Business Banking loans	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Credit rating				
Performing loans	59,238,907	31,794,540	-	91,033,447
Regular watching	6,273,089	13,235,904	-	19,508,993
Watch list	-	4,502,181	21,275	4,523,456
Non-performing loans	-	-	7,720,599	7,720,599
Total	**65,511,996**	**49,532,625**	**7,741,874**	**122,786,495**
Less: ECL	(1,484,973)	(7,600,199)	(7,649,732)	(16,734,904)
Net	**64,027,023**	**41,932,426**	**92,142**	**106,051,591**

Dec.31, 2021				EGP Thousands
Debt Instruments at Fair value through OCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Credit rating				
Performing loans	162,895,328	-	-	162,895,328
Regular watching	27,900,153	60,420	-	27,960,573
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**190,795,481**	**60,420**	**-**	**190,855,901**
Less: ECL	(515,177)	(9,721)	-	(524,898)
Net	**190,280,304**	**50,699**	**-**	**190,331,003**

Dec.31, 2021				EGP Thousands
Debt Instruments at amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Credit rating				
Performing loans	20,486,476	-	-	20,486,476
Regular watching	62,102	-	-	62,102
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**20,548,578**	**-**	**-**	**20,548,578**
Less: ECL	(1,113)	-	-	(1,113)
Net	**20,547,465**	**-**	**-**	**20,547,465**

The following table shows changes in balances and expected ECL between the beginning and end of the year as a result of these factors:

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	20,283	14,067,993	20,714	5,950,028	-	-	40,997	20,018,021
New financial assets purchased or issued	158	-	10,508	6,095,598	-	-	10,666	6,095,598
Matured or disposed financial assets	(432)	(1,794,847)	(20,714)	(5,950,028)	-	-	(21,146)	(7,744,875)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	18,875	7,755,781	-	-	-	-	18,875	7,755,781
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Ending balance	**38,884**	**20,028,927**	**10,508**	**6,095,598**	**-**	**-**	**49,392**	**26,124,525**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Individual Loans	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	826,702	36,579,875	91,111	3,904,276	264,646	668,181	1,182,459	41,152,332
Impairment during the year	198,230	10,903,789	80,614	1,365,364	255,704	349,840	534,548	12,618,993
Write off during the year	-	-	-	-	(227,426)	(227,426)	(227,426)	(227,426)
Recoveries	-	-	-	-	104,555	-	104,555	-
Ending balance	**1,024,932**	**47,483,664**	**171,725**	**5,269,640**	**397,479**	**790,595**	**1,594,136**	**53,543,899**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Corporate and Business Banking loans	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	1,484,973	65,511,996	7,600,199	49,532,625	7,649,732	7,741,874	16,734,904	122,786,495
New financial assets purchased or issued	821,408	32,959,069	2,081,522	36,314,543	38,394	1,834	2,941,324	69,275,446
Matured or disposed financial assets	(524,455)	(20,534,410)	(603,580)	(12,162,647)	(677,494)	(574,726)	(1,805,529)	(33,271,783)
Transferred to stage 1	75,252	1,600,991	(108,908)	(1,548,020)	-	-	(33,656)	52,971
Transferred to stage 2	(28,138)	(847,716)	86,815	804,374	(2,120)	-	56,557	(43,342)
Transferred to stage 3	(6,470)	(9,999)	(9,416)	(10,821)	15,923	38,766	37	17,946
"Changes in the probability of default and loss in case of default and the exposure at default"	735,185	12,588,938	(3,533,544)	(11,918,776)	(227,894)	3,809,026	(3,026,253)	4,479,188
Changes to model assumptions and methodology	13,553	347,251	2,316,475	3,543,996	38,625	-	2,368,653	3,891,247
Recoveries	-	-	-	-	9,662	-	9,662	-
Write off during the year	-	-	-	-	(985,685)	(985,685)	(985,685)	(985,685)
Cumulative foreign currencies translation differences	60,105	-	3,223,584	-	3,398,873	-	6,682,562	-
Ending balance	**2,631,413**	**91,616,120**	**11,053,147**	**64,555,274**	**9,258,016**	**10,031,089**	**22,942,576**	**166,202,483**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at Fair value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	515,177	38,705,150	9,721	60,420	-	-	524,898	38,765,570
New financial assets purchased or issued	520,900	35,776,294	-	-	-	-	520,900	35,776,294
Matured or disposed financial assets	(135,154)	(13,695,129)	(2,736)	(33,409)	-	-	(137,890)	(13,728,538)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	79,022	1,404,878	(6,985)	(27,011)	-	-	72,037	1,377,867
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**979,945**	**62,191,193**	**-**	**-**	**-**	**-**	**979,945**	**62,191,193**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at amortized cost	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	1,113	62,102	-	-	-	-	1,113	62,102
New financial assets purchased or issued	75,973	4,343,672	-	-	-	-	75,973	4,343,672
Matured or disposed financial assets	-	-	-	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	1,751	149,186	-	-	-	-	1,751	149,186
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**78,837**	**4,554,960**	-	-	-	-	**78,837**	**4,554,960**

The following table shows changes in expected ECL losses between the beginning and end of the year as a result of these factors:

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	24,189	10,440,152	-	-	-	-	24,189	10,440,152
New financial assets purchased or issued	394	4,223,077	20,714	5,950,028	-	-	21,108	10,173,105
Matured or disposed financial assets	(4,737)	(1,051,335)	-	-	-	-	(4,737)	(1,051,335)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	437	456,099	-	-	-	-	437	456,099
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Ending balance	**20,283**	**14,067,993**	**20,714**	**5,950,028**	-	-	**40,997**	**20,018,021**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Individual Loans	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	711,711	34,766,759	25,326	947,899	356,726	584,536	1,093,763	36,299,194
Impairment during the year	114,991	1,813,116	65,785	2,956,377	126,900	83,645	307,676	4,853,138
Write off during the year	-	-	-	-	(298,324)	-	(298,324)	-
Recoveries	-	-	-	-	79,344	-	79,344	-
Ending balance	**826,702**	**36,579,875**	**91,111**	**3,904,276**	**264,646**	**668,181**	**1,182,459**	**41,152,332**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Corporate and Business Banking loans	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	1,403,518	50,932,314	8,760,972	43,863,497	5,176,560	5,263,186	15,341,050	100,058,997
New financial assets purchased or issued	898,640	34,878,589	1,303,833	21,224,578	1,386	-	2,203,859	56,103,167
Matured or disposed financial assets	(598,685)	(21,694,203)	(492,548)	(9,420,930)	(2,903)	(2,104)	(1,094,136)	(31,117,237)
Transferred to stage 1	10,898	1,047,109	(19,271)	(850,025)	(92)	-	(8,465)	197,084
Transferred to stage 2	(53,721)	(2,060,262)	94,243	1,765,014	(1,260)	(5,490)	39,262	(300,738)
Transferred to stage 3	(17,878)	(2,810)	(2,364,361)	(2,553,001)	2,571,074	2,564,752	188,835	8,941
"Changes in the probability of default and loss in case of default and the exposure at default"	(92,931)	2,767,260	(267,130)	(5,083,109)	(84,053)	(74,184)	(444,114)	(2,390,033)
Changes to model assumptions and methodology	(63,082)	(356,001)	649,455	586,601	(15,278)	-	571,095	230,600
Recoveries	-	-	-	-	45,431	80	45,431	80
Write off during the year	-	-	-	-	(4,366)	(4,366)	(4,366)	(4,366)
Cumulative foreign currencies translation differences	(1,786)	-	(64,994)	-	(36,767)	-	(103,547)	-
Ending balance	**1,484,973**	**65,511,996**	**7,600,199**	**49,532,625**	**7,649,732**	**7,741,874**	**16,734,904**	**122,786,495**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at Fair value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	619,398	38,390,014	-	-	-	-	619,398	38,390,014
New financial assets purchased or issued	218,711	19,682,229	9,721	60,420	-	-	228,432	19,742,649
Matured or disposed financial assets	(174,668)	(14,134,503)	-	-	-	-	(174,668)	(14,134,503)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	(148,264)	(5,232,590)	-	-	-	-	(148,264)	(5,232,590)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**515,177**	**38,705,150**	**9,721**	**60,420**	-	-	**524,898**	**38,765,570**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at amortized cost	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	179	64,151	-	-	-	-	179	64,151
New financial assets purchased or issued	-	-	-	-	-	-	-	-
Matured or disposed financial assets	-	-	-	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	934	(2,049)	-	-	-	-	934	(2,049)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**1,113**	**62,102**	-	-	-	-	**1,113**	**62,102**

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies are based on indicators 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. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the year:

Loans and advances	Dec.31, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
Corporate		
- Direct loans	17,207,400	10,927,093
Total	**17,207,400**	**10,927,093**

3.1.7. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the year:

Dec.31, 2022					EGP Thousands
Amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	34,524,760	-	-	-	34,524,760
Not rated	-	-	-	-	-
Total	**34,524,760**	-	-	-	**34,524,760**

Dec.31, 2022					EGP Thousands
Fair value through OCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	202,700,013	-	-	-	202,700,013
Not rated	-	-	-	-	-
Total	**202,700,013**	-	-	-	**202,700,013**

The following table shows the analysis of expected credit losses of financial investments by rating agencies at the end of the year:

Dec.31, 2022					EGP Thousands
Fair value through OCI & Amortized cost	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	1,058,782	-	-	-	1,058,782
Not rated	-	-	-	-	-
Total	**1,058,782**	-	-	-	**1,058,782**

The following table represents an analysis of financial investment balances by rating agencies at the end of the year:

Dec.31, 2021 Amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	EGP Thousands Total
AAA	-	-	-		-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	20,547,465	-	-	-	20,547,465
Not rated	-	-	-	-	-
Total	**20,547,465**	-	-	-	**20,547,465**

Dec.31, 2021 Fair value through OCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	EGP Thousands Total
AAA	-	-	-		-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	192,255,901	-	-	-	192,255,901
Not rated	-	-	-	-	-
Total	**192,255,901**	-	-	-	**192,255,901**

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the year:

Dec.31, 2021 Fair value through OCI & Amortized cost	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	"Individually impaired"	EGP Thousands Total
AAA	-	-	-		-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	526,011	-	-	-	526,011
Not rated	-	-	-	-	-
Total	**526,011**	-	-	-	**526,011**

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

Dec.31, 2022	Cairo	Alex, Delta and Sinai	Upper Egypt	Outside Egypt (Kenya)	EGP Thousands Total
Cash and balances at the central bank	47,392,508	-	-	100,041	47,492,549
Due from banks	133,853,806	-	-	52,306	133,906,112
Gross loans and advances to banks	2,988,410	-	-	-	2,988,410
Less: ECL	(59,447)	-	-	(158)	(59,605)
Gross loans and advances to customers					
Individual:					
- Overdrafts	1,521,716	484,127	117,355	9,678	2,132,876
- Credit cards	6,055,217	1,350,346	230,768	-	7,636,331
- Personal loans	28,450,184	9,686,336	2,001,447	236,867	40,374,834
- Mortgages	3,214,291	155,751	19,866	9,950	3,399,858
Corporate:					
- Overdrafts	38,148,720	2,445,098	1,845,176	156,309	42,595,303
- Direct loans	49,270,448	21,609,304	7,150,330	729,774	78,759,856
- Syndicated loans	40,991,638	3,690,909	40,324	-	44,722,871
- Other loans	86,102	38,351	-	-	124,453
Unamortized bills discount	(626,118)	(52,677)	-	-	(678,795)
Unamortized syndicated loans discount	(221,018)	-	-	-	(221,018)
ECL	(17,917,734)	(4,293,898)	(2,190,382)	(134,698)	(24,536,712)
Suspended credit account	(709,985)	-	-	-	(709,985)
Derivative financial instruments	1,939,961	-	-	-	1,939,961
Financial investments:					
-Debt instruments	236,197,763	-	-	1,027,010	237,224,773
Total	**570,576,462**	**35,113,647**	**9,214,884**	**2,187,079**	**617,092,072**
Total as at December 31, 2021	**447,855,464**	**24,763,857**	**6,783,176**	**1,747,721**	**481,150,218**

3.1.8.2. Industry sectors

The following table analyses the Group's main credit exposure at their book value categorized by the Bank's customers activities.

EGP Thousands

Dec.31, 2022	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Cash and balances at the central bank	47,484,615	-	-	-	-	7,934	-	47,492,549
Due from banks	133,906,112	-	-	-	-	-	-	133,906,112
Gross loans and advances to banks	2,988,410	-	-	-	-	-	-	2,988,410
Less: ECL	(59,605)	-	-	-	-	-	-	(59,605)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	2,132,876	2,132,876
- Credit cards	-	-	-	-	-	-	7,636,331	7,636,331
- Personal loans	-	-	-	-	-	-	40,374,834	40,374,834
- Mortgages	-	-	-	-	-	-	3,399,858	3,399,858
Corporate:								
- Overdrafts	4,268,572	18,438,821	2,557,677	2,375,354	2,812,073	12,142,806	-	42,595,303
- Direct loans	3,624,525	34,374,610	5,949,844	1,622,924	9,870,662	23,317,291	-	78,759,856
- Syndicated loans	195,717	5,567,719	1,388,809	-	35,261,257	2,309,369	-	44,722,871
- Other loans	-	124,453	-	-	-	-	-	124,453
Unamortized bills discount	(41,973)	(5,207)	-	-	-	(631,615)	-	(678,795)
Unamortized syndicated loans discount	-	-	-	-	-	(221,018)	-	(221,018)
ECL	(179,563)	(6,438,405)	(38,425)	(257,441)	(1,591,565)	(14,436,797)	(1,594,516)	(24,536,712)
Suspended credit account	-	(224,754)	-	(39,814)	-	(445,417)	-	(709,985)
Derivative financial instruments	1,939,961	-	-	-	-	-	-	1,939,961
Financial investments:								
-Debt instruments	22,920,473	-	-	-	214,304,300	-	-	237,224,773
Total	**217,047,244**	**51,837,237**	**9,857,905**	**3,701,023**	**260,656,727**	**22,042,553**	**51,949,383**	**617,092,072**
Total as at December 31, 2021	**138,600,413**	**40,042,155**	**6,494,919**	**2,866,356**	**239,301,509**	**13,874,993**	**39,969,873**	**481,150,218**

3.2. Market risk

Market Risks represent the potential losses resulting from unfavorable movements in market prices that may negatively affect the values of the bank's investment positions linked to the bank's balance sheet as a whole, which in turn affects the bank's profitability and its capital base. These investments are represented in debt instruments, stocks, or investment funds, in addition to the currency exchange rate risks. Market risk results from open positions of the rate of return, currencies, and equity products, as each of them is exposed to general and specific risks in the market and changes in the level of sensitivity to market rates or to prices such as interest rates, exchange rates and prices of equity instruments.

The bank distinguishes between the trading Book portfolio and the Banking Book portfolio in measuring market risks, as the trading portfolio includes instruments held for the purpose of resale or taken by the bank to benefit in the short term from the actual or expected difference between the buying and selling prices or benefiting from any changes that may occur in the return rates and any other prices that affect the trading portfolio, in addition to the financial derivative positions used for the purpose of hedging √The banking book portfolio for non-trading purposes includes instruments acquired that are salable or held until settlement dates and managing the return rate of assets and liabilities.

As part of market risk management, the bank performs several hedging strategies, as well as entering into interest rate swap contracts in order to balance the risk associated with debt instruments and long-term loans. Periodic reports on market risks are submitted to the Board of Directors and the members of the Assets and Liabilities Committee (ALCO).

3.2.1. Market risk measurement techniques

3.2.1.1. Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk ofpositions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR 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 (1 Day). The Bank assesses the historical movements in the market prices based on volatilities and correlations. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management.

In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

3.2.1.2. Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

3.2.2. Value at risk (VaR) Summary

EGP Thousands

Total VaR by risk type	Last 12 months ended 31/12/2022 Medium	High	Low	Last 12 months ended 31/12/2021 Medium	High	Low
Foreign exchange risk	12,300	84,183	117	3,250	8,850	82
Interest rate risk	154,140	257,980	79,399	221,819	295,649	142,776
- For non trading purposes	154,140	257,980	79,399	221,343	295,172	142,300
- For trading purposes	-	-	-	476	477	476
Portfolio managed by others risk	323	8,739	-	11,199	20,381	7,875
Total VaR	**157,529**	**256,962**	**86,401**	**221,475**	**297,562**	**139,539**

EGP Thousands

Trading portfolio VaR by risk type	Last 12 months ended 31/12/2022 Medium	High	Low	Last 12 months ended 31/12/2021 Medium	High	Low
Foreign exchange risk	12,300	84,183	117	3,250	8,850	82
Interest rate risk	-	-	-	476	477	476
- For trading purposes	-	-	-	476	477	476
Portfolio managed by others risk	323	8,739	-	11,199	20,381	7,875
Total VaR	**12,469**	**84,183**	**117**	**11,910**	**20,648**	**8,091**

EGP Thousands

Non trading portfolio VaR by risk type	Last 12 months ended 31/12/2022 Medium	High	Low	Last 12 months ended 31/12/2021 Medium	High	Low
Interest rate risk						
- For non trading purposes	154,140	257,980	79,399	221,343	295,172	142,300
Total VaR	**154,140**	**257,980**	**79,399**	**221,343**	**295,172**	**142,300**

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risks.

3.2.3. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

Equivalent EGP Thousands

Dec.31, 2022	EGP	USD	EUR	GBP	Other	Total
Financial assets						
Cash and balances at the central bank	43,739,528	2,551,131	376,943	101,692	723,255	47,492,549
Gross due from banks	54,000,687	67,697,526	10,605,789	1,377,485	224,625	133,906,112
Gross loans and advances to banks	-	2,971,244	17,166	-	-	2,988,410
Gross loans and advances to customers	154,601,768	59,431,029	4,601,198	21,862	1,090,525	219,746,382
Derivative financial instruments	1,263,846	676,115	-	-	-	1,939,961
Financial investments						
Gross financial investment securities	198,633,227	36,128,255	2,908,158	-	954,690	238,624,330
Investments in associates	186,062	-	-	-	-	186,062
Total financial assets	**452,425,118**	**169,455,300**	**18,509,254**	**1,501,039**	**2,993,095**	**644,883,806**
Financial liabilities						
Due to banks	529,455	2,915,597	25,870	10,403	15,373	3,496,698
Due to customers	369,048,279	144,150,989	15,153,046	1,420,144	1,844,092	531,616,550
Derivative financial instruments	219,752	-	-	-	-	219,752
Issued debt instruments	-	2,456,607	-	-	-	2,456,607
Other loans	57,795	7,874,520	46,660	-	-	7,978,975
Total financial liabilities	**369,855,281**	**157,397,713**	**15,225,576**	**1,430,547**	**1,859,465**	**545,768,582**
Net on-balance sheet financial position	**82,569,837**	**12,057,587**	**3,283,678**	**70,492**	**1,133,630**	**99,115,224**
Total financial assets as of December 31, 2021	**387,547,286**	**104,776,065**	**9,986,321**	**439,675**	**1,924,247**	**504,673,594**
Total financial liabilities as of December 31, 2021	**312,354,583**	**92,006,965**	**8,255,848**	**1,117,614**	**1,336,099**	**415,071,109**
Net on-balance sheet financial position as of December 31, 2021	**75,192,703**	**12,769,100**	**1,730,473**	**(677,939)**	**588,148**	**89,602,485**

3.2.4. Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise.The Board sets limits on the gaps of interest rate repricing that may be undertaken, which is monitored by the bank's Risk Management Department.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2022	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non-Interest Bearing	Total
Financial assets							
Cash and balances at the central bank	-	-	-	-	-	47,492,549	47,492,549
Gross due from banks	111,927,733	16,250,681	247,434	3,711,510	-	1,768,754	133,906,112
Gross loans and advances to banks	14,896	2,478,646	494,868	-	-	-	2,988,410
Gross loans and advances to customers	141,896,593	24,213,863	17,295,939	30,022,694	6,317,293	-	219,746,382
Derivatives financial instruments (including IRS notional amount)	248,981	7,510,826	3,084,681	10,674,503	364,150	-	21,883,141
Financial investments							
Gross financial investment securities*	33,122,271	25,287,628	73,548,376	69,002,815	36,924,131	739,109	238,624,330
Investments in associates	-	-	-	-	-	186,062	186,062
Total financial assets	**287,210,474**	**75,741,644**	**94,671,298**	**113,411,522**	**43,605,574**	**50,186,474**	**664,826,986**
Financial liabilities							
Due to banks	1,114,515	-	-	-	-	2,382,183	3,496,698
Due to customers	233,254,930	55,744,172	54,668,277	91,805,523	1,256,315	94,887,333	531,616,550
Derivatives financial instruments (including IRS notional amount)	215,085	12,524,827	-	4,948,680	2,474,340	-	20,162,932
Issued debt instruments	-	-	-	2,456,607	-	-	2,456,607
Other loans	645,713	7,228,886	103,851	525	-	-	7,978,975
Total financial liabilities	**235,230,243**	**75,497,885**	**54,772,128**	**99,211,335**	**3,730,655**	**97,269,516**	**565,711,762**
Total interest re-pricing gap	**51,980,231**	**243,759**	**39,899,170**	**14,200,187**	**39,874,919**	**(47,083,042)**	**99,115,224**
Total financial assets as of December 31, 2021	**163,311,322**	**54,960,338**	**61,216,047**	**116,865,411**	**69,516,105**	**45,861,169**	**511,730,392**
Total financial liabilities as of December 31, 2021	**189,568,450**	**56,298,001**	**23,447,886**	**82,265,545**	**5,334,366**	**65,213,454**	**422,127,702**
Total interest re-pricing gap as of December 31, 2021	**(26,257,128)**	**(1,337,663)**	**37,768,161**	**34,599,866**	**64,181,739**	**(19,352,285)**	**89,602,690**

3.3. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management Organization and Measurement Tools Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee (BRC) subject to provisions of Treasury Poilcy Guide (TPG).

Board Risk Committee (BRC): Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the Board of Directors (BoD) through periodic reports submitted by the Risk Group. The committee makes recommendations to the BoD with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management,various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

Asset & Liability Committee (ALCO): Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/ reward guidelines approved by the BoD.

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group.

The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained strong and well above regulatory requirements.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile. CIB will continue with its robust Liability strategy with reliance on customer deposits (stable funding) as the main contributor of total liabilities, and low dependency on the Wholesale Funding. CIB has ample level of High Quality Liquid Assets (HQLA) based on its LCY & FCY Sovereign Portfolio investments, which positively reflects the Bank's solid Liquidity Ratios and Basel III LCR & NSFR ratios, with a large buffer maintained above the Regulatory ratios requirements.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- 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 periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. 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 by currency, provider, product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

EGP Thousands

Dec.31, 2022	Up to1 Month	One to three Month	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	3,579,434	-	-	-	-	3,579,434
Due to customers	47,230,473	65,858,750	167,856,018	282,414,105	11,079,361	574,438,707
Issued debt instruments	8,161	15,531	72,392	2,697,474	-	2,793,558
Other loans	821,482	338,609	971,984	6,158,164	1,787,943	10,078,182
Total liabilities (contractual and non contractual maturity dates)	**51,639,550**	**66,212,890**	**168,900,394**	**291,269,743**	**12,867,304**	**590,889,881**
Total financial assets (contractual and non contractual maturity dates)	**147,046,643**	**103,639,656**	**142,239,730**	**272,824,348**	**113,525,774**	**779,276,151**

EGP Thousands

Dec.31, 2021	Up to1 Month	One to three Month	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	866,197	-	-	-	-	866,197
Due to customers	39,425,533	49,382,097	103,017,517	233,995,860	11,297,587	437,118,594
Issued debt instruments	5,183	9,865	45,982	1,710,259	-	1,771,289
Other loans	24,582	35,991	565,035	2,786,390	1,859,862	5,271,860
Total liabilities (contractual and non contractual maturity dates)	**40,321,495**	**49,427,953**	**103,628,534**	**238,492,509**	**13,157,449**	**445,027,940**
Total financial assets (contractual and non contractual maturity dates)	**62,672,993**	**79,471,591**	**96,491,039**	**246,470,098**	**124,616,469**	**609,722,190**

The disclosed figures cannot be compared with the corresponding items in the financial statements, as they include the principal amount and related interest.

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government 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 and other governmental notes 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.

3.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date will be settled on a net basis. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP Thousands

Dec.31, 2022	Up to1 Month	One to three Month	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
Foreign exchange derivatives	215,085	4,667	-	-	-	219,752
Interest rate derivatives	-	-	-	-	-	-
Total	**215,085**	**4,667**	-	-	-	**219,752**
Total as of Dec. 31, 2021	**78,177**	**36,288**	**63,232**	**11,409**	**76,364**	**265,470**

Off balance sheet items

EGP Thousands

Dec.31, 2022	Up to 1 year	1-5 years	Over 5 years	Total
Letters of credit, guarantees and other commitments	78,378,459	46,408,459	10,409,540	135,196,458
Total	**78,378,459**	**46,408,459**	**10,409,540**	**135,196,458**
Total as of Dec. 31, 2021	**56,298,633**	**27,311,828**	**8,221,828**	**91,832,289**

EGP Thousands

Dec.31, 2022	Up to 1 year	1-5 years	Total
Credit facilities commitments	1,818,133	5,259,267	7,077,400
Total	**1,818,133**	**5,259,267**	**7,077,400**
Total as of Dec. 31, 2021	**3,229,408**	**4,490,950**	**7,720,358**

3.4. Fair value of financial assets and liabilities

3.4.1. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	Book value		Fair value	
	Dec.31, 2022	Dec.31, 2021	Dec.31, 2022	Dec.31, 2021
Financial assets				
Due from banks	133,906,112	80,182,766	134,627,973	80,609,895
Gross loans and advances to banks	2,988,410	314,334	2,988,410	314,334
Gross loans and advances to customers	219,746,382	163,938,827	219,163,469	164,228,916
Financial investments:				
Financial Assets at Amortized cost	34,603,597	20,547,465	33,813,552	21,310,034
Total financial assets	**391,244,501**	**264,983,392**	**390,593,404**	**266,463,179**
Financial liabilities				
Due to banks	3,496,698	866,056	3,502,732	836,273
Due to customers	531,616,550	407,241,538	534,738,218	409,825,357
Issued debt instruments	2,456,607	1,571,670	2,461,042	1,574,487
Other loans	7,978,975	5,140,782	7,981,357	5,124,531
Total financial liabilities	**545,548,830**	**414,820,046**	**548,683,349**	**417,360,648**

The fair value is considered in the previous note from the second and third level in accordance with the fair value standard

Due from banks
The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of floating interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

Fair values of financial instruments
The following table provides the fair value measurement hierarchy of the assets and liabilities according to EAS.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2022:
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

"The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,assuming that market participants act in their best economic interest.A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy,described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.
Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Unobservable inputs for the asset or liability.

There is no transfer between levels"

EGP Thousands

			Fair value measurement using		
Dec.31, 2022	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair Value through P&L	31-Dec-22	-	-	-	-
Financial Assets at Fair Value through OCI	31-Dec-22	204,020,733	142,101,346	61,919,387	-
Total		**204,020,733**	**142,101,346**	**61,919,387**	-
Derivative financial instruments					
Financial assets	31-Dec-22	1,939,961	-	-	1,939,961
Financial liabilities	31-Dec-22	219,752	-	-	219,752
Total		**2,159,713**	-	-	**2,159,713**
Assets for which fair values are disclosed:					
Financial Assets at Amortized cost	31-Dec-22	33,813,552	-	33,813,552	-
Loans and advances to banks	31-Dec-22	2,988,410	-	-	2,988,410
Loans and advances to customers	31-Dec-22	219,163,469	-	-	219,163,469
Total		**255,965,431**	-	**33,813,552**	**222,151,879**
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-22	2,461,042	-	2,461,042	-
Other loans	31-Dec-22	7,981,357	-	7,981,357	-
Due to customers	31-Dec-22	534,738,218	-	-	534,738,218
Total		**545,180,617**	-	**10,442,399**	**534,738,218**

EGP Thousands

			Fair value measurement using		
Dec.31, 2021	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-21	240,987	240,987	-	-
Financial Assets at Fair value through OCI	31-Dec-21	193,198,894	148,072,372	45,126,522	-
Total		**193,439,881**	**148,313,359**	**45,126,522**	-
Derivative financial instruments					
Financial assets	31-Dec-21	225,376	-	-	225,376
Financial liabilities	31-Dec-21	265,470	-	205	265,265
Total		**490,846**	-	**205**	**490,641**
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-21	21,310,034	-	21,045,985	264,049
Loans and advances to banks	31-Dec-21	314,334	-	-	314,334
Loans and advances to customers	31-Dec-21	164,228,916	-	-	164,228,916
Total		**185,853,284**	-	**21,045,985**	**164,807,299**
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-21	1,574,487	-	1,574,487	-
Other loans	31-Dec-21	5,124,531	-	5,124,531	-
Due to customers	31-Dec-21	409,825,357	-	-	409,825,357
Total		**416,524,375**	-	**6,699,018**	**409,825,357**

Fair value of financial assets and liabilities

Loans and advances to banks
Loans and advances to banks are represented in loans that do not consider bank placing. The expected fair value of the loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and advances to customers
Loans and advances are net of ECL. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Financial Investments
Investment securities include only interest-bearing assets, financial assets at amortized cost, and fair value through OCI. Fair value for amortized cost assets is based on market prices.

Due to other banks and customers
The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity date.

3.5 Capital management

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

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt on a monthly basis.

Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid up capital has reached EGP 29.8 billion.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer.

Tier one:
Tier one comprises of paid-in capital (after deducting the book value of treasury shares), retained earnings and reserves resulting from the distribution of profits except the banking risk reserve, interim profits and deducting previously recognized goodwill and any retained losses

Tier two:
Tier two represents the gone concern capital which is compposed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities ,subordinated loans with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for the investments in subsidiaries and associates.

When calculating the numerator of capital adequacy ratio, the rules set limits of total tier 2 to no more than tier 1 capital and also limits the subordinated to no more than 50% of tier1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into considration the cash collatrals. Similar criteria are used for off balance sheet items after applying conversion factors to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of tier 1, tier 2 , the capital adequacy ratio and leverage ratio .

		EGP Thousands
1-The capital adequacy ratio	**Dec.31, 2022**	**Dec.31, 2021**
Share capital	29,825,134	19,702,418
Goodwill	(96,268)	(137,525)
Reserves	21,337,273	34,911,381
Retained Earnings (Losses)	261,557	409,540
Total deductions from tier 1 capital common equity	(297,397)	(774,839)
Net profit for the year	12,364,059	8,862,295
Total qualifying tier 1 capital	**63,394,358**	**62,973,270**
Tier 2 capital		
Subordinated Loans	7,874,520	4,583,403
Impairment provision for loans and regular contingent liabilities	3,712,734	2,422,497
Total qualifying tier 2 capital	**11,587,254**	**7,005,900**
Total capital 1+2	**74,981,612**	**69,979,170**
Risk weighted assets and contingent liabilities		
Total credit risk	298,496,606	194,072,666
Total market risk	1,648,310	3,309,278
Total operational risk	27,697,003	36,976,287
Cross border over limit	3,072,997	-
Total	**330,914,916**	**234,358,231**
*Capital adequacy ratio (%)	22.66%	29.86%

**Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.*

		EGP Thousands
2-Leverage ratio	**Dec.31, 2022**	**Dec.31, 2021**
Total qualifying tier 1 capital	**63,394,358**	**62,973,270**
On-balance sheet items & derivatives	641,042,272	496,620,360
Off-balance sheet items	86,762,583	60,131,413
Total exposures	**727,804,855**	**556,751,773**
*Percentage	8.71%	11.31%

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2022 NSFR ratio record 229% (LCY 239% and FCY 208%), and LCR ratio record 1086% (LCY 1291% and FCY 297%).

For December 2021 NSFR ratio record 247% (LCY 282% and FCY 170%), and LCR ratio record 817% (LCY 902% and FCY 304%).

3. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information. Uncertainty about these assumptions and estimates could result in outcomes that require adjustments to the carrying amount of assets or liabilities affected in future periods.

3.1. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically 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. For practicality purposes, 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.

4. Segment analysis

4.1. By business segment

The Bank is divided into four main business segments on a worldwide basis:

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- Investment – incorporating financial instruments Trading, structured financing, Corporate leasing,and merger and acquisitions advice.
- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Assets and liabilities management –Including other banking business.

Transactions between the business segments are on normal commercial terms and conditions.

EGP Thousands

Dec.31, 2022	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment *	11,629,435	3,201,847	7,944,944	10,108,567	5,144,825	38,029,618
Expenses according to business segment	(8,192,459)	(1,491,815)	(278,474)	(4,179,967)	(3,379)	(14,146,094)
Profit before tax	3,436,976	1,710,032	7,666,470	5,928,600	5,141,446	23,883,524
Income tax	(1,134,070)	(554,919)	(2,487,830)	(1,923,877)	(1,668,440)	(7,769,136)
Profit for the year	**2,302,906**	**1,155,113**	**5,178,640**	**4,004,723**	**3,473,006**	**16,114,388**
Total assets	**157,888,749**	**6,819,154**	**243,597,100**	**53,296,732**	**174,230,182**	**635,831,917**
Total liabilities	**239,694,892**	**67,995,672**	**-**	**251,469,542**	**8,333,643**	**567,493,749**

** Represents the net interest income and other income.*

Dec.31, 2021	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment	12,424,046	1,875,155	6,030,056	7,772,252	632,640	28,734,149
Expenses according to business segment	(5,226,990)	(1,078,834)	(209,201)	(3,360,394)	(20,922)	(9,896,341)
Profit before tax	7,197,056	796,321	5,820,855	4,411,858	611,718	18,837,808
Income tax	(2,153,624)	(233,284)	(1,705,378)	(1,294,109)	(179,204)	(5,565,599)
Profit for the year	**5,043,432**	**563,037**	**4,115,477**	**3,117,749**	**432,514**	**13,272,209**
Total assets at 31 December 2021	**158,526,753**	**3,193,320**	**218,836,949**	**40,659,292**	**77,019,524**	**498,235,838**
Total liabilities at 31 December 2021	**155,716,678**	**41,819,783**	**-**	**225,968,424**	**5,428,216**	**428,933,101**

5. By geographical segment

EGP Thousands

Dec.31, 2022	Cairo	Alex, Delta & Sinai	Upper Egypt	Outside Egypt (Kenya)	Total
Revenue according to geographical segment	32,735,400	4,486,973	758,580	48,665	38,029,618
Expenses according to geographical segment	(12,376,462)	(1,547,224)	(156,132)	(66,276)	(14,146,094)
Profit before tax	**20,358,938**	**2,939,749**	**602,448**	**(17,611)**	**23,883,524**
Income tax	(6,812,723)	(953,972)	(195,499)	193,058	(7,769,136)
Profit for the year	**13,546,215**	**1,985,777**	**406,949**	**175,447**	**16,114,388**
Total assets	**586,848,023**	**36,636,416**	**9,747,543**	**2,599,935**	**635,831,917**
Total liabilities	**441,310,411**	**107,081,685**	**19,101,653**	**-**	**567,493,749**

EGP Thousands

Dec.31, 2021	Cairo	Alex, Delta & Sinai	Upper Egypt	Outside Egypt (Kenya)	Total
Revenue according to geographical segment	25,013,648	3,109,072	585,184	26,245	28,734,149
Expenses according to geographical segment	(7,964,645)	(1,636,433)	(270,108)	(25,155)	(9,896,341)
Profit before tax	**17,049,003**	**1,472,639**	**315,076**	**1,090**	**18,837,808**
Income tax	(5,041,884)	(431,413)	(92,302)	-	(5,565,599)
Profit for the year	**12,007,119**	**1,041,226**	**222,774**	**1,090**	**13,272,209**
Total assets at 31 December 2021	**462,689,580**	**26,469,030**	**7,203,609**	**1,873,619**	**498,235,838**
Total liabilities at 31 December 2021	**328,992,594**	**86,074,347**	**13,866,160**	**-**	**428,933,101**

6. Net interest income

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Interest and similar income		
- Banks	5,345,778	5,231,766
- Clients	19,936,711	13,173,306
Total	**25,282,489**	**18,405,072**
Treasury bills and bonds	28,823,013	25,679,847
Repos	-	16,413
Debt instruments at fair value through OCI and AC	1,618,199	976,837
Total	**55,723,701**	**45,078,169**
Interest and similar expense		
- Banks	(195,095)	(123,098)
- Clients	(23,807,888)	(19,481,389)
Total	**(24,002,983)**	**(19,604,487)**
Repos	(165,895)	(160,143)
Other loans	(473,246)	(319,008)
Issued debt instruments	(76,679)	(28,740)
Total	**(24,718,803)**	**(20,112,378)**
Net interest income	**31,004,898**	**24,965,791**

7. Net fee and commission income

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Fee and commission income		
Fee and commissions related to credit	1,885,109	1,403,508
Custody fee	241,455	175,697
Other fee	3,428,518	2,466,368
Total	**5,555,082**	**4,045,573**
Fee and commission expense		
Other fee paid	(2,476,945)	(1,655,096)
Total	**(2,476,945)**	**(1,655,096)**
Net income from fee and commission	**3,078,137**	**2,390,477**

8. Dividend income

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Financial assets at fair value through P&L	1,600	7,003
Financial assets at fair value through OCI	50,811	52,722
Total	**52,411**	**59,725**

Analysis for ECL of loans and advances to banks

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Beginning balance	(2,118)	(9,625)
Released (charged) during the year	(8,095)	7,507
Ending balance	**(10,213)**	**(2,118)**

9. Net trading income

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Profit (Loss) from foreign exchange transactions	1,617,694	692,054
Profit (Loss) from forward foreign exchange deals revaluation	716,231	(227)
Profit (Loss) from interest rate swaps revaluation	482	(3,053)
Profit (Loss) from currency swap deals revaluation	421,130	14,876
Profit (Loss) from financial assets at fair value through P&L	(5,880)	4,647
Total	**2,749,657**	**708,297**

10. Administrative expenses

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Staff costs		
Wages and salaries	(3,696,111)	(3,216,183)
Social insurance	(157,565)	(138,036)
Other benefits	(214,640)	(147,685)
Other administrative expenses *	(3,303,313)	(2,680,826)
Total	**(7,371,629)**	**(6,182,730)**

**The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.*

11. Other operating (expenses) income

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Profits (losses) from revaluation of non-trading assets and liabilities by FCY	(1,089,939)	(16,589)
Profits of selling property and equipment	2,208	2,947
Release (charges) of other provisions	(1,855,407)	(412,430)
Other income/expenses	(2,137,000)	(1,560,620)
Total	**(5,080,138)**	**(1,986,692)**

12. Impairment release (charges) for credit losses

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Loans and advances to customers	(1,043,776)	(1,756,505)
Due from banks impairment provision	(8,395)	(16,808)
Financial securities	(532,771)	93,566
Total	**(1,584,942)**	**(1,679,747)**

13. Adjustments to calculate the effective tax rate

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Profit before tax	23,941,286	18,833,357
Tax rate	22.50%	22.50%
Income tax based on accounting profit	**5,386,789**	**4,237,505**
Add / (Deduct)		
Non-deductible expenses	3,853,758	2,367,635
Tax exemptions	(6,345,343)	(4,547,108)
Withholding tax	4,873,932	3,507,567
Income and Deferred tax	**7,769,136**	**5,565,599**
Effective tax rate	**32.45%**	**29.55%**

14. Earning per share

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Net profit for the year, available for distribution	16,124,903	13,414,598
Board member's bonus	(110,239)	(49,420)
Staff profit sharing	(1,612,490)	(1,341,460)
***Profits attributable to shareholders**	**14,402,174**	**12,023,718**
Weighted average number of shares	2,982,513	2,982,513
Basic earning per share	**4.83**	**4.03**
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	3,010,523	3,010,523
Diluted earning per share	**4.78**	**3.99**

**Based on separate financial statement profits.*

15. Cash and balances at the central bank

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Cash	6,998,942	5,391,312
Obligatory reserve balance with CBE		
- Current accounts	40,493,607	38,100,936
Total	**47,492,549**	**43,492,248**
Non-interest bearing balances	**47,492,549**	**43,492,248**

16. Due from banks

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Current accounts	2,920,513	2,718,262
Deposits	130,985,599	77,464,504
Expected credit losses	(49,392)	(40,997)
Total	**133,856,720**	**80,141,769**
Central banks	86,487,886	51,720,551
Local banks	25,816,767	13,433,149
Foreign banks	21,552,067	14,988,069
Total	**133,856,720**	**80,141,769**
Non-interest bearing balances	1,768,912	1,423,922
Floating interest bearing balances	12,212,601	9,413,404
Fixed interest bearing balances	119,875,207	69,304,443
Total	**133,856,720**	**80,141,769**
Current balances	130,145,210	77,784,264
Non-Current balances	3,711,510	2,357,505
Total	**133,856,720**	**80,141,769**

Due from banks

EGP Thousands

	Dec.31, 2022 Stage 1	Dec.31, 2022 Stage 2
Gross due from banks	127,810,514	6,095,598
Expected credit losses	(38,884)	(10,508)
Net due from banks	**127,771,630**	**6,085,090**

EGP Thousands

	Dec.31, 2021 Stage 1	Dec.31, 2021 Stage 2
Gross due from banks	74,232,738	5,950,028
Expected credit losses	(20,283)	(20,714)
Net due from banks	**74,212,455**	**5,929,314**

17. Treasury bills and other governmental notes

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
91 Days maturity	10,575	550
182 Days maturity	656,150	84,175
273 Days maturity	7,515,700	4,280,875
364 Days maturity	54,502,250	40,248,662
Unearned interest	(2,878,502)	(2,327,382)
Total	**59,806,173**	**42,286,880**
Repos - treasury bills	(659,349)	(707,376)
Net	**59,146,824**	**41,579,504**

Governmental bonds

EGP Thousands

	Dec.31, 2022 Financial Assets at Fair Value through OCI	Dec.31, 2021 Financial Assets at Fair Value through OCI
Governmental bonds	124,344,205	143,250,063
Repo	(3,711,489)	(3,536,336)
Net	**120,632,716**	**139,713,727**

18. Loans and advances to banks, net

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Time and term loans	2,988,410	314,334
ECL	(10,213)	(2,118)
Net	**2,978,197**	**312,216**
Current balances	2,978,197	312,216
Net	**2,978,197**	**312,216**

Analysis for ECL of loans and advances to banks

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Beginning balance	(2,118)	(9,625)
Released (charged) during the year	(8,095)	7,507
Ending balance	**(10,213)**	**(2,118)**

19. Loans and advances to customers, net

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Individual		
- Overdraft	2,132,876	1,268,376
- Credit cards	7,636,331	5,716,197
- Personal loans	40,374,834	31,683,161
- Mortgage loans	3,399,858	2,484,598
Total 1	**53,543,899**	**41,152,332**
Corporate		
- Overdraft	42,595,303	29,333,541
- Direct loans	78,759,856	50,357,437
- Syndicated loans	44,722,871	43,062,028
- Other loans	124,453	33,489
Total 2	**166,202,483**	**122,786,495**
Total Loans and advances to customers (1+2)	**219,746,382**	**163,938,827**
Less:		
Unamortized bills discount	(678,795)	(68,410)
Unamortized syndicated loans discount	(221,018)	(312,682)
ECL	(24,536,712)	(17,917,363)
Suspended credit account	(709,985)	(65,129)
Net loans and advances to customers	**193,599,872**	**145,575,243**
Distributed to		
Current balances	99,866,973	64,258,073
Non-current balances	93,732,899	81,317,170
Total	**193,599,872**	**145,575,243**

Analysis of the expected credit losses on loans and advances to customers by type during the year was as follows:

Beginning balance

EGP Thousands

Individual Loans:	Overdrafts	Credit cards	Dec.31, 2022 Personal loans	Mortgages	Total
Beginning balance	(10,115)	(305,005)	(817,525)	(49,814)	(1,182,459)
Released (charged) during the year	1,213	(19,585)	(502,625)	(13,551)	(534,548)
Written off during the year	2,190	52,918	172,195	123	227,426
Recoveries during the year	(419)	(50,317)	(53,819)	-	(104,555)
Ending balance	**(7,131)**	**(321,989)**	**(1,201,774)**	**(63,242)**	**(1,594,136)**

Corporate and Business Banking loans:	Overdrafts	Direct loans	Dec.31, 2022 syndicated loans	other loans	Total
Beginning balance	(1,650,580)	(10,896,531)	(4,180,998)	(6,795)	(16,734,904)
Released (charged) during the year	(233,631)	(1,044,899)	779,409	(2,012)	(501,133)
Written off during the year	5,145	980,540	-	-	985,685
Recoveries during the year	-	(9,662)	-	-	(9,662)
foreign currencies translation differences	(637,251)	(4,306,616)	(1,738,695)	-	(6,682,562)
Ending balance	**(2,516,317)**	**(15,277,168)**	**(5,140,284)**	**(8,807)**	**(22,942,576)**

EGP Thousands

Dec.31, 2021	Overdrafts	Credit cards	Individual Personal loans	Mortgages	Total
Beginning balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
Released (charged) during the year	408	(124,535)	(196,022)	12,473	(307,676)
Write off during the year	3,072	100,263	194,989	-	298,324
Recoveries during the year	(1)	(38,456)	(40,887)	-	(79,344)
Ending balance	**(10,115)**	**(305,005)**	**(817,525)**	**(49,814)**	**(1,182,459)**

Dec.31, 2021	Overdrafts	Direct loans	Corporate syndicated loans	other loans	Total
Beginning balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)
Released (charged) during the year	(337,127)	(374,226)	(743,733)	(1,250)	(1,456,336)
Write off during the year	-	4,366	-	-	4,366
Recoveries during the year	(80)	(45,351)	-	-	(45,431)
foreign currencies translation differences	7,615	73,245	22,687	-	103,547
Ending balance	**(1,650,580)**	**(10,896,531)**	**(4,180,998)**	**(6,795)**	**(16,734,904)**

20. Derivative financial instruments

20.1. Derivatives

The Bank uses the following financial derivatives for non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (Off balance sheet). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

20.1.1. For trading derivatives

EGP Thousands

	Dec.31, 2022 Notional amount	Assets	Liabilities	Dec.31, 2021 Notional amount	Assets	Liabilities
Foreign currencies derivatives						
- Forward foreign exchange contracts	9,886,585	823,287	218,296	11,101,796	68,089	178,327
- Currency swap	3,945,268	440,559	1,456	3,502,055	28,753	10,779
Total (1)		**1,263,846**	**219,752**		**96,842**	**189,106**

20.1.2. Fair value hedge

EGP Thousands

	Dec.31, 2022 Notional amount	Assets	Liabilities	Dec.31, 2021 Notional amount	Assets	Liabilities
Interest rate derivatives						
Interest rate derivatives	19,943,180	676,115	-	7,056,798	128,534	76,364
Total (2)		**676,115**	-		**128,534**	**76,364**
Total financial derivatives (1+2)		**1,939,961**	**219,752**		**225,376**	**265,470**

20.2. Hedging derivatives

Fair value hedge

deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 676,115 thousand at the end of December 31, 2022 against EGP 52,170 thousand at December 31, 2021, resulting in profits from hedging instruments at December 31, 2022 of EGP 623,945 thousand against profits of EGP 36,792 thousand at December 31, 2021. Profits arose from the hedged items at December 31, 2022 reached EGP 13,191 thousand against Profits EGP 146,227 thousand at December 31, 2021.

21. Movement of financial investment securities:

	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost
Beginning balance	148,118,372	25,285,225
Addition	250,679,698	3,844
Disposals	(202,612,601)	(4,741,459)
Profit (losses) from fair value difference	(2,969,459)	-
Exchange revaluation differences for foreign financial assets	(17,116)	(145)
Ending Balance as of Dec.31, 2021	**193,198,894**	**20,547,465**

	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost
Beginning balance	193,198,894	20,547,465
Acquired during the year (MAYFAIR)	-	-
Addition	45,665,232	19,908,223
Disposals	(26,130,169)	(6,738,937)
Profit (losses) from fair value difference	(15,383,080)	-
Exchange revaluation differences for foreign financial assets	6,669,856	808,009
Ending Balance as of Dec.31, 2022	**204,020,733**	**34,524,760**

21. Financial investments securities

EGP Thousands

	Dec.31, 2022			
	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	120,632,716	33,197,277	153,829,993
Securitized bonds	-	19,536,994	-	19,536,994
Equity instruments	-	257,586	-	257,586
Portfolio managed by others	-	-	-	-
Sukuk	-	1,674,050	-	1,674,050
Investments not listed in the market				
Treasury bills and other governmental notes	-	59,146,824	-	59,146,824
Securitized bonds	-	1,709,429	1,327,483	3,036,912
Equity instruments	-	716,432	-	716,432
Mutual funds	-	346,702	-	346,702
Total	-	**204,020,733**	**34,524,760**	**238,545,493**

EGP Thousands

	Dec.31, 2021			
	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	139,713,727	20,547,465	160,261,192
Securitized bonds	-	6,788,005	-	6,788,005
Equity instruments	-	170,640	-	170,640
Portfolio managed by others	240,987	-	-	240,987
Sukuk	-	1,400,000	-	1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	41,579,504	-	41,579,504
Securitized bonds	-	2,774,665	-	2,774,665
Equity instruments	-	507,674	-	507,674
Mutual funds	-	264,679	-	264,679
Total	**240,987**	**193,198,894**	**20,547,465**	**213,987,346**

Classification and measurement of financial assets and financial liabilities:

The following table shows the financial assets and the net financial liabilities according to the business model classification:

Dec.31, 2022	Amortized cost	Debt financial Assets at Fair value through OCI	Equity financial Assets at Fair value through OCI	Financial Assets/ Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	47,492,549	-	-	-	47,492,549
Due from banks	133,856,720	-	-	-	133,856,720
Treasury bills	-	59,146,824	-	-	59,146,824
Loans and advances to customers, net	193,599,872	-	-	-	193,599,872
Loans and advances to banks, net	2,978,197	-	-	-	2,978,197
Derivative financial instruments	-	-	-	1,939,961	1,939,961
Financial Assets at Fair value through OCI	-	143,553,189	1,320,720	-	144,873,909
Amortized cost	34,524,760	-	-	-	34,524,760
Total 1	**412,452,098**	**202,700,013**	**1,320,720**	**1,939,961**	**618,412,792**
Due to banks	3,496,698	-	-	-	3,496,698
Due to customers	531,616,550	-	-	-	531,616,550
Derivative financial instruments	-	-	-	219,752	219,752
Issued debt instruments	2,456,607	-	-	-	2,456,607
Other loans	7,978,975	-	-	-	7,978,975
Other Provisions	7,066,672	-	-	-	7,066,672
Total 2	**552,615,502**	-	-	**219,752**	**552,835,254**

21.1. Profits (Losses) on financial investments

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Profit (Loss) from selling FVOCI financial instruments	1,162,195	702,776
Released (Impairment) charges of investments in associates	-	(107,913)
Total	**1,162,195**	**594,863**

22. Investments in associates

Dec.31, 2022	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
							EGP Thousands
-TCA Properties	Egypt	1,511,066	1,251,615	21,503	(72,446)	131,555	37.00
- Al Ahly Computer	Egypt	42,494	19,534	50,892	(188)	29,270	39.34
- Fawry Plus	Egypt	187,036	100,492	127,246	42,413	25,237	14.99
- International Co. for Security and Services (Falcon)	Egypt	779,891	833,180	356,164	(146,617)	-	30.00
Total		**2,520,487**	**2,204,821**	**555,805**	**(176,838)**	**186,062**	

Dec.31, 2021	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
							EGP Thousands
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	65,623	37,788	51,796	3,945	30,193	39.34
- Fawry Plus	Egypt	124,845	97,088	76,903	14,473	16,762	14.99
- International Co. for Security and Services (Falcon)	Egypt	1,084,916	791,149	509,571	(931)	-	30.00
Total		**1,275,384**	**926,025**	**638,270**	**17,487**	**205,315**	

23. Other assets

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Accrued revenues	11,437,147	8,938,356
Prepaid expenses	572,509	428,777
Advances to purchase of fixed assets	1,342,568	1,139,188
Accounts receivable and other assets*	1,035,654	581,254
Assets acquired as settlement of debts	124,098	153,423
Insurance	49,647	45,130
Gross	**14,561,623**	**11,286,128**
Impairment of other assets	(40,196)	(79,000)
Net	**14,521,427**	**11,207,128**

**A provision with amount EGP 277 million has been released.*
This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in any other asset category.

24. Property and equipment

Dec.31, 2022	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
								EGP Thousands
Cost at Jan 01, 2022 (1)	64,709	1,170,322	3,194,730	161,744	955,100	868,478	159,247	6,574,330
Additions during the year	164,960	82,392	359,573	32,131	65,501	120,325	5,237	830,119
Disposals during the year	-	(19,404)	(15,611)	-	(16,375)	(44,862)	(3,238)	(99,490)
Cost at end of the year (2)	**229,669**	**1,233,310**	**3,538,692**	**193,875**	**1,004,226**	**943,941**	**161,246**	**7,304,959**
Accumulated depreciation at beginning of the year (3)	-	506,634	2,128,401	68,539	715,756	587,823	106,061	4,113,214
Depreciation for the year	-	77,357	515,970	12,931	115,906	146,255	17,382	885,801
Disposals during the year	-	(19,404)	(15,611)	-	(16,375)	(44,862)	(3,238)	(99,490)
Accumulated depreciation at end of the year (4)	-	**564,587**	**2,628,760**	**81,470**	**815,287**	**689,216**	**120,205**	**4,899,525**
Ending net assets (2-4)	**229,669**	**668,723**	**909,932**	**112,405**	**188,939**	**254,725**	**41,041**	**2,405,434**
Beginning net assets (1-3)	**64,709**	**663,688**	**1,066,329**	**93,205**	**239,344**	**280,655**	**53,186**	**2,461,116**

Dec.31, 2021	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
								EGP Thousands
Cost at Jan 01, 2021 (1)	64,709	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Additions during the year	-	43,433	618,349	28,261	167,994	150,631	26,361	1,035,029
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Cost at end of the year (2)	**64,709**	**1,170,322**	**3,194,730**	**161,744**	**955,100**	**868,478**	**159,247**	**6,574,330**
Accumulated depreciation at beginning of the year (3)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Current year depreciation	-	53,402	499,782	14,585	168,893	130,806	17,592	885,060
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Accumulated depreciation at end of the year (4)	-	**506,634**	**2,128,401**	**68,539**	**715,756**	**587,823**	**106,061**	**4,113,214**
Ending net assets (2-4)	**64,709**	**663,688**	**1,066,329**	**93,205**	**239,344**	**280,655**	**53,186**	**2,461,116**
Beginning net assets (1-3)	**64,709**	**673,657**	**947,762**	**79,529**	**240,243**	**260,830**	**44,417**	**2,311,147**

25. Due to banks

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Current accounts	2,666,251	666,659
Deposits	830,447	199,397
Total	**3,496,698**	**866,056**
Central banks	460,169	198,234
Local banks	45,065	5,234
Foreign banks	2,991,464	662,588
Total	**3,496,698**	**866,056**
Non-interest bearing balances	2,376,326	414,135
Floating bearing interest balances	573,860	117,516
Fixed interest bearing balances	546,512	334,405
Total	**3,496,698**	**866,056**
Current balances	**3,496,698**	**866,056**

26. Due to customers

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Demand deposits	197,948,359	134,443,380
Time deposits	106,969,176	80,220,124
Certificates of deposit	128,342,125	102,119,393
Saving deposits	91,986,230	86,467,822
Other deposits	6,370,660	3,990,819
Total	**531,616,550**	**407,241,538**
Corporate deposits	262,902,380	180,309,337
Individual deposits	268,714,170	226,932,201
Total	**531,616,550**	**407,241,538**
Non-interest bearing balances	95,060,092	64,908,030
Floating interest bearing balances	7,936,950	17,531,166
Fixed interest bearing balances	428,619,508	324,802,342
Total	**531,616,550**	**407,241,538**
Current balances	396,058,202	297,947,782
Non-current balances	135,558,348	109,293,756
Total	**531,616,550**	**407,241,538**

In 2022, Due to customers contains an amount of EGP 2,705 million representing guarantees of irrevocable commitments for documentary credits - export compared to EGP 641 million in 2021. The fair value of these deposits is approximately their present value.

27. Issued debt instruments

	Interest rate			EGP Thousands
	Dec.31, 2022	Dec.31, 2021	Dec.31, 2022	Dec.31, 2021
Fixed rate bonds with 5 years maturity				
Green bonds (USD)	Fixed rate	Fixed rate	2,456,607	1,557,263
Total			**2,456,607**	**1,557,263**
Non current balances			**2,456,607**	**1,557,263**

28. Other loans

	Interest rate %	Loan duration	Due within one year	Dec.31, 2022	Dec.31, 2021
					EGP Thousands
CDC subordinated loan	Floating rate	10 years	-	2,644,356	1,440,063
European Bank for Reconstruction and Development (EBRD)	Floating rate	2 years	-	-	523,890
Environmental Compliance Project (ECO)	Fixed rate	3-5 years*	315	840	1,155
Agricultural Research and Development Fund (ARDF)	Fixed rate	3-5 years*	16,000	16,000	8,000
Egyptian Pollution Abatement Program (EPAP)	Floating / Fixed rate	Less than 1 year*	42,726	87,614	24,334
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	494,868	2,561,585	1,571,670
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	494,868	2,668,580	1,571,670
Balance			**1,048,777**	**7,978,975**	**5,140,782**

Interest rates on variable-interest subordinated loans are determined in advance every 3 months. Subordinated loans are not repaid before their repayment dates.

**Represents the date of loan repayment to the lending agent.*

29. Other liabilities

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Accrued interest payable	2,084,649	1,553,629
Accrued expenses	1,686,588	1,612,875
Accounts payable	7,522,203	4,764,115
Other credit balances	313,472	154,926
Total	**11,606,912**	**8,085,545**

30. Other Provisions

Dec.31, 2022	Beginning balance	Charged during the year	Exchange differences of other provisions	Net utilized / recovered during the year	Provisions no longer used	Ending balance
						EGP Thousands
Provision for legal claims**	7,184	-	656	(212)	(172)	7,456
Provision for contingent	3,205,105	2,124,575	1,346,014	-	-	6,675,694
Provision for other claim*	329,173	8,960	48,303	(2,914)	-	383,522
Total	**3,541,462**	**2,133,535**	**1,394,973**	**(3,126)**	**(172)**	**7,066,672**

Dec.31, 2021	Beginning balance	Charged during the year	Exchange differences of other provisions	Net utilized / recovered during the year	Provisions no longer used	Ending balance
						EGP Thousands
Provision for legal claims**	52,604	-	857	(43,826)	(2,451)	7,184
Provision for contingent	2,930,743	308,837	(34,475)	-	-	3,205,105
Provision for other claim*	240,154	72,301	18,375	(1,657)	-	329,173
Total	**3,223,501**	**381,138**	**(15,243)**	**(45,483)**	**(2,451)**	**3,541,462**

**To face the potential risk of banking operations.*
***A provision for legal cases that are expected to generate losses has been created.*

31. Equity

31.1. Capital

The authorized capital is EGP 50 billion according to the extraordinary general assembly decision on 12 June 2019.

On September 22, 2022 issued and paid in capital increased by an amount of EGP 10 Billion as free shares financed from general reserve to reach EGP 29,825,134 thousand according to ordinary general assembly meeting decision on March 30, 2021. The Commercial Register has been amended on September 4, 2022 to reflect the increase.

On March 21, 2022 issued and Paid in Capital increased by an amount of EGP 122,716 thousand to reach EGP 19,825,134 thousand, according to Ordinary General Assembly Meeting decision on March 30 ,2021, by issuance of 12th tranche for E.S.O.P program.

- Issued and Paid in Capital increased by an amount of EGP 4,925,605 thousand on August 16, 2021 to reach 19,702,418 according to Ordinary General
- Assembly Meeting decision on March 15 ,2020 by distribution of a one share for every three outstanding shares by capitalizing on the General Reserve.
- ssued and Paid in Capital increased by an amount of EGP 85,992 thousand on September 21 ,2020 to reach EGP 14,776,813 thousand according to Board of Directors decision on January 5, 2020 by issuance of eleventh tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 105,413 thousand on November 18,2019 to reach EGP 14,690,821 thousand according to Board of Directors decision on February 4, 2019 by issuance of tenth tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 2,917,082 thousand on February 14, 2019 to reach 14,585,408 according to Ordinary General Assembly Meeting decision on March 4 ,2018 by distribution of a one share for every four outstanding shares by capitalizing on the General Reserve.

		EGP Thousands
	Dec.31, 2022	Dec.31, 2021
Authorized Capital	50,000,000	50,000,000
Issued and paid up capital	29,825,134	19,702,418
Number of shares outstanding in Thousands	2,982,513	1,970,242

		EGP Thousands
	Dec.31, 2022	Dec.31, 2021
Par value per share	10	10

31.2. Reserves

According to The Bank status 5% of net profit is used to increase the legal reseve to reaches 50% of The Bank's issued and paid in capital.

Central Bank of Egypt concurrence for usage of special reserve is required.

32. Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

		EGP Thousands
	Assets (Liabilities) Dec.31, 2022	Assets (Liabilities) Dec.31, 2021
Fixed assets (depreciation)	(45,921)	(78,246)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	347,128	180,523
Change in fair value of investments through OCI	1,057,872	(95,905)
Other Balance Sheet Revaluation	(1,582,895)	-
Other investments impairment	82,953	82,952
Reserve for employee stock ownership plan (ESOP)	426,473	376,738
Interest rate swaps revaluation	(108)	687
Trading investment revaluation	17,770	(9,480)
Forward foreign exchange deals revaluation	(117,526)	(1,267)
Balance	**185,746**	**456,002**

		EGP Thousands
	Assets (Liabilities) Dec.31, 2022	Assets (Liabilities) Dec.31, 2021
Movement of Deferred Tax Assets and Liabilities:		
Beginning Balance	456,002	437,772
Additions / disposals through OCI	1,153,777	(95,905)
Additions / disposals through P&L	(1,424,033)	114,135
Ending Balance	**185,746**	**456,002**

33. Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date, otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting year (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest(True up model). The fair value for such equity instruments is measured using the Black-Scholes pricing model.

Details of the rights to share outstanding during the year are as follows:

	Dec.31, 2022 No. of shares in thousand	Dec.31, 2021 No. of shares in thousand
Outstanding at the beginning of the year	76,328	51,611
Granted during the year	31,177	26,491
Forfeited during the year	(2,682)	(1,774)
Exercised during the year	(12,272)	-
Outstanding at the end of the year	**92,551**	**76,328**

Details of the outstanding tranches are as follows:

Maturity date	EGP Exercise price	EGP Fair value	No. of shares in thousand
2022	10.00	37.99	16,543
2023	10.00	36.45	20,587
2024	10.00	26.34	24,840
2025	10.00	28.43	30,581
Total			**92,551**

The fair value of granted shares is calculated using Black-Scholes pricing model with the following:

	16th tranche	15th tranche
Exercise price	10	10
Current share price	42.65	52.55
Expected life (years)	3	3
Risk free rate %	14.65%	13.63%
Dividend yield%	2.50%	0.00%
Volatility%	25.73%	25.27%

Volatility is calculated based on the daily standard deviation of returns for the last five years.

34. Reserves and retained earnings

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Legal reserve	3,963,946	3,293,074
General reserve	27,096,858	28,260,532
Capital reserve	18,947	16,000
Retained earnings	16,393,841	13,696,402
Reserve for transactions under common control	8,183	8,183
Reserve for financial assets at fair value through OCI	(13,188,818)	641,372
Reserve for employee stock ownership plan	1,895,435	1,674,392
Banking risks reserve	11,981	9,141
Cumulative foreign currencies translation differences	181,324	(4,218)
General risk reserve	1,550,906	1,550,906
Ending balance	**37,932,603**	**49,145,784**

34.1. Banking risks reserve

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	9,141	6,423
Transferred to banking risk reserve	2,840	2,718
Ending balance	**11,981**	**9,141**

34.2. Legal reserve

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	3,293,074	2,778,135
Transferred to legal reserve	670,872	514,939
Ending balance	**3,963,946**	**3,293,074**

34.3. Reserve for financial assets at fair value through OCI

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	641,372	3,975,514
Transferred to RE from financial assets at fair value through comprehensive income	(3,436)	(177,488)
Net unrealised gain/(loss) on financial assets at fair value through OCI	(14,281,801)	(3,063,088)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	455,047	(93,566)
Ending balance	**(13,188,818)**	**641,372**

34.4. Retained earnings

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	13,696,402	10,539,715
Transferred to reserves	(9,007,223)	(8,937,973)
Dividends paid	(4,410,322)	(1,360,652)
Net profit of the year	16,114,388	13,272,209
Transferred (from) to banking risk reserve	(2,840)	(2,718)
Transferred from previous years' outstanding balances	-	8,333
Transferred to RE from financial assets at fair value through comprehensive income	3,436	177,488
Ending balance	**16,393,841**	**13,696,402**

34.5. Reserve for employee stock ownership plan

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	1,674,392	1,064,648
Transferred to reserves	(502,922)	-
Cost of employees stock ownership plan (ESOP)	723,965	609,744
Ending balance	**1,895,435**	**1,674,392**

34.6. General risk reserve

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	1,550,906	1,549,445
Transferred to general risk reserve	-	1,461
Ending balance	**1,550,906**	**1,550,906**

35. Cash and cash equivalent

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Cash and balances at the central bank	47,492,549	43,492,248
Due from banks	133,906,112	80,182,766
Treasury bills and other governmental notes	59,146,824	41,579,504
Obligatory reserve balance with CBE	(40,493,607)	(38,100,936)
Due from banks with maturities more than three months	(47,286,754)	(23,801,430)
Treasury bills with maturities more than three months	(59,795,598)	(42,286,330)
Total	**92,969,526**	**61,065,822**

36. Contingent liabilities and commitments

36.1. Legal claims

- There is a number of existing cases against the bank on Dec. 31, 2022 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created. (Note No. 30)

36.2. Capital commitments

36.2.1. Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 1,546 thousand as follows:

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	247,434	245,888	1,546

36.2.2. Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets, contracts, and branches constructions that have not been implemented till the date of the financial statements amounted to EGP 397,100 thousand against EGP 454,166 thousand in 2021.

36.3. Letters of credit, guarantees and other commitments

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Letters of guarantee	123,073,882	82,964,410
Letters of credit (import and export)	8,640,327	5,656,740
Customers acceptances	3,482,249	3,211,139
Total	**135,196,458**	**91,832,289**

36.4. Credit facilities commitments

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Credit facilities commitments	7,077,400	7,720,358

36.5. Lease commitments

The total minimum lease payments for non-cancellable operating leases are as follows:

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Not more than one year	57,119	44,854
More than one year and less than five years	563,066	285,103
More than five years	200,824	87,380

37. Mutual funds

Osoul fund

- CIB established an accumulated return mutual fund under license no.331 issued from capital market authority on February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 6,978,911 with redeemed value of EGP 3,876,157 thousands.
- The market value per certificate reached EGP 555.41 on December 31, 2022.
- The Bank's portion is 237,112 certificates with a redeemed value of EGP 131,694 thousands.

Istethmar fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 300,376 with redeemed value of EGP 81,228 thousands.
- The market value per certificate reached EGP 270.42 on December 31, 2022
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 13,521 thousands.

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 308,251 with redeemed value of EGP 44,696 thousands.
- The market value per certificate reached EGP 145 on December 31, 2022.
- The Bank's portion is 32,596 certificates with a redeemed value of EGP 4,726 thousands.

Hemaya fund

- CIB bank established an accumulated return mutual fund under license no.585 issued from financial supervisory Authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 83,856 with redeemed value of EGP 27,537 thousands.
- The market value per certificate reached EGP 328.38 on December 31, 2022
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 16,419 thousands.

Thabat fund

- CIB bank established an accumulated return mutual fund under license no.613 issued from financial supervisory authority on September 13, 2011. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 330,087 with redeemed value of EGP 129,183 thousands.
- The market value per certificate reached EGP 391.36 on December 31, 2022.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 19,568 thousands.

Takamol fund

- CIB bank established an accumulated return mutual fund under license no.431 issued from financial supervisory authority on February 18, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 146,557 with redeemed value of EGP 38,226 thousands.
- The market value per certificate reached EGP 260.83 on December 31, 2022.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 13,042 thousands.

38. Transactions with related parties

All banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

38.1. Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans, advances and other assets	1,081,864
Deposits	123,560
Contingent liabilities	173,143

38.2. Other transactions with related parties

	EGP Thousands	
	Income	Expenses
International Co. for Security & Services	73	215,848
CVenture Capital	740	93
Fawry plus	0	-
Mayfair bank	790	-
Damietta shipping & marine services	2	564
Al ahly computer	3	-
TCA Properties	138,162	-

39. Main currencies positions

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Egyptian pound	(395,392)	(3,306,200)
US dollar	900,773	2,366,020
Sterling pound	1,289	1,983
Japanese yen	0	(1,422)
Swiss franc	109	1,136
Euro	36,082	20,161

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

40. Tax status

Corporate income tax

- Settlement of corporate income tax since the start of activity till 2018
- 2019 & 2020 examined & paid
- The yearly income tax return submitted in legal dates

Salary tax

- Settlement of salary tax since the start of activity till 2020

Stamp duty tax

- The period since the start of activity till 31/07/2006 was examined & paid, disputed points have been transferred to the court for adjudication & cases are being resolved as per Tax disputes termination law.
- The period from 01/08/2006 till 31/12/2021 was examined & paid in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

41. Other assets - net increase (decrease)

	EGP Thousands
	Dec.31, 2022
Total other assets by end of 2021	11,207,128
Assets acquired as settlement of debts	(153,423)
Advances to purchase of fixed assets	(1,139,188)
Total 1	**9,914,517**
Total other assets by end of year 2022	14,521,427
Assets acquired as settlement of debts	(124,098)
Advances to purchase of fixed assets	(1,342,568)
Impairment charge for other assets	(277,766)
Total 2	**12,776,995**
Change (1-2)	(2,862,478)

	EGP Thousands
	Dec.31, 2021
Total other assets by year end	9,175,525
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Total 1	**7,810,571**
Total other assets by year end	11,207,128
Assets acquired as settlement of debts	(153,423)
Advances to purchase of fixed assets	(1,139,188)
Impairment charge for other assets	31,975
Total 2	**9,946,492**
Change (1-2)	(2,135,921)

42. Significant events during the year

During the year, the Bank established a subsidiary company called Commercial International for Finance. The Bank holds a 99.83% ownership stake with a value of EGP 59.9 million after obtaining initial approvals from the regulatory authorities. The company's financial statements have not yet been issued as it has not yet started operating its business activities.

"The Monetary Policy Committee of the Central Bank of Egypt affirmed in its extraordinary meeting on 21 March 2022 that the Central Bank of Egypt believes in the importance of exchange rate flexibility, as global inflationary pressures began to appear again, after signs of recovery of the global economy from the turmoil caused by the Coronavirus pandemic, due to developments of the Russian-Ukrainian conflict. To maintain the targeted inflation rates, the Central Bank of Egypt raised the overnight deposit and lending rates and the main transaction price by 100 basis points to reach 9.25%, 10.25% and 9.75%, respectively. The credit and discount rate was also raised by 100 basis points to reach 9.75%, which may affect the bank's policies in pricing current and future banking products."

On 19 May 2022, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 11.25 percent, 12.25 percent, and 11.75 percent, respectively. The discount rate was also raised by 200 basis points to 11.75 percent.

On 27 October 2022, Central Bank of Egypt (CBE) has decided to intensify its reform agenda to secure macroeconomic stability and achieve strong, sustainable and inclusive growth. To this end, the CBE moved to a durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies. Furthermore, in order to uphold the CBE's mandate of ensuring price stability over the medium term, the monetary policy committee (MPC) has decided in its special meeting to raise the overnight deposit rate, the overnight lending rate, and the rate of the main operation by 200 basis points to 13.25 percent, 14.25 percent, and 13.75 percent, respectively. The dicount rate was also raised by 200 basis points to 13.75 percent.

On 22 December 2022, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 300 basis points to 16.25 percent, 17.25 percent, and 16.75 percent, respectively. The discount rate was also raised by 300 basis points to 16.75 percent.

"Based on the change in the US dollar exchange rate from 15.72 pounds per dollar to 24.74 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency positions at the date of the financial position. For more details, refer to notes (9 & 11)

In addition to the above, the impairment of the expected credit losses increased at the end of the year due to the increase in risks related to the borrowers' ability to pay - in light of the impact of the global and Egyptian economy as a result of the Russian-Ukrainian conflict - and its effects on the macro-economy, and micro-economy of some industries from. For more details, refer to note (3.1.6) The impact of the aforementioned status over the economic position is considered judgmental & uncertain, and management will keep assessing the current position and its related impact regularly."

Subsequent events

During 2023 CIB obtained both CBE & CBK approval for acquiring the remaining 49% of Mayfair-CIB bank to reach 100% of ownership.

During 2023 CIB BoD decided to start liquidation process for C-Ventures company, one of bank's subsidiaries.

43. Goodwill

	Mayfair Bank Dec.31, 2022	Mayfair Bank Dec.31, 2021
	EGP Thousands	
Acquisition cost	560,963	560,963
Net assets value	(354,676)	(354,676)
Goodwill	**206,287**	**206,287**

	Mayfair Bank Dec.31, 2022	Mayfair Bank Dec.31, 2021
	EGP Thousands	
Goodwill at acquisition date	206,287	206,287
Amortization	(110,019)	(68,762)
Net book value	**96,268**	**137,525**

According to Central Bank of Egypt regulation issued on Dec 16, 2008, an amortization of 20% annually has been applied on Goodwill starting from acquisition date.

44. Intangible assets

	Mayfair Bank Dec.31, 2022	Mayfair Bank Dec.31, 2021
	EGP Thousands	
Intangible Assets at acquisition date	51,831	51,831
Amortization	(27,643)	(17,277)
Net book value	**24,188**	**34,554**

Auditor's Report

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Saleh, Barsoum & Abdel Aziz - Grant Thornton
Accountants & Auditors

AUDITORS' REPORT

To the Shareholders of Commercial International Bank Egypt S.A.E

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Commercial International Bank Egypt S.A.E "the Bank", which comprise the separate financial position as at December 31, 2022 and the related separate statements of income, comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for 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's responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; management's responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of the Bank as of December 31, 2022 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the banks' financial statements, issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

No material contravention, during the financial year ended 31 December 2022, of the provisions of Central Bank of Egypt and the Banking System Law no 194 of 2020 in the light of our audit of the financial statements.

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 separate financial information included in the Board of Directors' report, prepared in accordance with law no. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Cairo; 12 February 2023

Auditors

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Farid Samir Farid
Financial Regulatory Authority
Register Number "210"
Saleh, Barsoum & Abdel Aziz - Grant Thornton
Accountants & Auditors

Separate Statement of Financial Position

As at December 31, 2022

	Notes	Dec. 31, 2022	Dec. 31, 2021
			EGP Thousands
Assets			
Cash and balances at the central bank	15	47,384,574	43,385,222
Due from banks	16	133,766,196	79,991,287
Loans and advances to banks, net	18	2,978,197	312,216
Loans and advances to customers, net	19	192,621,288	144,765,808
Derivative financial instruments	20	1,939,961	225,376
Investments			
- Financial Assets at Fair Value through P&L	21	-	240,987
- Financial Assets at Fair Value through OCI	21	202,916,225	192,390,931
- Financial Assets at Amortized cost	21	34,178,753	20,318,767
- Investments in associates and subsidiaries	22	1,074,250	1,014,350
Other assets	23	14,454,868	11,141,917
Deferred tax assets (Liabilities)	32	24,240	460,026
Property and equipment	24	2,304,513	2,404,237
Total assets		**633,643,065**	**496,651,124**
Liabilities and equity			
Liabilities			
Due to banks	25	3,475,848	862,759
Due to customers	26	530,124,905	406,100,916
Derivative financial instruments	20	219,752	265,265
Current income tax liabilities		3,051,583	2,234,985
Other liabilities	29	11,549,472	8,021,310
Issued debt instruments	27	2,456,607	1,557,263
Other loans	28	7,978,975	5,140,782
Other Provisions	30	7,065,292	3,539,676
Total liabilities		**565,922,434**	**427,722,956**
Equity			
Issued and paid up capital	31	29,825,134	19,702,418
Reserves	34	19,502,716	33,767,423
Reserve for employee stock ownership plan (ESOP)	34	1,895,435	1,674,392
Retained earnings *	34	16,497,346	13,783,935
Total equity and net profit for the year		**67,720,631**	**68,928,168**
Total liabilities and equity		**633,643,065**	**496,651,124**

The accompanying notes are an integral part of these financial statements.
(Audit report attached)
**Including net profit for the current year*

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Separate income statement

For the year ended December 31, 2022

	Notes	Dec. 31, 2022	Dec. 31, 2021
			EGP Thousands
Interest and similar income		55,442,268	44,945,445
Interest and similar expense		(24,606,441)	(20,057,935)
Net interest income	6	**30,835,827**	**24,887,510**
Fee and commission income		5,542,843	4,036,955
Fee and commission expense		(2,477,342)	(1,654,671)
Net fee and commission income	7	**3,065,501**	**2,382,284**
Dividend income	8	62,226	84,700
Net trading income	9	2,741,854	696,738
Profits (Losses) on financial investments	21	1,116,776	684,417
Administrative expenses	10	(7,177,250)	(6,096,221)
Other operating (expenses) income	11	(5,070,547)	(1,981,093)
Impairment release (charges) for credit losses	12	(1,512,007)	(1,677,450)
Profit before income tax		**24,062,380**	**18,980,885**
Income tax expense	13	(6,342,457)	(5,678,659)
Deferred tax assets (Liabilities)	32 - 13	(1,589,563)	118,159
Net profit for the year		**16,130,360**	**13,420,385**
Earning per share	14		
Basic		4.83	4.03
Diluted		4.78	3.99

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Separate statement of comprehensive income

For the year ended December 31, 2022

	Dec. 31, 2022	Dec. 31, 2021
		EGP Thousands
Net profit for the year	16,130,360	13,420,385
Comprehensive income items that will not be reclassified to the Profit or Loss:		
Change in fair value of equity instruments measured at fair value through comprehensive income	171,293	(162,812)
Tax impact for investments that will not be reclassified to P&L	61,753	13,489
Transferred to RE from financial assets at fair value through comprehensive income	(3,436)	(177,488)
Comprehensive income items that is or may be reclassified to the profit or loss:		
Change in fair value of debt instruments measured at fair value through comprehensive income	(12,225,948)	(2,291,019)
Selling FVOCI financial instruments	(1,116,776)	(702,776)
Tax impact for investments that will be reclassified to P&L	(1,119,625)	82,416
Effect of ECL in fair value of debt instruments measured at fair value through comprehensive income	455,047	(93,566)
Total comprehensive income for the year	**2,352,668**	**10,088,629**

Separate cash flow

For the year ended December 31, 2022

	Notes	Dec. 31, 2022	Dec. 31, 2021
			EGP Thousands
Cash flow from operating activities			
Profit before income tax		24,062,380	18,980,885
Adjustments to reconcile profits to net cash provided by operating activities			
Fixed assets depreciation	24	868,611	858,609
Impairment charge for credit losses (Loans and advances to customers and banks)	12	978,374	1,753,908
Other provisions charges	30	2,133,941	381,601
Impairment charge for credit losses (due from banks)	12	8,795	17,108
Impairment (Released) charge for credit losses (financial investments)	12	524,838	(93,566)
Impairment (Released) charge for other assets	23	(277,766)	31,975
Exchange revaluation differences for financial assets at fair value through OCI and AC	21	(7,477,865)	17,261
Utilization of other provisions	30	(3,126)	(45,483)
Other provisions no longer used	30	(172)	(2,451)
Exchange differences of other provisions	30	1,394,973	(15,243)
Losses (profits) from selling property and equipment	11	(2,208)	(2,947)
Losses (profits) from selling financial investments at fair value through OCI	21	(1,116,776)	(702,776)
Shares based payments		723,965	609,744
Impairment (Released) charges of investments in associates	21	-	18,359
Operating profits before changes in operating assets and liabilities		**21,817,964**	**21,806,984**
Net decrease (increase) in assets and liabilities			
Due from banks	16	(25,816,942)	(17,927,084)
Financial assets at fair value through P&L	21	240,987	118,972
Derivative financial instruments	20	(1,760,098)	(42,425)
Loans and advances to banks and customers	18 - 19	(51,470,510)	(27,183,640)
Other assets	41	(2,859,380)	(2,155,845)
Due to banks	25	2,613,089	(7,952,802)
Due to customers	26	124,023,989	66,014,392
Current income tax obligations paid		(3,221,401)	(3,443,674)
Other liabilities	29	1,223,704	1,490,795
Net cash used in (generated from) operating activities		**64,791,402**	**30,725,673**
Cash flow from investing activities			
Payments for investment in subsidiaries and associates.		(59,900)	(158,360)
Payment for purchases of property, equipment and branches constructions		(974,017)	(942,173)
Proceeds from selling property and equipment	11	2,208	2,947
Proceeds from redemption of financial assets at amortized cost		6,738,937	4,705,849
Payment for purchases of financial assets at amortized cost		(19,860,705)	(3,844)
Payment for purchases of financial assets at fair value through OCI		(45,171,763)	(250,190,493)
Proceeds from selling financial assets at fair value through OCI		27,087,151	203,196,606
Net cash generated from (used in) investing activities		**(32,238,089)**	**(43,389,468)**

Separate cash flow (Cont.)

For the year ended December 31, 2022

	Notes	Dec. 31, 2022	Dec. 31, 2021
			EGP Thousands
Cash flow from financing activities			
Other loans	28	2,838,193	(2,606,164)
Dividends paid		(4,410,322)	(1,360,652)
Issued debt instruments		899,344	1,557,263
Capital increase		122,716	-
Net cash generated from (used in) financing activities		**(550,069)**	**(2,409,553)**
Net (decrease) increase in cash and cash equivalent during the year		32,003,244	(15,073,348)
Beginning balance of cash and cash equivalent		60,891,899	75,965,247
Cash and cash equivalent at the end of the year		**92,895,143**	**60,891,899**
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	47,384,574	43,385,222
Due from banks	16	133,815,430	80,031,726
Treasury bills and other governmental notes	17	59,146,824	41,579,504
Obligatory reserve balance with CBE	15	(40,414,752)	(38,016,793)
Due from banks with maturities more than three months		(47,241,335)	(23,801,430)
Treasury bills with maturity more than three months		(59,795,598)	(42,286,330)
Total cash and cash equivalent		**92,895,143**	**60,891,899**

Separate statement of changes in shareholders' equity

For the year ended December 31, 2021

EGP Thousands

Dec. 31, 2021	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Total
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	14,906	3,970,987	6,423	10,477,611	1,064,648	59,404,626
Capital increase	4,925,605	-	(4,925,605)	-	-	-	-	-	-	-
Transferred to reserves	-	514,939	8,420,479	-	1,094	-	-	(8,936,512)	-	-
Dividend paid	-	-	-	-	-	-	-	(1,360,652)	-	(1,360,652)
Net profit of the year	-	-	-	-	-	-	-	13,420,385	-	13,420,385
Transferred to RE from financial assets at fair value through comprehensive income	-	-	-	-	-	(177,488)	-	177,488	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	(3,060,702)	-	-	-	(3,060,702)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	2,718	(2,718)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	(93,566)	-	-	-	(93,566)
Cost of employees stock ownership plan (ESOP)	-	-	-	-		-	-	-	609,744	609,744
Ending balance	**19,702,418**	**3,293,074**	**28,260,532**	**1,549,445**	**16,000**	**639,231**	**9,141**	**13,783,935**	**1,674,392**	**68,928,168**

Separate statement of changes in shareholders' equity

for the year ended December 31, 2022

EGP Thousands

Dec. 31, 2022	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Total
Beginning balance	19,702,418	3,293,074	28,260,532	1,549,445	16,000	639,231	9,141	13,783,935	1,674,392	68,928,168
Capital increase	10,122,716	-	(10,000,000)	-	-	-	-	-	-	122,716
Transferred to reserves	-	670,872	8,836,326	-	2,947	-	-	(9,007,223)	(502,922)	-
Dividend paid	-	-	-	-	-	-	-	(4,410,322)	-	(4,410,322)
Net profit of the year	-	-	-	-	-	-	-	16,130,360	-	16,130,360
Transferred to RE from financial assets at fair value through comprehensive income	-	-	-	-	-	(3,436)	-	3,436	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI after tax	-	-	-	-	-	(14,229,303)	-	-	-	(14,229,303)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	2,840	(2,840)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	455,047	-	-	-	455,047
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	723,965	723,965
Ending balance	**29,825,134**	**3,963,946**	**27,096,858**	**1,549,445**	**18,947**	**(13,138,461)**	**11,981**	**16,497,346**	**1,895,435**	**67,720,631**

Proposed appropriation account

for the year ended December 31, 2022

EGP Thousands

	Dec. 31, 2022	Dec. 31, 2021
Net profit after tax	16,130,360	13,420,385
Deduct:		
Profits selling property, plant and equipment transferred to capital reserve according to the law	(2,208)	(2,947)
Bank risk reserve	(3,249)	(2,840)
Available net profit for distributing	**16,124,903**	**13,414,598**
Added		
Retained Earnings beginning balance	363,550	177,729
Transferred to retained earnings	3,436	185,821
Total	**16,491,889**	**13,778,148**
To be distributed as follows:		
Legal reserve	806,408	670,872
General reserve	11,579,607	8,333,404
Dividends to shareholders	1,613,036	2,684,077
Staff profit sharing	1,612,490	1,341,460
Board members bonus	110,239	49,420
CIB's foundation	241,874	201,219
Support and development of banking sector fund	161,249	134,146
Retained Earnings closing balance	366,986	363,550
Total	**16,491,889**	**13,778,148**

Notes to the separate financial statements

For the year ended December 31, 2022

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 190 branches, and 21 units employing 7700 employees on the statement of financial position date.

Commercial International Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange.

Financial statements have been approved by board of directors on February 12, 2023.

2. Summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

The separate financial statements have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008 as modified by the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019. Reference is made to the Egyptian Accounting Standards for policies not specifically mentioned in the instructions of the Central Bank of Egypt, under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, financial instruments categorized at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI"). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented and are set below. Subsidiaries are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the year ended on 31 December, 2022 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are those investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Bank applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

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

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

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

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the period are translated into the Egyptian pound using the prevailing exchange rates on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held-for-trading assets and liabilities.
- Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.
- Other operating revenues (expenses) from the remaining assets and liabilities.
- Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income right The ownership of the difference in the change in the fair value (fair value reserve / financial investments at fair value through comprehensive income).

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. 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 a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition.

Financial instruments at FVTPL are initially recorded at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss. All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the bank commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories.

The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

Financial Instrument	Methods of Measurement according to Business Models		
	Amortized Cost	Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	• The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds. • 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. • Lowest sales in terms of turnover and value. • The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	• Both the collection of contractual cash flows and sales are complementary to the objective of the model. • High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	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 model objective. • Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Bank did not change its business model during the current and comparative year and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

When the financial asset is derecognized, the difference between the carrying amount of the financial asset and the total of the consideration received in other comprehensive income is recognized in profit or loss.

Gain / Loss recognized in other comprehensive income in respect of investment securities in equity securities is not recognized in profit or loss on disposal of such securities.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6. Offsetting financial instruments
Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

Agreements of repos & reverse repos are shown by the net in the financial statement in treasury bills and other governmental notes.

2.7. Derivative financial instruments and hedge accounting
Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement unless the Bank chooses to designate the hybrid contract as at fair value through net trading income through profit and loss.

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

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge)
- Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.7.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit and loss immediately together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit and loss in 'net trading income'.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit and loss from that date using the effective interest method.

2.7.2. Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value, in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

2.8. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period 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 represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.
- When calculated interest for corporate are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.9. Fee and commission income

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

Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities and the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement.

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

2.10. Dividend income

Dividends are recognized in the income statement when the right to collect it is declared.

2.11. Sale and repurchase agreements

Securities may be lent or sold according to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased according to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

Investment property

The investment property represents lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore do not include real estate assets which the Bank is carrying out its operations through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with property and equipment.

2.12. Property and equipment

Lands and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits 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 period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings	20 years.
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and safes	3/5 years.
Calculators and air-conditions	5 years
Vehicles	3/5 years
Computers and core systems	3 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.13. Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. 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. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Assets are tested for impairment with reference to the lowest level of cash generating unit(s). A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that the original impairment not been recognized.

2.13.1. Goodwill

Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement. Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.13.2 Other intangible assets

The intangible assets other than goodwill and computer programs (trademarks, licenses, contracts for benefits, the benefits of contracting with clients).

Other intangible assets that are acquired by the Bank are recognized at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized and tested for impairment.

2.14. Leases

The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value. The other leases contracts are considered operating leases contracts.

2.14.1. Being lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.14.2. Being lessor

For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the period. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.15. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.16. Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation on the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.17. Share based payments

The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions, performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments on the date of grant. On each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund
Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obliged to pay to the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian accounting standards.

2.18. Income tax
Income tax on the profit and loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable on the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable on the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.19. Borrowings
Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost also any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.20. Dividends
Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.21. Comparatives
Comparative figures have been adjusted to conform with changes in the presentation of the current period where necessary.

2.22. Non-current assets held for sale
A non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

(a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
(b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

(a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
(b) Presented separately on the face of the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.23. Discontinued operation
Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) Represents a separate major line of business or geographical area of operations,
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

Important Accounting Estimates, and Judgements in Applying Accounting Policies
The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The bank used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were CBE key interest rate, GDP growth rate, Foreign currency index and Inflation rate. In addition to these assumptions, unemployment rate has been used for the retail sector.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP 1,188,080 thousand as of 31 December 2022 (31 December 2021: by EGP 664,882 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP 1,179,558 thousand as of 31 December 2022 (31 December 2021: by EGP 654,793 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP 1,530,366 thousand at 31 December 2022 (31 December 2021: increase or decrease of EGP 716,600 thousand).

Credit exposure on revolving credit facilities. For certain loan facilities, the bank's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the bank's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the bank measures ECLs over the period that the bank is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The bank applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the bank becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the bank applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The bank considered historical information and experience about: (a) the period over which the bank is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the bank segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period using, for Corporate and Business Banking: transition in risk ratings, delinquency status, industry and restructured status and for retail: watch list, individual profile, restructured status, and delinquency status. The bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1. Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly.

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

Bank's rating	description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

3.1.1.2. Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses.

The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2. Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral

The Bank sets a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

3.1.2.2. Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

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

3.1.2.3. Clearing house

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

3.1.2.4. Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

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

3.1.3. Impairment and provisioning policies

The internal rating system described in Note 3.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred on the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

	December 31, 2022		December 31, 2021	
Bank's rating	Loans and advances (%)	Impairment provision (%)	Loans and advances (%)	Impairment provision (%)
1-Performing loans	78.41	22.93	77.82	18.97
2-Regular watching	15.05	25.12	11.91	22.03
3-Watch list	1.73	12.81	5.14	14.89
4-Non-Performing loans	4.81	39.14	5.13	44.11

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collective impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies loans and advances based on more detailed subgroups in accordance with instructions for the implementation of the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance with EAS. That excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE Rating	Categorization	Provision%	Internal rating	Categorization
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 watching
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

3.1.5. Maximum exposure to credit risk before collateral held

		EGP Thousands
In balance sheet items exposed to credit risk	Dec. 31, 2022	Dec. 31, 2021
Cash and balances at the central bank	47,384,574	43,385,222
Due from banks	133,766,196	79,991,287
Gross loans and advances to banks	2,988,410	314,334
Less: ECL	(10,213)	(2,118)
Gross loans and advances to customers		
Individual:		
- Overdraft	2,123,198	1,264,767
- Credit cards	7,636,331	5,716,197
- Personal loans	40,137,967	31,608,307
- Mortgages	3,389,908	2,474,181
Corporate:		
- Overdraft	42,468,290	29,171,025
- Direct loans	78,030,082	49,757,774
- Syndicated loans	44,722,871	43,062,028
- Other loans	124,453	33,489
Unamortized bills discount	(678,795)	(68,410)
Unamortized syndicated loans discount	(221,018)	(312,682)
ECL	(24,402,014)	(17,875,739)
Suspended credit account	(709,985)	(65,129)
Derivative financial instruments	1,939,961	225,376
Financial investments:		
-Debt instruments	236,120,516	212,027,556
Other assets (Accrued revenues)	11,437,147	8,938,356
Total	**626,247,879**	**489,645,821**
Off balance sheet items exposed to credit risk		
Financial guarantees	8,977,208	5,807,379
Customers acceptances	3,482,249	3,211,139
Letters of credit (import and export)	8,464,457	5,537,277
Letter of guarantee	123,040,556	82,899,079
Total	**143,964,470**	**97,454,874**

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2022, before taking into account any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.
As shown above, 31.23% of the total maximum exposure is derived from loans and advances to banks and customers against 29.63% on December 31, 2021, while investments in debt instruments represent 37.70% against 43.30% on December 31, 2021.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both the bank's loans and advances portfolio and debt instruments based on the following:

- 93.45% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system against 89.74% on December 31, 2021
- Loans and advances assessed individualy are valued EGP 10,663,438 thousand against EGP 8,375,085 thousand on December 31, 2021
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2022.
- 89.73% of the investments in debt Instruments are Egyptian sovereign instruments against 94.83% on December 31, 2021.

3.1.6. Loans and advances

Loans and advances are summarized as follows:

	Dec.31, 2022 EGP Thousands		Dec.31, 2021 EGP Thousands	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Gross Loans and advances	**218,633,100**	**2,988,410**	**163,087,768**	**314,334**
Less:				
ECL	24,402,014	10,213	17,875,739	2,118
Unamortized bills discount	678,795	-	68,410	-
Unamortized syndicated loans discount	221,018	-	312,682	-
Suspended credit account	709,985	-	65,129	-
Net	**192,621,288**	**2,978,197**	**144,765,808**	**312,216**

Impairment provision losses for loans and advances reached EGP 24,412,227 thousand.

During the year, the Bank's total loans and advances increased by 35.63%

In order to minimize the probable exposure to credit risk, the Bank focuses more on the business with large enterprises or banks or retail customers with good credit rating or sufficient collateral.

Total balances of loans and facilities to customers divided by stages:

				EGP Thousands
Dec.31, 2022	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Individuals	47,271,035	5,241,042	775,327	53,287,404
Institutions and Business Banking	90,991,045	64,466,540	9,888,111	165,345,696
Total	**138,262,080**	**69,707,582**	**10,663,438**	**218,633,100**

Expected credit losses for loans and facilities to customers divided by stages:

EGP Thousands

Dec.31, 2022	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
Individuals	1,023,758	171,630	386,953	1,582,341
Institutions and Business Banking	2,605,958	11,044,132	9,169,583	22,819,673
Total	**3,629,716**	**11,215,762**	**9,556,536**	**24,402,014**

Loans, advances and expected credit losses to banks divided by stages:

EGP Thousands

Dec.31, 2022	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Time and term loans	-	2,988,410	-	2,988,410
Expected credit losses	-	(10,213)	-	(10,213)
Net	-	**2,978,197**	-	**2,978,197**

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

EGP Thousands

Dec.31, 2022	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	84,304,802	45,046,087	5,636,373	134,987,262
Expected credit losses	(3,560,010)	(1,443,926)	(1,670,378)	(6,674,314)
Net	**80,744,792**	**43,602,161**	**3,965,995**	**128,312,948**

Total balances of loans and facilities divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Individuals	36,509,635	3,893,211	660,606	41,063,452
Institutions and Business Banking	64,835,799	49,474,038	7,714,479	122,024,316
Total	**101,345,434**	**53,367,249**	**8,375,085**	**163,087,768**

Expected credit losses for loans and facilities to customers divided by stages :

EGP Thousands

Dec.31, 2021	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Total
Individuals	825,814	90,037	257,071	1,172,922
Institutions and Business Banking	1,475,220	7,597,957	7,629,640	16,702,817
Total	**2,301,034**	**7,687,994**	**7,886,711**	**17,875,739**

Loans and advances and expected credit losses to banks divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Time and term loans	-	314,334	-	314,334
Expected credit losses	-	(2,118)	-	(2,118)
Net	-	**312,216**	-	**312,216**

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

EGP Thousands

Dec.31, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Total
Facilities and guarantees	60,535,590	30,943,446	168,459	91,647,495
Expected credit losses	(1,923,569)	(1,113,857)	(165,893)	(3,203,319)
Net	**58,612,021**	**29,829,589**	**2,566**	**88,444,176**

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

EGP Thousands

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
Performing loans (1-5)	1%-11%	2,040,754	2,522,526	-	4,563,280
Regular watching (6)	11%-22%	565,204	5,394,713	-	5,959,917
Watch list (7)	22%-38%	-	3,126,893	1,203	3,128,096
Non-performing loans (8-10)	100%	-	-	9,168,380	9,168,380

Individual Loans:

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
					EGP Thousands
Performing loans (1-5)	(1% - 9%)	1,023,758	-	-	1,023,758
Regular watching (6)	(10% <)	-	171,629	-	171,629
Watch list (7)	(10% <)	-	1	-	1
Non-performing loans (8-10)	100%	-	-	386,953	386,953

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: lifetime	Stage 3: lifetime	Total
					EGP Thousands
Performing loans (1-5)	1%-11%	81,251,018	42,257,778	-	123,508,796
Regular watching (6)	11%-22%	9,740,027	18,365,641	-	28,105,668
Watch list (7)	22%-38%	-	3,843,121	1,203	3,844,324
Non-performing loans (8-10)	100%	-	-	9,886,908	9,886,908

Individual Loans:

Dec.31, 2022	"Scope of probability of default (PD)"	Stage 1: 12 months	"Stage 2: lifetime	Stage 3: lifetime	Total
					EGP Thousands
Performing loans (1-5)	(1% - 9%)	47,271,035	-	-	47,271,035
Regular watching (6)	(10% <)	-	5,241,005	-	5,241,005
Watch list (7)	(10% <)	-	37	-	37
Non-performing loans (8-10)	100%	-	-	775,327	775,327

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
					EGP Thousands
Performing loans (1-5)	1%-11%	1,060,743	1,502,072	-	2,562,815
Regular watching (6)	11%-22%	414,477	3,523,422	-	3,937,899
Watch list (7)	22%-38%	-	2,572,463	-	2,572,463
Non-performing loans (8-10)	100%	-	-	7,629,640	7,629,640

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
					EGP Thousands
Performing loans (1-5)	(1% - 9%)	825,708	-	-	825,708
Regular watching (6)	(10% <)	106	-	-	106
Watch list (7)	(10% <)	-	90,037	-	90,037
Non-performing loans (8-10)	100%	-	-	257,071	257,071

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: lifetime	Stage 3: lifetime	Total
					EGP Thousands
Performing loans (1-5)	1%-11%	58,562,710	31,794,540	-	90,357,250
Regular watching (6)	11%-22%	6,273,089	13,177,317	-	19,450,406
Watch list (7)	22%-38%	-	4,502,181	-	4,502,181
Non-performing loans (8-10)	100%	-	-	7,714,479	7,714,479

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: 12 months	Stage 2: lifetime	Stage 3: lifetime	Total
					EGP Thousands
Performing loans (1-5)	(1% - 9%)	36,491,332	-	-	36,491,332
Regular watching (6)	(10% <)	18,303	-	-	18,303
Watch list (7)	(10% <)	-	3,893,211	-	3,893,211
Non-performing loans (8-10)	100%	-	-	660,606	660,606

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

Dec.31, 2022				EGP Thousands
Due from banks	**Stage 1: 12 months**	**Stage 2: Life time**	**Stage 3: Life time**	**Total**
Credit rating				
Performing loans	112,079,974	-	-	112,079,974
Regular watching	15,639,858	6,095,598	-	21,735,456
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**127,719,832**	**6,095,598**	**-**	**133,815,430**
Less: ECL	(38,726)	(10,508)	-	(49,234)
Net	**127,681,106**	**6,085,090**	**-**	**133,766,196**

Dec.31, 2022				EGP Thousands
Individual Loans:	**Stage 1: 12 months**	**Stage 2: Life time**	**Stage 3: Life time**	**Total**
Credit rating				
Performing loans	47,271,035	-	-	47,271,035
Regular watching	-	5,241,005	-	5,241,005
Watch list	-	37	-	37
Non-performing loans	-	-	775,327	775,327
Total	**47,271,035**	**5,241,042**	**775,327**	**53,287,404**
Less: ECL	(1,023,758)	(171,630)	(386,953)	(1,582,341)
Net	**46,247,277**	**5,069,412**	**388,374**	**51,705,063**

Dec.31, 2022				EGP Thousands
Corporate and Business Banking loans:	**Stage 1: 12 months**	**Stage 2: Life time**	**Stage 3: Life time**	**Total**
Credit rating				
Performing loans	81,251,018	42,257,778	-	123,508,796
Regular watching	9,740,027	18,365,641	-	28,105,668
Watch list	-	3,843,121	1,203	3,844,324
Non-performing loans	-	-	9,886,908	9,886,908
Total	**90,991,045**	**64,466,540**	**9,888,111**	**165,345,696**
Less: ECL	(2,605,958)	(11,044,132)	(9,169,583)	(22,819,673)
Net	**88,385,087**	**53,422,408**	**718,528**	**142,526,023**

Dec.31, 2022				EGP Thousands
Debt Instruments at Fair value through OCI	**Stage 1: 12 months**	**Stage 2: Life time**	**Stage 3: Life time**	**Total**
Credit rating				
Performing loans	162,694,379	-	-	162,694,379
Regular watching	39,247,384	-	-	39,247,384
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**201,941,763**	**-**	**-**	**201,941,763**
Less: ECL	(979,945)	-	-	(979,945)
Net	**200,961,818**	**-**	**-**	**200,961,818**

Dec.31, 2022				EGP Thousands
Debt Instruments at Fair value through OCI	**Stage 1: 12 months**	**Stage 2: Life time**	**Stage 3: Life time**	**Total**
Credit rating				
Performing loans	31,022,180	-	-	31,022,180
Regular watching	3,227,477	-	-	3,227,477
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**34,249,657**	**-**	**-**	**34,249,657**
Less: ECL	(70,904)	-	-	(70,904)
Net	**34,178,753**	**-**	**-**	**34,178,753**

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

Dec.31, 2021				EGP Thousands
Due from banks	**Stage 1 12 months**	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Credit rating				
Performing loans	64,753,349	-	-	64,753,349
Regular watching	9,328,349	5,950,028	-	15,278,377
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**74,081,698**	**5,950,028**	**-**	**80,031,726**
Less: ECL	(19,725)	(20,714)	-	(40,439)
Net	**74,061,973**	**5,929,314**	**-**	**79,991,287**

Dec.31, 2021				EGP Thousands
Individual Loans:	**Stage 1 12 months**	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Credit rating				
Performing loans	36,491,332	-	-	36,491,332
Regular watching	18,303	-	-	18,303
Watch list	-	3,893,211	-	3,893,211
Non-performing loans	-	-	660,606	660,606
Total	**36,509,635**	**3,893,211**	**660,606**	**41,063,452**
Less: ECL	(825,814)	(90,037)	(257,071)	(1,172,922)
Net	**35,683,821**	**3,803,174**	**403,535**	**39,890,530**

Dec.31, 2021				EGP Thousands
Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	58,562,710	31,794,540	-	90,357,250
Regular watching	6,273,089	13,177,317	-	19,450,406
Watch list	-	4,502,181	-	4,502,181
Non-performing loans	-	-	7,714,479	7,714,479
Total	**64,835,799**	**49,474,038**	**7,714,479**	**122,024,316**
Less: ECL	(1,475,220)	(7,597,957)	(7,629,640)	(16,702,817)
Net	**63,360,579**	**41,876,081**	**84,839**	**105,321,499**

Dec.31, 2021				EGP Thousands
Debt Instruments at Fair value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	162,348,216	-	-	162,348,216
Regular watching	27,900,153	60,420	-	27,960,573
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**190,248,369**	**60,420**	**-**	**190,308,789**
Less: ECL	(515,177)	(9,721)	-	(524,898)
Net	**189,733,192**	**50,699**	**-**	**189,783,891**

Dec.31, 2021				EGP Thousands
Debt Instruments at amortized cost	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total
Credit rating				
Performing loans	20,257,778	-	-	20,257,778
Regular watching	62,102	-	-	62,102
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**20,319,880**	**-**	**-**	**20,319,880**
Less: ECL	(1,113)	-	-	(1,113)
Net	**20,318,767**	**-**	**-**	**20,318,767**

The following table shows changes in balances and expected ECL between the beginning and end of the year as a result of these factors:

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	19,725	13,637,868	20,714	5,950,028	-	-	40,439	19,587,896
New financial assets purchased or issued	-	-	10,508	6,095,598	-	-	10,508	6,095,598
Matured or disposed financial assets	(13)	(1,794,847)	(20,714)	(5,950,028)	-	-	(20,727)	(7,744,875)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	19,014	7,755,781	-	-	-	-	19,014	7,755,781
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Ending balance	**38,726**	**19,598,802**	**10,508**	**6,095,598**	**-**	**-**	**49,234**	**25,694,400**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Individual Loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	825,814	36,509,635	90,037	3,893,211	257,071	660,606	1,172,922	41,063,452
Impairment during the year	197,944	10,761,400	81,593	1,347,831	252,753	342,147	532,290	12,451,378
Write off during the year	-	-	-	-	(227,426)	(227,426)	(227,426)	(227,426)
Recoveries	-	-	-	-	104,555	-	104,555	-
Ending balance	**1,023,758**	**47,271,035**	**171,630**	**5,241,042**	**386,953**	**775,327**	**1,582,341**	**53,287,404**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Corporate and Business Banking loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	1,475,220	64,835,799	7,597,957	49,474,038	7,629,640	7,714,479	16,702,817	122,024,316
New financial assets purchased or issued	802,625	32,959,069	2,079,329	36,314,543	458	1,832	2,882,412	69,275,444
Matured or disposed financial assets	(524,184)	(20,483,290)	(603,531)	(12,192,794)	(672,361)	(672,361)	(1,800,076)	(33,348,445)
Transferred to stage 1	73,793	1,600,991	(107,449)	(1,548,020)	-	-	(33,656)	52,971
Transferred to stage 2	(27,535)	(847,716)	84,153	804,374	-	-	56,618	(43,342)
Transferred to stage 3	(5,598)	(9,999)	(5,988)	(10,821)	11,586	20,820	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	735,920	12,588,940	(3,513,270)	(11,918,776)	(218,783)	3,809,026	(2,996,133)	4,479,190
Changes to model assumptions and methodology	17,200	347,251	2,311,624	3,543,996	-	-	2,328,824	3,891,247
Recoveries	-	-	-	-	9,662	-	9,662	-
Write off during the year	-	-	-	-	(985,685)	(985,685)	(985,685)	(985,685)
Cumulative foreign currencies translation differences	58,517	-	3,201,307	-	3,395,066	-	6,654,890	-
Ending balance	**2,605,958**	**90,991,045**	**11,044,132**	**64,466,540**	**9,169,583**	**9,888,111**	**22,819,673**	**165,345,696**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at Fair value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	515,177	38,705,150	9,721	60,420	-	-	524,898	38,765,570
New financial assets purchased or issued	520,393	35,776,294	-	-	-	-	520,393	35,776,294
Matured or disposed financial assets	(134,647)	(13,695,129)	(2,736)	(33,409)	-	-	(137,383)	(13,728,538)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	79,022	1,404,878	(6,985)	(27,011)	-	-	72,037	1,377,867
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**979,945**	**62,191,193**	-	-	-	-	**979,945**	**62,191,193**

Dec.31, 2022	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at amortized cost	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2022	1,113	62,102	-	-	-	-	1,113	62,102
New financial assets purchased or issued	68,040	4,343,672	-	-	-	-	68,040	4,343,672
Matured or disposed financial assets	-	-	-	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	1,751	149,186	-	-	-	-	1,751	149,186
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**70,904**	**4,554,960**	-	-	-	-	**70,904**	**4,554,960**

The following table shows changes in expected ECL losses between the beginning and end of the year as a result of these factors:

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2021	23,331	10,010,027	-	-	-	-	23,331	10,010,027
New financial assets purchased or issued	106	4,223,077	20,714	5,950,028	-	-	20,820	10,173,105
Matured or disposed financial assets	(4,149)	(1,051,335)	-	-	-	-	(4,149)	(1,051,335)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	437	456,099	-	-	-	-	437	456,099
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Ending balance	**19,725**	**13,637,868**	**20,714**	**5,950,028**	-	-	**40,439**	**19,587,896**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Individual Loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2021	705,482	34,674,902	22,779	942,359	348,551	576,361	1,076,812	36,193,622
Impairment during the year	120,332	1,834,733	67,258	2,950,852	127,500	84,245	315,090	4,869,830
Write off during the year	-	-	-	-	(298,324)	-	(298,324)	-
Recoveries	-	-	-	-	79,344	-	79,344	-
Ending balance	**825,814**	**36,509,635**	**90,037**	**3,893,211**	**257,071**	**660,606**	**1,172,922**	**41,063,452**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Corporate and Business Banking loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2021	1,395,756	50,379,160	8,756,070	43,777,483	5,167,111	5,253,737	15,318,937	99,410,380
New financial assets purchased or issued	890,002	34,867,587	1,302,089	21,224,578	-	-	2,192,091	56,092,165
Matured or disposed financial assets	(596,491)	(21,806,244)	(491,306)	(9,393,503)	(2,101)	(2,104)	(1,089,898)	(31,201,851)
Transferred to stage 1	8,894	1,047,109	(19,190)	(850,025)	-	-	(10,296)	197,084
Transferred to stage 2	(53,010)	(2,060,262)	92,677	1,765,014	(409)	(5,490)	39,258	(300,738)
Transferred to stage 3	(2,810)	(2,810)	(2,362,535)	(2,553,001)	2,544,757	2,546,806	179,412	(9,005)
"Changes in the probability of default and loss in case of default and the exposure at default"	(92,931)	2,767,260	(267,130)	(5,083,109)	(84,053)	(74,184)	(444,114)	(2,390,033)
Changes to model assumptions and methodology	(72,404)	(356,001)	652,276	586,601	-	-	579,872	230,600
Recoveries	-	-	-	-	45,431	80	45,431	80
Write off during the year	-	-	-	-	(4,366)	(4,366)	(4,366)	(4,366)
Cumulative foreign currencies translation differences	(1,786)	-	(64,994)	-	(36,730)	-	(103,510)	-
Ending balance	**1,475,220**	**64,835,799**	**7,597,957**	**49,474,038**	**7,629,640**	**7,714,479**	**16,702,817**	**122,024,316**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at Fair value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2021	619,398	38,390,014	-	-	-	-	619,398	38,390,014
New financial assets purchased or issued	218,711	19,682,229	9,721	60,420	-	-	228,432	19,742,649
Matured or disposed financial assets	(174,668)	(14,134,503)	-	-	-	-	(174,668)	(14,134,503)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	(148,264)	(5,232,590)	-	-	-	-	(148,264)	(5,232,590)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**515,177**	**38,705,150**	**9,721**	**60,420**	-	-	**524,898**	**38,765,570**

Dec.31, 2021	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Debt Instruments at amortized cost	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2021	179	64,151	-	-	-	-	179	64,151
New financial assets purchased or issued	-	-	-	-	-	-	-	-
Matured or disposed financial assets	-	-	-	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	934	(2,049)	-	-	-	-	934	(2,049)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**1,113**	**62,102**	-	-	-	-	**1,113**	**62,102**

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies are based on indicators 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. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the year:

Loans and advances to	Dec.31, 2022 EGP Thousands	Dec.31, 2021 EGP Thousands
Corporate		
- Direct loans	17,200,504	10,903,602
Total	17,200,504	10,903,602

3.1.7. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the year:

Dec.31, 2022					EGP Thousands
Amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	34,178,753	-	-	-	34,178,753
Not rated	-	-	-	-	-
Total	**34,178,753**	-	-	-	**34,178,753**

Dec.31, 2022					EGP Thousands
Fair value through OCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	201,941,763	-	-	-	201,941,763
Not rated	-	-	-	-	-
Total	**201,941,763**	-	-	-	**201,941,763**

The following table shows the analysis of expected credit losses of financial investments by rating agencies at the end of the year:

Dec.31, 2022					EGP Thousands
Fair value through OCI & Amortized cost	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	1,050,849	-	-	-	1,050,849
Not rated	-	-	-	-	-
Total	**1,050,849**	-	-	-	**1,050,849**

The following table represents an analysis of financial investment balances by rating agencies at the end of the year:

Dec.31, 2021					EGP Thousands
Amortized cost	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	20,318,767	-	-	-	20,318,767
Not rated	-	-	-	-	-
Total	**20,318,767**	-	-	-	**20,318,767**

Dec.31, 2021					EGP Thousands
Fair value through OCI	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	191,708,789	-	-	-	191,708,789
Not rated	-	-	-	-	-
Total	**191,708,789**	-	-	-	**191,708,789**

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the year:

Dec.31, 2021					EGP Thousands
Fair value through OCI & Amortized cost	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	526,011	-	-	-	526,011
Not rated	-	-	-	-	-
Total	**526,011**	-	-	-	**526,011**

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

Dec.31, 2022	Cairo	Alex, Delta and Sinai	Upper Egypt	EGP Thousands Total
Cash and balances at the central bank	47,384,574	-	-	47,384,574
Due from banks	133,766,196	-	-	133,766,196
Gross loans and advances to banks	2,988,410	-	-	2,988,410
Less: ECL	(10,213)	-	-	(10,213)
Gross loans and advances to customers				
Individual:				
- Overdrafts	1,521,716	484,127	117,355	2,123,198
- Credit cards	6,055,217	1,350,346	230,768	7,636,331
- Personal loans	28,450,184	9,686,336	2,001,447	40,137,967
- Mortgages	3,214,291	155,751	19,866	3,389,908
Corporate:				
- Overdrafts	38,178,016	2,445,098	1,845,176	42,468,290
- Direct loans	49,270,448	21,609,304	7,150,330	78,030,082
- Syndicated loans	40,991,638	3,690,909	40,324	44,722,871
- Other loans	86,102	38,351	-	124,453
Unamortized bills discount	(626,118)	(52,677)	-	(678,795)
Unamortized syndicated loans discount	(221,018)	-	-	(221,018)
ECL	(17,917,734)	(4,293,898)	(2,190,382)	(24,402,014)
Suspended credit account	(709,985)	-	-	(709,985)
Derivative financial instruments	1,939,961	-	-	1,939,961
Financial investments:				
-Debt instruments	**236,120,516**	-	-	**236,120,516**
Total	**570,482,201**	**35,113,647**	**9,214,884**	**614,810,732**
Total as at December 31, 2021	**447,760,432**	**24,763,857**	**6,783,176**	**479,307,465**

3.1.8.2. Industry sectors

The following table analyses the Group's main credit exposure at their book value categorized by the Bank's customers activities.

Dec.31, 2022	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	EGP Thousands Total
Cash and balances at the central bank	47,384,574	-	-	-	-	-	-	47,384,574
Due from banks	133,766,196	-	-	-	-	-	-	133,766,196
Gross loans and advances to banks	2,988,410	-	-	-	-	-	-	2,988,410
Less: ECL	(10,213)	-	-	-	-	-	-	(10,213)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	2,123,198	2,123,198
- Credit cards	-	-	-	-	-	-	7,636,331	7,636,331
- Personal loans	-	-	-	-	-	-	40,137,967	40,137,967
- Mortgages	-	-	-	-	-	-	3,389,908	3,389,908
Corporate:								
- Overdrafts	4,275,540	18,429,802	2,556,722	2,342,611	2,812,073	12,051,542	-	42,468,290
- Direct loans	3,479,434	34,221,667	5,933,475	1,503,355	9,870,662	23,021,489	-	78,030,082
- Syndicated loans	195,717	5,567,719	1,388,809	-	35,261,257	2,309,369	-	44,722,871
- Other loans	-	124,453	-	-	-	-	-	124,453
Unamortized bills discount	(41,973)	(5,207)	-	-	-	(631,615)	-	(678,795)
Unamortized syndicated loans discount	-	-	-	-	-	(221,018)	-	(221,018)
ECL	(178,914)	(6,423,480)	(31,355)	(201,242)	(1,591,565)	(14,393,117)	(1,582,341)	(24,402,014)
Suspended credit account	-	(224,754)	-	(39,814)	-	(445,417)	-	(709,985)
Derivative financial instruments	1,939,961	-	-	-	-	-	-	1,939,961
Financial investments:								
-Debt instruments	24,247,956	-	-	-	211,872,560	-	-	236,120,516
Total	**218,046,688**	**51,690,200**	**9,847,651**	**3,604,910**	**258,224,987**	**21,691,233**	**51,705,063**	**614,810,732**
Total as at December 31, 2021	**138,237,284**	**39,949,403**	**6,463,548**	**2,693,760**	**238,525,699**	**13,547,241**	**39,890,530**	**479,307,465**

3.2. Market risk

Market Risks represent the potential losses resulting from unfavorable movements in market prices that may negatively affect the values of the bank's investment positions linked to the bank's balance sheet as a whole, which in turn affects the bank's profitability and its capital base. These investments are represented in debt instruments, stocks, or investment funds,in addition to the currency exchange rate risks. Market risk results from open positions of the rate of return, currencies, and equity products, as each of them is exposed to general and specific risks in the market and changes in the level of sensitivity to market rates or to prices such as interest rates, exchange rates and prices of equity instruments.

The bank distinguishes between the trading Book portfolio and the Banking Book portfolio in measuring market risks, as the trading portfolio includes instruments held for the purpose of resale or taken by the bank to benefit in the short term from the actual or expected difference between the buying and selling prices or benefiting from any changes that may occur in the return rates and any other prices that affect the trading portfolio, in addition to the financial derivative positions used for the purpose of hedging The banking book portfolio for non-trading purposes includes instruments acquired that are salable or held until settlement dates and managing the return rate of assets and liabilities.

As part of market risk management, the bank performs several hedging strategies, as well as entering into interest rate swap contracts in order to balance the risk associated with debt instruments and long-term loans. Periodic reports on market risks are submitted to the Board of Directors and the members of the Assets and Liabilities Committee (ALCO).

3.2.1. Market risk measurement techniques

3.2.1.1. 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.

VaR 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 (1 Day). The Bank assesses the historical movements in the market prices based on volatilities and correlations. The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

3.2.1.2. Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

3.2.2. Value at risk (VaR) Summary

EGP Thousands

	Last 12 months ended 31/12/2022			Last 12 months ended 31/12/2021		
Total VaR by risk type	**Medium**	**High**	**Low**	**Medium**	**High**	**Low**
Foreign exchange risk	12,300	84,183	117	3,250	8,850	82
Interest rate risk	154,140	257,980	79,399	221,819	295,649	142,776
- For non trading purposes	154,140	257,980	79,399	221,343	295,172	142,300
- For trading purposes	-	-	-	476	477	476
Portfolio managed by others risk	323	8,739	-	11,199	20,381	7,875
Total VaR	**157,529**	**256,962**	**86,401**	**221,475**	**297,562**	**139,539**

EGP Thousands

	Last 12 months ended 31/12/2022			Last 12 months ended 31/12/2021		
Trading portfolio VaR by risk type	**Medium**	**High**	**Low**	**Medium**	**High**	**Low**
Foreign exchange risk	12,300	84,183	117	3,250	8,850	82
Interest rate risk	-	-	-	476	477	476
- For trading purposes	-	-	-	476	477	476
Portfolio managed by others risk	323	8,739	-	11,199	20,381	7,875
Total VaR	**12,469**	**84,183**	**117**	**11,910**	**20,648**	**8,091**

EGP Thousands

	Last 12 months ended 31/12/2022			Last 12 months ended 31/12/2021		
Non trading portfolio VaR by risk type	**Medium**	**High**	**Low**	**Medium**	**High**	**Low**
Interest rate risk						
- For non trading purposes	154,140	257,980	79,399	221,343	295,172	142,300
Total VaR	**154,140**	**257,980**	**79,399**	**221,343**	**295,172**	**142,300**

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risks.

3.2.3. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

Equivalent EGP Thousands

Dec.31, 2022	EGP	USD	EUR	GBP	Other	Total
Financial assets						
Cash and balances at the central bank	43,731,595	2,522,658	374,936	98,009	657,376	47,384,574
Gross due from banks	54,000,686	67,687,556	10,604,195	1,377,109	145,884	133,815,430
Gross loans and advances to banks	-	2,971,244	17,166	-	-	2,988,410
Gross loans and advances to customers	154,601,767	59,265,548	4,601,198	21,862	142,725	218,633,100
Derivative financial instruments	1,263,846	676,115	-	-	-	1,939,961
Financial investments						
Gross financial investment securities	198,400,016	35,857,708	2,908,158	-	-	237,165,882
Investments in associates and subsidiaries	353,459	159,828	-	-	560,963	1,074,250
Total financial assets	**452,351,369**	**169,140,657**	**18,505,653**	**1,496,980**	**1,506,948**	**643,001,607**
Financial liabilities						
Due to banks	529,455	2,896,603	24,014	10,403	15,373	3,475,848
Due to customers	369,143,365	143,885,102	15,151,492	1,416,250	528,696	530,124,905
Derivative financial instruments	219,752	-	-	-	-	219,752
Issued debt instruments	-	2,456,607	-	-	-	2,456,607
Other loans	57,795	7,874,520	46,660	-	-	7,978,975
Total financial liabilities	**369,950,367**	**157,112,832**	**15,222,166**	**1,426,653**	**544,069**	**544,256,087**
Net on-balance sheet financial position	**82,401,002**	**12,027,825**	**3,283,487**	**70,327**	**962,879**	**98,745,520**
Total financial assets as of December 31, 2021	**387,395,353**	**104,537,787**	**9,982,733**	**436,909**	**984,061**	**503,336,843**
Total financial liabilities as of December 31, 2021	**312,369,153**	**91,907,672**	**8,252,212**	**1,114,797**	**283,151**	**413,926,985**
Net on-balance sheet financial position as of December 31, 2021	**75,026,200**	**12,630,115**	**1,730,521**	**(677,888)**	**700,910**	**89,409,858**

3.2.4. Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise.The Board sets limits on the gaps of interest rate repricing that may be undertaken,which is monitored by the bank's Risk Management Department.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

Dec.31, 2022	Up to1 Month	1-3 Months	3-12 Months	1-5 years	Over 5 years	Non-Interest Bearing	Total
Financial assets							
Cash and balances at the central bank	-	-	-	-	-	47,384,574	47,384,574
Gross due from banks	111,930,079	16,166,348	247,434	3,711,510	-	1,760,059	133,815,430
Gross loans and advances to banks	14,896	2,478,646	494,868	-	-	-	2,988,410
Gross loans and advances to customers	140,783,311	24,213,863	17,295,939	30,022,694	6,317,293	-	218,633,100
Derivatives financial instruments (including IRS notional amount)	248,981	7,510,826	3,084,681	10,674,503	364,150	-	21,883,141
Financial investments							
Gross financial investment securities*	33,114,328	25,287,628	73,350,149	68,719,984	35,954,684	739,109	237,165,882
- Investments in associates and subsidiaries	-	-	-	-	-	1,074,250	1,074,250
Total financial assets	286,091,595	75,657,311	94,473,071	113,128,691	42,636,127	50,957,992	662,944,787
Financial liabilities							
Due to banks	1,093,665	-	-	-	-	2,382,183	3,475,848
Due to customers	233,163,082	55,135,505	54,029,714	91,793,400	1,256,315	94,746,889	530,124,905
Derivatives financial instruments (including IRS notional amount)	215,085	12,524,827	-	4,948,680	2,474,340	-	20,162,932
Issued debt instruments	-	-	-	2,456,607	-	-	2,456,607
Other loans	645,713	7,228,886	103,851	525	-	-	7,978,975
Total financial liabilities	**235,117,545**	**74,889,218**	**54,133,565**	**99,199,212**	**3,730,655**	**97,129,072**	**564,199,267**
Total interest re-pricing gap	**50,974,050**	**768,093**	**40,339,506**	**13,929,479**	**38,905,472**	**(46,171,080)**	**98,745,520**
Total financial assets as of December 31, 2021	**162,453,786**	**54,838,878**	**61,100,900**	**116,632,210**	**68,816,790**	**46,551,077**	**510,393,641**
Total financial liabilities as of December 31, 2021	**189,466,367**	**56,030,298**	**22,776,489**	**82,265,545**	**5,334,366**	**65,110,718**	**420,983,783**
Total interest re-pricing gap as of December 31, 2021	**(27,012,581)**	**(1,191,420)**	**38,324,411**	**34,366,665**	**63,482,424**	**(18,559,641)**	**89,409,858**

** After adding Reverse repos and deducting Repos.*

3.3. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn.

The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management Organization and Measurement Tools

Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee (BRC) subject to provisions of Treasury Poilcy Guide (TPG).

Board Risk Committee (BRC): Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the Board of Directors (BoD) through periodic reports submitted by the Risk Group. The committee makes recommendations to the BoD with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management,various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

Asset & Liability Committee (ALCO): Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/ reward guidelines approved by the BoD.

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group.

The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained strong and well above regulatory requirements.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile. CIB will continue with its robust Liability strategy with reliance on customer deposits (stable funding) as the main contributor of total liabilities, and low dependency on the Wholesale Funding. CIB has ample level of High Quality Liquid Assets (HQLA) based on its LCY & FCY Sovereign Portfolio investments, which positively reflects the Bank's solid Liquidity Ratios and Basel III LCR & NSFR ratios, with a large buffer maintained above the Regulatory ratios requirements.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- 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 periods for liquidity management. The starting point for those
- projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. 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 by currency, provider,product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

EGP Thousands

Dec.31, 2022	Up to1 Month	One to three Month	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	3,558,584	-	-	-	-	3,558,584
Due to customers	45,738,828	65,858,750	167,856,018	282,414,105	11,079,361	572,947,062
Issued debt instruments	8,161	15,531	72,392	2,697,474	-	2,793,558
Other loans	821,482	338,609	971,984	6,158,164	1,787,943	10,078,182
Total liabilities (contractual and non contractual maturity dates)	**50,127,055**	**66,212,890**	**168,900,394**	**291,269,743**	**12,867,304**	**589,377,386**
Total financial assets (contractual and non contractual maturity dates)	**147,046,643**	**103,639,656**	**142,239,730**	**272,824,348**	**113,525,774**	**779,276,151**

EGP Thousands

Dec.31, 2021	Up to1 Month	One to three Month	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	862,900	-	-	-	-	862,900
Due to customers	39,302,745	49,117,538	102,346,120	233,913,982	11,297,587	435,977,972
Issued debt instruments	5,183	9,865	45,982	1,710,259	-	1,771,289
Other loans	24,582	35,991	565,035	2,786,390	1,859,862	5,271,860
Total liabilities (contractual and non contractual maturity dates)	**40,195,410**	**49,163,394**	**102,957,137**	**238,410,631**	**13,157,449**	**443,884,021**
Total financial assets (contractual and non contractual maturity dates)	**62,672,993**	**79,471,591**	**96,491,039**	**246,470,098**	**124,616,469**	**609,722,190**

The disclosed figures cannot be compared with the corresponding items in the financial statements, as they include the principal amount and related interest.

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government 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 and other governmental notes 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.

3.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date will be settled on a net basis. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP Thousands

Dec.31, 2022	Up to1 Month	One to three Month	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
Foreign exchange derivatives	215,085	4,667	-	-	-	219,752
Interest rate derivatives	-	-	-	-	-	-
Total	215,085	4,667	-	-	-	219,752
Total as of Dec. 31, 2021	**78,177**	**36,288**	**63,027**	**11,409**	**76,364**	**265,265**

Off balance sheet items

EGP Thousands

Dec.31, 2022	Up to 1 year	1-5 years	Over 5 years	Total
Letters of credit, guarantees and other commitments	78,169,263	46,408,459	10,409,540	134,987,262
Total	**78,169,263**	**46,408,459**	**10,409,540**	**134,987,262**
Total as of Dec. 31, 2021	**56,113,839**	**27,311,828**	**8,221,828**	**91,647,495**

EGP Thousands

Dec.31, 2022	Up to 1 year	1-5 years	Total
Credit facilities commitments	1,818,133	5,259,267	7,077,400
Total	**1,818,133**	**5,259,267**	**7,077,400**
Total as of Dec. 31, 2021	**3,229,408**	**4,490,950**	**7,720,358**

3.4. Fair value of financial assets and liabilities

3.4.1. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	Book value		Fair value	
	Dec.31, 2022	Dec.31, 2021	Dec.31, 2022	Dec.31, 2021
Financial assets				
Due from banks	133,815,430	80,031,726	134,581,524	80,459,411
Gross loans and advances to banks	2,988,410	314,334	2,988,410	314,334
Gross loans and advances to customers	218,633,100	163,087,768	218,020,891	163,388,858
Financial investments:				
Financial Assets at Amortized cost	34,249,657	20,318,767	33,490,533	21,074,139
Total financial assets	**389,686,597**	**263,752,595**	**389,081,358**	**265,236,742**
Financial liabilities				
Due to banks	3,475,848	862,759	3,476,025	832,976
Due to customers	530,124,905	406,100,916	533,139,722	408,645,667
Issued debt instruments	2,456,607	1,571,670	2,461,042	1,574,487
Other loans	7,978,975	5,140,782	7,981,357	5,124,531
Total financial liabilities	**544,036,335**	**413,676,127**	**547,058,146**	**416,177,661**

The fair value is considered in the previous note from the second and third level in accordance with the fair value standard

Due from banks

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of floating interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the assets and liabilities according to EAS.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 2022:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

"The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:"

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- "Level 3 - Unobservable inputs for the asset or liability.

There is no transfer between levels"

EGP Thousands

Dec.31, 2022	Date of Valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair Value through P&L	31-Dec-22	-	-	-	-
Financial Assets at Fair Value through OCI	31-Dec-22	202,916,225	141,343,096	61,573,129	-
Total		**202,916,225**	**141,343,096**	**61,573,129**	-
Derivative financial instruments					
Financial assets	31-Dec-22	1,939,961	-	-	1,939,961
Financial liabilities	31-Dec-22	219,752	-	-	219,752
Total		**2,159,713**	-	-	**2,159,713**
Assets for which fair values are disclosed:					
Financial Assets at Amortized cost	31-Dec-22	33,490,533	-	33,490,533	-
Loans and advances to banks	31-Dec-22	2,988,410	-	-	2,988,410
Loans and advances to customers	31-Dec-22	218,020,891	-	-	218,020,891
Total		**254,499,834**	-	**33,490,533**	**221,009,301**
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-22	2,461,042	-	2,461,042	-
Other loans	31-Dec-22	7,981,357	-	7,981,357	-
Due to customers	31-Dec-22	533,139,722	-	-	533,139,722
Total		**543,582,121**	-	**10,442,399**	**533,139,722**

EGP Thousands

Dec.31, 2021	Date of Valuation	Total	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-21	240,987	240,987	-	-
Financial Assets at Fair value through OCI	31-Dec-21	192,390,931	147,525,260	44,865,671	-
Total		**192,631,918**	**147,766,247**	**44,865,671**	-
Derivative financial instruments					
Financial assets	31-Dec-21	225,376	-	-	225,376
Financial liabilities	31-Dec-21	265,265	-	-	265,265
Total		**490,641**	-	-	**490,641**
Assets for which fair values are disclosed:					
Financial Assets at Amortized cost	31-Dec-21	21,074,139	-	21,074,139	-
Loans and advances to banks	31-Dec-21	314,334	-	-	314,334
Loans and advances to customers	31-Dec-21	163,388,858	-	-	163,388,858
Total		**184,777,331**	-	**21,074,139**	**163,703,192**
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-21	1,574,487	-	1,574,487	-
Other loans	31-Dec-21	5,124,531	-	5,124,531	
Due to customers	31-Dec-21	408,645,667	-	-	408,645,667
Total		**415,344,685**	-	**6,699,018**	**408,645,667**

Fair value of financial assets and liabilities

Loans and advances to banks

Loans and advances to banks are represented in loans that do not consider bank placing. The expected fair value of the loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and advances to customers

Loans and advances are net of ECL. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Financial Investments

Investment securities include only interest-bearing assets, financial assets at amortized cost, and fair value through OCI.

Fair value for amortized cost assets is based on market prices.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on emand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity date.

3.5 Capital management

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

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of 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 the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.The required data is submitted to the Central Bank of Egypt on a monthly basis.

Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid up capital has reached EGP 29.8 billion.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer.

Tier one:

Tier one comprises of paid-in capital (after deducting the book value of treasury shares), retained earnings and reserves resulting from the distribution of profits except the banking risk reserve, interim profits and deducting previously recognized goodwill and any retained losses

Tier two:

Tier two represents the gone concern capital which is compposed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities ,subordinated loans with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for the investments in subsidiaries and associates.

When calculating the numerator of capital adequacy ratio, the rules set limits of total tier 2 to no more than tier 1 capital and also limits the subordinated to no more than 50% of tier1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into considration the cash collatrals. Similar criteria are used for off balance sheet items after applying conversion factors to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of tier 1, tier 2 , the capital adequacy ratio and leverage ratio .

		EGP Thousands
1-The capital adequacy ratio	**Dec.31, 2022**	**Dec.31, 2021**
Tier 1 capital		
Share capital	29,825,134	19,702,418
Goodwill	(96,268)	(137,525)
Reserves	21,337,273	34,911,381
Retained Earnings (Losses)	261,557	409,540
Total deductions from tier 1 capital common equity	(297,397)	(774,839)
Net profit for the year	12,364,059	8,862,295
Total qualifying tier 1 capital	**63,394,358**	**62,973,270**
Tier 2 capital		
Subordinated Loans	7,874,520	4,583,403
Impairment provision for loans and regular contingent liabilities	3,712,734	2,422,497
Total qualifying tier 2 capital	**11,587,254**	**7,005,900**
Total capital 1+2	**74,981,612**	**69,979,170**
Risk weighted assets and contingent liabilities		
Total credit risk	298,496,606	194,072,666
Total market risk	1,648,310	3,309,278
Total operational risk	27,697,003	36,976,287
Cross border over limit	3,072,997	-
Total	**330,914,916**	**234,358,231**
***Capital adequacy ratio (%)**	**22.66%**	**29.86%**

**Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.*

		EGP Thousands
2-Leverage ratio	**Dec.31, 2022**	**Dec.31, 2021**
Total qualifying tier 1 capital	**63,394,358**	**62,973,270**
On-balance sheet items & derivatives	641,042,272	496,620,360
Off-balance sheet items	86,762,583	60,131,413
Total exposures	**727,804,855**	**556,751,773**
*Percentage	8.71%	11.31%

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2022 NSFR ratio record 229% (LCY 239% and FCY 208%), and LCR ratio record 1086% (LCY 1291% and FCY 297%).
For December 2021 NSFR ratio record 247% (LCY 282% and FCY 170%), and LCR ratio record 817% (LCY 902% and FCY 304%).

3. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information. Uncertainty about these assumptions and estimates could result in outcomes that require adjustments to the carrying amount of assets or liabilities affected in future periods.

3.1. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically 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. For practicality purposes, 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.

4. Segment analysis

4.1. By business segment

The Bank is divided into four main business segments on a worldwide basis:

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- Investment – incorporating financial instruments Trading, structured financing, Corporate leasing,and merger and acquisitions advice.
- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Assets and liabilities management –Including other banking business.

Transactions between the business segments are on normal commercial terms and conditions.

EGP Thousands

Dec.31, 2022	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment *	11,453,726	3,201,847	7,921,871	10,099,915	5,144,825	37,822,184
Expenses according to business segment	**(7,843,953)**	**(1,491,815)**	**(260,929)**	**(4,159,728)**	**(3,379)**	**(13,759,804)**
Profit before tax	3,609,773	1,710,032	7,660,942	5,940,187	5,141,446	24,062,380
Income tax	(1,189,940)	(563,702)	(2,525,384)	(1,958,147)	(1,694,847)	(7,932,020)
Profit for the year	**2,419,833**	**1,146,330**	**5,135,558**	**3,982,040**	**3,446,599**	**16,130,360**
Total assets	**157,661,395**	**6,819,154**	**242,610,969**	**52,321,365**	**174,230,182**	**633,643,065**
Total liabilities	**238,123,577**	**67,995,672**	**-**	**251,469,542**	**8,333,643**	**565,922,434**

Represents the net interest income and other income.

Dec.31, 2021	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment	8,053,028	1,875,155	6,017,750	7,770,667	5,084,438	28,801,038
Expenses according to business segment	(5,169,931)	(1,078,834)	(196,406)	(3,353,199)	(21,783)	(9,820,153)
Profit before tax	2,883,097	796,321	5,821,344	4,417,468	5,062,655	18,980,885
Income tax	(844,611)	(233,284)	(1,705,378)	(1,294,109)	(1,483,118)	(5,560,500)
Profit for the year	2,038,486	563,037	4,115,966	3,123,359	3,579,537	13,420,385
Total assets at 31 December 2021	**117,069,828**	**3,193,320**	**218,237,747**	**40,130,705**	**118,019,524**	**496,651,124**
Total liabilities at 31 December 2021	**154,506,533**	**41,819,783**	**-**	**225,968,424**	**5,428,216**	**427,722,956**

5. By geographical segment

EGP Thousands

Dec.31, 2022	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	32,576,631	4,486,973	758,580	37,822,184
Expenses according to geographical segment	(12,056,448)	(1,547,224)	(156,132)	(13,759,804)
Profit before tax	**20,520,183**	**2,939,749**	**602,448**	**24,062,380**
Income tax	(6,764,356)	(969,071)	(198,593)	(7,932,020)
Profit for the year	**13,755,827**	**1,970,678**	**403,855**	**16,130,360**
Total assets	**587,259,106**	**36,636,416**	**9,747,543**	**633,643,065**
Total liabilities	**439,739,096**	**107,081,685**	**19,101,653**	**565,922,434**

EGP Thousands

Dec.31, 2021	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	25,106,782	3,109,072	585,184	28,801,038
Expenses according to geographical segment	(7,913,612)	(1,636,433)	(270,108)	(9,820,153)
Profit before tax	**17,193,170**	**1,472,639**	**315,076**	**18,980,885**
Income tax	(5,036,785)	(431,413)	(92,302)	(5,560,500)
Profit for the year	**12,156,385**	**1,041,226**	**222,774**	**13,420,385**
Total assets at 31 December 2021	**462,978,485**	**26,469,030**	**7,203,609**	**496,651,124**
Total liabilities at 31 December 2021	**327,782,449**	**86,074,347**	**13,866,160**	**427,722,956**

6. Net interest income

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Interest and similar income		
- Banks	5,343,062	5,224,008
- Clients	19,761,116	13,099,664
Total	**25,104,178**	**18,323,672**
Treasury bills and bonds	28,719,891	25,628,523
Repos	-	16,413
Debt instruments at fair value through OCI and AC	1,618,199	976,837
Total	55,442,268	44,945,445
Interest and similar expense	-	
- Banks	(194,524)	(123,098)
- Clients	(23,696,097)	(19,426,946)
Total	**(23,890,621)**	**(19,550,044)**
Repos	(165,895)	(160,143)
Other loans	(473,246)	(319,008)
Issued debt instruments	(76,679)	(28,740)
Total	**(24,606,441)**	**(20,057,935)**
Net interest income	**30,835,827**	**24,887,510**

7. Net fee and commission income

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Fee and commission income		
Fee and commissions related to credit	1,874,660	1,397,003
Custody fee	241,455	175,697
Other fee	3,426,728	2,464,255
Total	**5,542,843**	**4,036,955**
Fee and commission expense		
Other fee paid	(2,477,342)	(1,654,671)
Total	**(2,477,342)**	**(1,654,671)**
Net income from fee and commission	**3,065,501**	**2,382,284**

8. Dividend income

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Financial assets at fair value through P&L	1,600	7,003
Financial assets at fair value through OCI	50,811	52,722
Subsidiaries and associates	9,815	24,975
Total	**62,226**	**84,700**

9. Net trading income

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Profit (Loss) from foreign exchange transactions	1,611,099	689,511
Profit (Loss) from forward foreign exchange deals revaluation	715,023	(9,243)
Profit (Loss) from interest rate swaps revaluation	482	(3,053)
Profit (Loss) from currency swap deals revaluation	421,130	14,876
Profit (Loss) from financial assets at fair value through P&L	(5,880)	4,647
Total	**2,741,854**	**696,738**

10. Administrative expenses

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Staff costs		
Wages and salaries	(3,613,680)	(3,172,250)
Social insurance	(157,565)	(138,036)
Other benefits	(214,640)	(147,685)
Other administrative expenses *	(3,191,365)	(2,638,250)
Total	**(7,177,250)**	**(6,096,221)**

**The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.*

11. Other operating (expenses) income

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Profits (losses) from revaluation of non-trading assets and liabilities by FCY	(1,089,939)	(16,629)
Profits of selling property and equipment	2,208	2,947
Release (charges) of other provisions	(1,856,002)	(411,126)
Other income/expenses	(2,126,814)	(1,556,285)
Total	**(5,070,547)**	**(1,981,093)**

12. Impairment release (charges) for credit losses

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Loans and advances to customers	(978,374)	(1,753,908)
Due from banks impairment provision	(8,795)	(17,108)
Financial securities	(524,838)	93,566
Total	**(1,512,007)**	**(1,677,450)**

13. Adjustments to calculate the effective tax rate

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Profit before tax	24,062,380	18,980,885
Tax rate	22.50%	22.50%
Income tax based on accounting profit	**5,414,036**	**4,270,699**
Add / (Deduct)		
Non-deductible expenses	3,989,395	2,329,342
Tax exemptions	(6,345,343)	(4,547,108)
Withholding tax	4,873,932	3,507,567
Income and Deferred tax	**7,932,020**	**5,560,500**
Effective tax rate	**32.96%**	**29.30%**

14. Earning per share

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Net profit for the year, available for distribution	16,124,903	13,414,598
Board member's bonus	(110,239)	(49,420)
Staff profit sharing	(1,612,490)	(1,341,460)
Profits attributable to shareholders	**14,402,174**	**12,023,718**
Weighted average number of shares	2,982,513	2,982,513
Basic earning per share	**4.83**	**4.03**
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	3,010,523	3,010,523
Diluted earning per share	**4.78**	**3.99**

15.Cash and balances at the central bank

	EGP Thousands Dec.31, 2022	Dec.31, 2021
Cash	6,969,822	5,368,429
Obligatory reserve balance with CBE		
- Current accounts	40,414,752	38,016,793
Total	**47,384,574**	**43,385,222**
Non-interest bearing balances	**47,384,574**	**43,385,222**

16.Due from banks

	EGP Thousands Dec.31, 2022	Dec.31, 2021
Current accounts	2,911,660	2,706,161
Deposits	130,903,770	77,325,565
Expected credit losses	(49,234)	(40,439)
Total	**133,766,196**	**79,991,287**
Central banks	86,443,811	51,720,551
Local banks	25,772,861	13,293,580
Foreign banks	21,549,524	14,977,156
Total	**133,766,196**	**79,991,287**
Non-interest bearing balances	1,760,059	1,411,821
Floating interest bearing balances	12,212,601	9,413,404
Fixed interest bearing balances	119,793,536	69,166,062
Total	**133,766,196**	**79,991,287**
Current balances	130,054,686	77,633,782
Non-Current balances	3,711,510	2,357,505
Total	**133,766,196**	**79,991,287**

Due from banks

	EGP Thousands Dec.31, 2022 Stage 1	Dec.31, 2022 Stage 2
Gross due from banks	127,719,832	6,095,598
Expected credit losses	(38,726)	(10,508)
Net due from banks	**127,681,106**	**6,085,090**

	EGP Thousands Dec.31, 2021 Stage 1	Dec.31, 2021 Stage 2
Gross due from banks	74,081,698	5,950,028
Expected credit losses	(19,725)	(20,714)
Net due from banks	**74,061,973**	**5,929,314**

17.Treasury bills and other governmental notes

	EGP Thousands Dec.31, 2022	Dec.31, 2021
91 Days maturity	10,575	550
182 Days maturity	656,150	84,175
273 Days maturity	7,515,700	4,280,875
364 Days maturity	54,502,250	40,248,662
Unearned interest	(2,878,502)	(2,327,382)
Total	**59,806,173**	**42,286,880**
Repos - treasury bills	(659,349)	(707,376)
Net	**59,146,824**	**41,579,504**

Governmental bonds

	EGP Thousands Dec.31, 2022 Financial Assets at Fair Value through OCI	Dec.31, 2021 Financial Assets at Fair Value through OCI
Governmental bonds	123,585,955	142,702,951
Repo	(3,711,489)	(3,536,336)
Net	**119,874,466**	**139,166,615**

18.Loans and advances to banks, net

	EGP Thousands Dec.31, 2022	Dec.31, 2021
Time and term loans	2,988,410	314,334
ECL	(10,213)	(2,118)
Net	**2,978,197**	**312,216**
Current balances	2,978,197	312,216
Net	**2,978,197**	**312,216**

Analysis for ECL of loans and advances to banks

	EGP Thousands Dec.31, 2022	Dec.31, 2021
Beginning balance	(2,118)	(9,625)
Released (charged) during the year	(8,095)	7,507
Ending balance	**(10,213)**	**(2,118)**

19.Loans and advances to customers, net

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Individual		
- Overdraft	2,123,198	1,264,767
- Credit cards	7,636,331	5,716,197
- Personal loans	40,137,967	31,608,307
- Mortgage loans	3,389,908	2,474,181
Total 1	**53,287,404**	**41,063,452**
Corporate		
- Overdraft	42,468,290	29,171,025
- Direct loans	78,030,082	49,757,774
- Syndicated loans	44,722,871	43,062,028
- Other loans	124,453	33,489
Total 2	**165,345,696**	**122,024,316**
Total Loans and advances to customers (1+2)	218,633,100	163,087,768
Less:		
Unamortized bills discount	(678,795)	(68,410)
Unamortized syndicated loans discount	(221,018)	(312,682)
ECL	(24,402,014)	(17,875,739)
Suspended credit account	(709,985)	(65,129)
Net loans and advances to customers	**192,621,288**	**144,765,808**
Distributed to		
Current balances	99,866,973	63,924,184
Non-current balances	92,754,315	80,841,624
Total	**192,621,288**	**144,765,808**

Analysis of the expected credit losses on loans and advances to customers by type during the year was as follows:

EGP Thousands

	Dec.31, 2022				
Individual Loans:	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
Beginning balance	(6,520)	(305,006)	(811,871)	(49,525)	(1,172,922)
Released (charged) during the year	1,243	(19,585)	(500,991)	(12,957)	(532,290)
Written off during the year	2,190	52,918	172,195	123	227,426
Recoveries during the year	(419)	(50,317)	(53,819)	-	(104,555)
Ending balance	(3,506)	(321,990)	(1,194,486)	(62,359)	(1,582,341)

	Dec.31, 2022				
Corporate and Business Banking loans:	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
Beginning balance	(1,648,574)	(10,866,452)	(4,180,996)	(6,795)	(16,702,817)
Released (charged) during the year	(221,934)	(993,452)	779,409	(2,012)	(437,989)
Written off during the year	5,145	980,540	-	-	985,685
Recoveries during the year	-	(9,662)	-	-	(9,662)
foreign currencies translation differences	(637,251)	(4,278,944)	(1,738,695)	-	(6,654,890)
Ending balance	**(2,502,614)**	**(15,167,970)**	**(5,140,282)**	**(8,807)**	**(22,819,673)**

EGP Thousands

	Individual				
Dec.31, 2021	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
Beginning balance	(9,559)	(242,278)	(762,850)	(62,125)	(1,076,812)
Released (charged) during the year	(32)	(124,535)	(203,123)	12,600	(315,090)
Write off during the year	3,072	100,263	194,989	-	298,324
Recoveries during the year	(1)	(38,456)	(40,887)	-	(79,344)
Ending balance	**(6,520)**	**(305,006)**	**(811,871)**	**(49,525)**	**(1,172,922)**

	Corporate				
Dec.31, 2021	**Overdrafts**	**Credit cards**	**Personal loans**	**Mortgages**	**Total**
Beginning balance	(1,319,514)	(10,533,928)	(3,459,950)	(5,545)	(15,318,937)
Released (charged) during the year	(336,595)	(364,747)	(743,733)	(1,250)	(1,446,325)
Write off during the year	-	4,366	-	-	4,366
Recoveries during the year	(80)	(45,351)	-	-	(45,431)
foreign currencies translation differences	7,615	73,208	22,687	-	103,510
Ending balance	**(1,648,574)**	**(10,866,452)**	**(4,180,996)**	**(6,795)**	**(16,702,817)**

20. Derivative financial instruments

20.1. Derivatives

The Bank uses the following financial derivatives for non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (Off balance sheet). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

20.1.1. **For trading derivatives**

EGP Thousands

	Dec.31, 2022			Dec.31, 2021		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Foreign currencies derivatives						
- Forward foreign exchange contracts	9,886,585	823,287	218,296	11,069,167	68,089	178,122
- Currency swap	3,945,268	440,559	1,456	3,502,055	28,753	10,779
Total (1)		**1,263,846**	**219,752**		**96,842**	**188,901**

20.1.2. **Fair value hedge**

EGP Thousands

	Dec.31, 2022			Dec.31, 2021		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives						
Interest rate derivatives	19,943,180	676,115	-	7,056,798	128,534	76,364
Total (2)		**676,115**	**-**		**128,534**	**76,364**
Total financial derivatives (1+2)		**1,939,961**	**219,752**		**225,376**	**265,265**

20.2. Hedging derivatives

Fair value hedge

The Bank uses interest rate swap contracts to cover part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 676,115 thousand at the end of December 31, 2022 against EGP 52,170 thousand at December 31, 2021, resulting in profits from hedging instruments at December 31, 2022 of EGP 623,945 thousand against profits of EGP 36,792 thousand at December 31, 2021. Profits arose from the hedged items at December 31, 2022 reached EGP 13,191 thousand against Profits EGP 146,227 thousand at December 31, 2021.

21. Movement of financial investment securities:

	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost
Beginning balance	147,646,432	25,020,917
Addition	250,190,493	3,844
Disposals	(202,464,081)	(4,705,849)
Profit (losses) from fair value difference	(2,964,797)	-
Exchange revaluation differences for foreign financial assets	(17,116)	(145)
Ending Balance as of Dec.31, 2021	**192,390,931**	**20,318,767**

	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost
Beginning balance	192,390,931	20,318,767
Addition	45,171,763	19,790,914
Disposals	(25,933,245)	(6,738,937)
Profit (losses) from fair value difference	(15,383,080)	-
Exchange revaluation differences for foreign financial assets	6,669,856	808,009
Ending Balance as of Dec.31, 2022	**202,916,225**	**34,178,753**

21. Financial investments securities

EGP Thousands

	Dec.31, 2022			
	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	119,874,466	32,851,270	152,725,736
Securitized bonds	-	19,536,994	-	19,536,994
Equity instruments	-	257,586	-	257,586
Portfolio managed by others	-	-	-	-
Sukuk	-	1,674,050	-	1,674,050
Investments not listed in the market				
Treasury bills and other governmental notes	-	59,146,824	-	59,146,824
Securitized bonds	-	1,709,429	1,327,483	3,036,912
Equity instruments	-	370,174	-	370,174
Mutual funds	-	346,702	-	346,702
Total	-	**202,916,225**	**34,178,753**	**237,094,978**

EGP Thousands

	Dec.31, 2021			
	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial Assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	139,166,615	20,318,767	159,485,382
Securitized bonds	-	6,788,005	-	6,788,005
Equity instruments	-	170,640	-	170,640
Portfolio managed by others	240,987	-	-	240,987
Sukuk		1,400,000		1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	41,579,504	-	41,579,504
Securitized bonds	-	2,774,665	-	2,774,665
Equity instruments	-	246,823	-	246,823
Mutual funds	-	264,679	-	264,679
Total	**240,987**	**192,390,931**	**20,318,767**	**212,950,685**

Classification and measurement of financial assets and financial liabilities:
The following table shows the financial assets and the net financial liabilities according to the business model classification:

Dec.31, 2022	Amortized cost	Debt financial Assets at Fair value through OCI	Equity financial Assets at Fair value through OCI	Financial Assets/ Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	47,384,574	-	-	-	47,384,574
Due from banks	133,766,196	-	-	-	133,766,196
Treasury bills	-	59,146,824	-	-	59,146,824
Loans and advances to customers, net	192,621,288	-	-	-	192,621,288
Loans and advances to banks, net	2,978,197	-	-	-	2,978,197
Derivative financial instruments	-	-	-	1,939,961	1,939,961
Financial Assets at Fair value through OCI	-	142,794,939	974,462	-	143,769,401
Amortized cost	34,178,753	-	-	-	34,178,753
Total 1	**410,929,008**	**201,941,763**	**974,462**	**1,939,961**	**615,785,194**
Due to banks	3,475,848	-	-	-	3,475,848
Due to customers	530,124,905	-	-	-	530,124,905
Derivative financial instruments	-	-	-	219,752	219,752
Issued debt instruments	2,456,607	-	-	-	2,456,607
Other loans	7,978,975	-	-	-	7,978,975
Other Provisions	7,065,292	-	-	-	7,065,292
Total 2	**551,101,627**	-	-	**219,752**	**551,321,379**

21.1. Profits (Losses) on financial investments

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Profit (Loss) from selling FVOCI financial instruments	1,116,776	702,776
Released (Impairment) charges of investments in associates	-	(18,359)
Total	**1,116,776**	**684,417**

22. Investments in associates and subsidiaries

EGP Thousands

Dec.31, 2022	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
Subsidiaries							
- CVenture Capital	Egypt	213,108	31,133	8,562	(4,491)	159,828	99.99
- Damietta shipping & marine services	Egypt	51,293	1,995	27,512	25,087	97,991	49.95
- Mayfair Bank	Kenya	2,578,754	1,680,198	237,289	74,739	560,963	51.00
- Commercial International for Finance	Egypt	-	-	-	-	59,900	99.83
Associates							
-TCA Properties	Egypt	1,511,066	1,251,615	21,503	(72,446)	158,360	37.00
- Al Ahly Computer	Egypt	42,494	19,534	50,892	(188)	23,108	39.34
- Fawry Plus	Egypt	187,036	100,492	127,246	42,413	14,100	14.99
- International Co. for Security and Services (Falcon)	Egypt	779,891	833,180	356,164	(146,617)	-	30.00
Total		**5,363,642**	**3,918,147**	**829,168**	**(81,503)**	**1,074,250**	

EGP Thousands

Dec.31, 2021	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
Subsidiaries							
- CVenture Capital	Egypt	143,491	1,806	1,386	(2,674)	159,828	99.99
- Damietta shipping & marine services	Egypt	28,346	1,999	2,132	411	97,991	49.95
- Mayfair Bank	Kenya	1,860,020	1,250,661	95,361	4,918	560,963	51.00
Associates							
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	65,623	37,788	51,796	3,945	23,108	39.34
- Fawry Plus	Egypt	124,845	97,088	76,903	14,473	14,100	14.99
- International Co. for Security and Services (Falcon)	Egypt	1,084,916	791,149	509,571	(931)	-	30.00
Total		**3,307,241**	**2,180,491**	**737,149**	**20,142**	**1,014,350**	

23. Other assets

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Accrued revenues	11,437,147	8,938,356
Prepaid expenses	562,736	421,083
Advances to purchase of fixed assets	1,339,496	1,134,366
Accounts receivable and other assets*	981,940	528,559
Assets acquired as settlement of debts	124,098	153,423
Insurance	49,647	45,130
Gross	14,495,064	11,220,917
Impairment of other assets	(40,196)	(79,000)
Net	**14,454,868**	**11,141,917**

**A provision with amount EGP 277 million has been released.*

This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in any other asset category.

24. Property and equipment

EGP Thousands

	Dec.31, 2022							
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2022 (1)	64,709	1,169,516	3,142,053	156,316	928,154	826,083	148,638	6,435,469
Additions during the year	164,960	20,121	388,207	29,236	68,913	87,264	10,186	768,887
Disposals during the year*	-	(19,404)	(15,611)	-	(16,375)	(44,862)	(3,238)	(99,490)
Cost at end of the year (2)	**229,669**	**1,170,233**	**3,514,649**	**185,552**	**980,692**	**868,485**	**155,586**	**7,104,866**
Accumulated depreciation at beginning of the year (3)	-	505,828	2,093,373	66,687	703,593	559,392	102,359	4,031,232
Depreciation for the year	-	54,974	535,072	11,523	128,069	122,745	16,228	868,611
Disposals during the year*	-	(19,404)	(15,611)	-	(16,375)	(44,862)	(3,238)	(99,490)
Accumulated depreciation at end of the year (4)	-	**541,398**	**2,612,834**	**78,210**	**815,287**	**637,275**	**115,349**	**4,800,353**
Ending net assets (2-4)	**229,669**	**628,835**	**901,815**	**107,342**	**165,405**	**231,210**	**40,237**	**2,304,513**
Beginning net assets (1-3)	**64,709**	**663,688**	**1,048,680**	**89,629**	**224,561**	**266,691**	**46,279**	**2,404,237**

Property and equipment

EGP Thousands

	Dec.31, 2021							
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2021 (1)	64,709	1,129,713	2,541,603	132,023	808,039	700,886	136,093	5,513,066
Additions during the year	-	46,193	611,641	24,293	165,597	140,810	14,372	1,002,906
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Cost at end of the year (2)	**64,709**	**1,169,516**	**3,142,053**	**156,316**	**928,154**	**826,083**	**148,638**	**6,435,469**
Accumulated depreciation at beginning of the year (3)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Current year depreciation	-	53,402	489,170	13,973	164,358	122,110	15,596	858,609
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Accumulated depreciation at end of the year (4)	-	**505,828**	**2,093,373**	**66,687**	**703,593**	**559,392**	**102,359**	**4,031,232**
Ending net assets (2-4)	**64,709**	**663,688**	**1,048,680**	**89,629**	**224,561**	**266,691**	**46,279**	**2,404,237**
Beginning net assets (1-3)	**64,709**	**670,897**	**926,209**	**79,309**	**223,322**	**247,991**	**47,503**	**2,259,940**

25. Due to banks

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Current accounts	2,672,108	666,659
Deposits	803,740	196,100
Total	**3,475,848**	**862,759**
Central banks	460,169	198,234
Local banks	45,065	5,234
Foreign banks	2,970,614	659,291
Total	**3,475,848**	**862,759**
Non-interest bearing balances	2,382,183	414,135
Floating bearing interest balances	573,860	117,516
Fixed interest bearing balances	519,805	331,108
Total	**3,475,848**	**862,759**
Current balances	**3,475,848**	**862,759**

26. Due to customers

EGP Thousands

	Dec.31, 2022	Dec.31, 2021
Demand deposits	197,874,662	134,352,996
Time deposits	105,665,409	79,212,681
Certificates of deposit	128,342,125	102,139,939
Saving deposits	91,890,264	86,405,762
Other deposits	6,352,445	3,989,538
Total	**530,124,905**	**406,100,916**
Corporate deposits	262,223,998	179,860,385
Individual deposits	267,900,907	226,240,531
Total	**530,124,905**	**406,100,916**
Non-interest bearing balances	94,746,889	64,696,583
Floating interest bearing balances	7,840,984	17,469,106
Fixed interest bearing balances	427,537,032	323,935,227
Total	**530,124,905**	**406,100,916**
Current balances	392,968,061	295,627,470
Non-current balances	137,156,844	110,473,446
Total	**530,124,905**	**406,100,916**

In 2022, Due to customers contains an amount of EGP 2,705 million representing guarantees of irrevocable commitments for documentary credits - export compared to EGP 641 million in 2021. The fair value of these deposits is approximately their present value.

27. Issued debt instruments

EGP Thousands

	Interest rate			
	Dec.31, 2022	Dec.31, 2021	Dec.31, 2022	Dec.31, 2021
Fixed rate bonds with 5 years maturity				
Green bonds (USD)	Fixed rate	Fixed rate	2,456,607	1,557,263
Total			**2,456,607**	**1,557,263**
Non current balances			**2,456,607**	**1,557,263**

28. Other loans

	Interest rate %	Loan duration	Due within one year	Dec.31, 2022	Dec.31, 2021
					EGP Thousands
CDC subordinated loan	Floating rate	10 years	-	2,644,356	1,440,063
European Bank for Reconstruction and Development (EBRD)	Floating rate	2 years	-	-	523,890
Environmental Compliance Project (ECO)	Fixed rate	3-5 years*	315	840	1,155
Agricultural Research and Development Fund (ARDF)	Fixed rate	3-5 years*	16,000	16,000	8,000
Egyptian Pollution Abatement Program (EPAP)	Floating / Fixed rate	Less than 1 year*	42,726	87,614	24,334
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	494,868	2,561,585	1,571,670
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	494,868	2,668,580	1,571,670
Balance			**1,048,777**	**7,978,975**	**5,140,782**

Interest rates on variable-interest subordinated loans are determined in advance every 3 months. Subordinated loans are not repaid before their repayment dates.

**Represents the date of loan repayment to the lending agent.*

29. Other liabilities

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Accrued interest payable	2,084,649	1,553,629
Accrued expenses	1,679,182	1,610,509
Accounts payable	7,485,262	4,717,019
Other credit balances	300,379	140,153
Total	**11,549,472**	**8,021,310**

30. Other Provisions

Dec.31, 2022	Beginning balance	Charged during the year	Exchange differences of other provisions	Net utilized / recovered during the year	Provisions no longer used	Ending balance
						EGP Thousands
Provision for legal claims**	7,184	-	656	(212)	(172)	7,456
Provision for contingent	3,203,319	2,124,981	1,346,014	-	-	6,674,314
Provision for other claim*	329,173	8,960	48,303	(2,914)	-	383,522
Total	**3,539,676**	**2,133,941**	**1,394,973**	**(3,126)**	**(172)**	**7,065,292**

Dec.31, 2021	Beginning balance	Charged during the year	Exchange differences of other provisions	Net utilized / recovered during the year	Provisions no longer used	Ending balance
						EGP Thousands
Provision for legal claims	52,604	-	857	(43,826)	(2,451)	7,184
Provision for contingent	2,928,494	309,300	(34,475)	-	-	3,203,319
Provision for other claim	240,154	72,301	18,375	(1,657)	-	329,173
Total	**3,221,252**	**381,601**	**(15,243)**	**(45,483)**	**(2,451)**	**3,539,676**

**To face the potential risk of banking operations.*
***A provision for legal cases that are expected to generate losses has been created.*

31. Equity

31.1. Capital

The authorized capital is EGP 50 billion according to the extraordinary general assembly decision on 12 June 2019.

On September 22, 2022 issued and paid in capital increased by an amount of EGP 10 Billion as free shares financed from general reserve to reach EGP 29,825,134 thousand according to ordinary general assembly meeting decision on March 30, 2021. The Commercial Register has been amended on September 4, 2022 to reflect the increase.

On March 21, 2022 issued and Paid in Capital increased by an amount of EGP 122,716 thousand to reach EGP 19,825,134 thousand, according to Ordinary General Assembly Meeting decision on March 30 ,2021, by issuance of 12th tranche for E.S.O.P program.

- Issued and Paid in Capital increased by an amount of EGP 4,925,605 thousand on August 16, 2021 to reach 19,702,418 according to Ordinary General Assembly Meeting decision on March 15 ,2020 by distribution of a one share for every three outstanding shares by capitalizing on the General Reserve.
- Issued and Paid in Capital increased by an amount of EGP 85,992 thousand on September 21 ,2020 to reach EGP 14,776,813 thousand according to Board of Directors decision on January 5, 2020 by issuance of eleventh tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 105,413 thousand on November 18,2019 to reach EGP 14,690,821 thousand according to Board of Directors decision on February 4, 2019 by issuance of tenth tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 2,917,082 thousand on February 14, 2019 to reach 14,585,408 according to Ordinary General Assembly Meeting decision on March 4 ,2018 by distribution of a one share for every four outstanding shares by capitalizing on the General Reserve.

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Authorized Capital	50,000,000	50,000,000
Issued and paid up capital	29,825,134	19,702,418
Number of shares outstanding in Thousands	2,982,513	1,970,242

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Par value per share	10	10

31.2. Reserves

According to The Bank status 5% of net profit is used to increase the legal reseve to reaches 50% of The Bank's issued and paid in capital.

Central Bank of Egypt concurrence for usage of special reserve is required.

32. Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

	EGP Thousands	
	Assets (Liabilities) Dec.31, 2022	Assets (Liabilities) Dec.31, 2021
Fixed assets (depreciation)	(48,811)	(77,116)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	335,490	183,417
Change in fair value of investments through OCI	1,057,872	(95,905)
Other Balance Sheet Revaluation	(1,591,765)	-
Other investments impairment	82,953	82,952
Reserve for employee stock ownership plan (ESOP)	426,473	376,738
Interest rate swaps revaluation	(108)	687
Trading investment revaluation	17,770	(9,480)
Forward foreign exchange deals revaluation	(255,634)	(1,267)
Balance	**24,240**	**460,026**

	EGP Thousands	
	Assets (Liabilities) Dec.31, 2022	Assets (Liabilities) Dec.31, 2021
Movement of Deferred Tax Assets and Liabilities:		
Beginning Balance	460,026	437,772
Additions / disposals through OCI	1,153,777	(95,905)
Additions / disposals through P&L	(1,589,563)	118,159
Ending Balance	**24,240**	**460,026**

33. Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date, otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting year (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest(True up model). The fair value for such equity instruments is measured using the Black-Scholes pricing model.

Details of the rights to share outstanding during the year are as follows:

	Dec.31, 2022 No. of shares in thousand	Dec.31, 2021 No. of shares in thousand
Outstanding at the beginning of the year	76,328	51,611
Granted during the year	31,177	26,491
Forfeited during the year	(2,682)	(1,774)
Exercised during the year	(12,272)	-
Outstanding at the end of the year	**92,551**	**76,328**

Details of the outstanding tranches are as follows:

Maturity date	EGP Exercise price	EGP Fair value	No. of shares in thousand
2022	10.00	37.99	16,543
2023	10.00	36.45	20,587
2024	10.00	26.34	24,840
2025	10.00	28.43	30,581
Total			**92,551**

The fair value of granted shares is calculated using Black-Scholes pricing model with the following:

	16th tranche	15th tranche
Exercise price	10	10
Current share price	42.65	52.55
Expected life (years)	3	3
Risk free rate %	14.65%	13.63%
Dividend yield%	2.50%	0.00%
Volatility%	26%	25%

Volatility is calculated based on the daily standard deviation of returns for the last five years.

34. Reserves and retained earnings

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Legal reserve	3,963,946	3,293,074
General reserve	27,096,858	28,260,532
Capital reserve	18,947	16,000
Retained earnings	16,497,346	13,783,935
Reserve for financial assets at fair value through OCI	(13,138,461)	639,231
Reserve for employee stock ownership plan	1,895,435	1,674,392
Banking risks reserve	11,981	9,141
General risk reserve	1,549,445	1,549,445
Ending balance	**37,895,497**	**49,225,750**

34.1. Banking risks reserve

	EGP Thousands	
	Dec.31, 2022	Dec.31, 2021
Beginning balance	9,141	6,423
Transferred to banking risk reserve	2,840	2,718
Ending balance	**11,981**	**9,141**

34.2. Legal reserve

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Beginning balance	3,293,074	2,778,135
Transferred to legal reserve	670,872	514,939
Ending balance	**3,963,946**	**3,293,074**

34.3. Reserve for financial assets at fair value through OCI

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Beginning balance	639,231	3,970,987
Transferred to RE from financial assets at fair value through comprehensive income	(3,436)	(177,488)
Net unrealised gain/(loss) on financial assets at fair value through OCI	(14,229,303)	(3,060,702)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	455,047	(93,566)
Ending balance	**(13,138,461)**	**639,231**

34.4. Retained earnings

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Beginning balance	13,783,935	10,477,611
Transferred to reserves	(9,007,223)	(8,936,512)
Dividend paid	(4,410,322)	(1,360,652)
Net profit of the year	16,130,360	13,420,385
Transferred (from) to banking risk reserve	(2,840)	(2,718)
Transferred from previous years' outstanding balances	-	8,333
Transferred to RE from financial assets at fair value through comprehensive income	3,436	177,488
Ending balance	**16,497,346**	**13,783,935**

34.5. Reserve for employee stock ownership plan

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Beginning balance	1,674,392	1,064,648
Transferred to reserves	(502,922)	-
Cost of employees stock ownership plan (ESOP)	723,965	609,744
Ending balance	**1,895,435**	**1,674,392**

34.6. General risk reserve

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Beginning balance	1,549,445	1,549,445
Ending balance	**1,549,445**	**1,549,445**

35. Cash and cash equivalent

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Cash and balances at the central bank	47,384,574	43,385,222
Due from banks	133,815,430	80,031,726
Treasury bills and other governmental notes	59,146,824	41,579,504
Obligatory reserve balance with CBE	(40,414,752)	(38,016,793)
Due from banks with maturities more than three months	(47,241,335)	(23,801,430)
Treasury bills with maturities more than three months	(59,795,598)	(42,286,330)
Total	**92,895,143**	**60,891,899**

36. Contingent liabilities and commitments

36.1. Legal claims

- There is a number of existing cases against the bank on Dec. 31, 2022 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created. (Note No. 30)

36.2. Capital commitments

36.2.1. Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 1,546 thousand as follows:

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	247,434	245,888	1,546

36.2.2. Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets, contracts, and branches constructions that have not been implemented till the date of the financial statements amounted to EGP 397,100 thousand against EGP 454,166 thousand in 2021.

36.3. Letters of credit, guarantees and other commitments

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Letters of guarantee	123,040,556	82,899,079
Letters of credit (import and export)	8,464,457	5,537,277
Customers acceptances	3,482,249	3,211,139
Total	**134,987,262**	**91,647,495**

36.4. Credit facilities commitments

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Credit facilities commitments	7,077,400	7,720,358

36.5. Lease commitments

The total minimum lease payments for non-cancellable operating leases are as follows:

	Dec.31, 2022	Dec.31, 2021
		EGP Thousands
Not more than one year	57,119	44,854
More than one year and less than five years	563,066	285,103
More than five years	200,824	87,380

37. Mutual funds

Osoul fund

- CIB established an accumulated return mutual fund under license no.331 issued from capital market authority on
- February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 6,978,911 with redeemed value of EGP 3,876,157 thousands.
- The market value per certificate reached EGP 555.41 on December 31, 2022.
- The Bank's portion is 237,112 certificates with a redeemed value of EGP 131,694 thousands.

Istethmar fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 300,376 with redeemed value of EGP 81,228 thousands.
- The market value per certificate reached EGP 270.42 on December 31, 2022
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 13,521 thousands.

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 308,251 with redeemed value of EGP 44,696 thousands.
- The market value per certificate reached EGP 145 on December 31, 2022.
- The Bank's portion is 32,596 certificates with a redeemed value of EGP 4,726 thousands.

Hemaya fund

- CIB bank established an accumulated return mutual fund under license no.585 issued from financial supervisory Authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 83,856 with redeemed value of EGP 27,537 thousands.
- The market value per certificate reached EGP 328.38 on December 31, 2022
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 16,419 thousands.

Thabat fund

- CIB bank established an accumulated return mutual fund under license no.613 issued from financial supervisory authority on September 13, 2011. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 330,087 with redeemed value of EGP 129,183 thousands.
- The market value per certificate reached EGP 391.36 on December 31, 2022.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 19,568 thousands.

Takamol fund

- CIB bank established an accumulated return mutual fund under license no.431 issued from financial supervisory authority on February 18, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 146,557 with redeemed value of EGP 38,226 thousands.
- The market value per certificate reached EGP 260.83 on December 31, 2022.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 13,042 thousands.

38. Transactions with related parties

All banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

38.1. Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans, advances and other assets	1,081,864
Deposits	123,560
Contingent liabilities	173,143

38.2. Other transactions with related parties

		EGP Thousands
	Income	Expenses
International Co. for Security & Services	73	215,848
CVenture Capital	740	93
Mayfair bank	790	-
Damietta shipping & marine services	2	564
Commercial International Finance Company	4	2,155
Al ahly computer	3	-
TCA Properties	138,162	-

39. Main currencies positions

		EGP Thousands
	Dec.31, 2022	Dec.31, 2021
Egyptian pound	(395,392)	(3,306,200)
US dollar	899,747	2,363,775
Sterling pound	1,124	2,050
Japanese yen	0	(1,422)
Swiss franc	109	1,136
Euro	35,891	20,209

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

40. Tax status

Corporate income tax

- Settlement of corporate income tax since the start of activity till 2018
- 2019 & 2020 examined & paid
- The yearly income tax return submitted in legal dates

Salary tax

- Settlement of salary tax since the start of activity till 2020

Stamp duty tax

- The period since the start of activity till 31/07/2006 was examined & paid, disputed points have been transferred to the court for adjudication & cases are being resolved as per Tax disputes termination law.
- The period from 01/08/2006 till 31/12/2021 was examined & paid in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

41. Other assets - net increase (decrease)

	EGP Thousands Dec.31, 2022
Total other assets by end of 2021	11,141,917
Assets acquired as settlement of debts	(153,423)
Advances to purchase of fixed assets	(1,134,366)
Total 1	**9,854,128**
Total other assets by end of year 2022	14,454,868
Assets acquired as settlement of debts	(124,098)
Advances to purchase of fixed assets	(1,339,496)
Impairment charge for other assets	(277,766)
Total 2	**12,713,508**
Change (1-2)	(2,859,380)

	EGP Thousands Dec.31, 2021
Total other assets by year end	9,095,212
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Total 1	**7,730,258**
Total other assets by year end	11,141,917
Assets acquired as settlement of debts	(153,423)
Advances to purchase of fixed assets	(1,134,366)
Impairment charge for other assets	31,975
Total 2	**9,886,103**
Change (1-2)	(2,155,845)

42. Significant events during the year

During the year, the Bank established a subsidiary company called Commercial International for Finance. The Bank holds a 99.83% ownership stake with a value of EGP 59.9 million after obtaining initial approvals from the regulatory authorities. The company's financial statements have not yet been issued as it has not yet started operating its business activities.

"The Monetary Policy Committee of the Central Bank of Egypt affirmed in its extraordinary meeting on 21 March 2022 that the Central Bank of Egypt believes in the importance of exchange rate flexibility, as global inflationary pressures began to appear again, after signs of recovery of the global economy from the turmoil caused by the Coronavirus pandemic, due to developments of the Russian-Ukrainian conflict.

To maintain the targeted inflation rates, the Central Bank of Egypt raised the overnight deposit and lending rates and the main transaction price by 100 basis points to reach 9.25%, 10.25% and 9.75%, respectively. The credit and discount rate was als raised by 100 basis points to reach 9.75%, which may affect the bank's policies in pricing current and future banking products."

On 19 May 2022, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 200 basis points to 11.25 percent, 12.25 percent, and 11.75 percent, respectively. The discount rate was also raised by 200 basis points to 11.75 percent.

On 27 October 2022, Central Bank of Egypt (CBE) has decided to intensify its reform agenda to secure macroeconomic stability and achieve strong, sustainable and inclusive growth. To this end, the CBE moved to a durably flexible exchange rate regime, leaving the forces of supply and demand to determine the value of the EGP against other foreign currencies. Furthermore, in order to uphold the CBE's mandate of ensuring price stability over the medium term, the monetary policy committee (MPC) has decided in its special meeting to raise the overnight deposit rate, the overnight lending rate, and the rate of the main operation by 200 basis points to 13.25 percent, 14.25 percent, and 13.75 percent, respectively. The dicount rate was also raised by 200 basis points to 13.75 percent.

On 22 December 2022, the Monetary Policy Committee (MPC) decided to raise the Central Bank of Egypt's (CBE) overnight deposit rate, overnight lending rate, and the rate of the main operation by 300 basis points to 16.25 percent, 17.25 percent, and 16.75 percent, respectively. The discount rate was also raised by 300 basis points to 16.75 percent.

"Based on the change in the US dollar exchange rate from 15.72 pounds per dollar to 24.74 pounds per dollar, the values of assets and liabilities of monetary nature in foreign currencies, as well as the income statement, were affected by the results of evaluating the existing currency positions at the date of the financial position. For more details, refer to notes (9 & 11)

In addition to the above, the impairment of the expected credit losses increased at the end of the year due to the increase in risks related to the borrowers' ability to pay - in light of the impact of the global and Egyptian economy as a result of the Russian-Ukrainian conflict - and its effects on the macro-economy, and micro-economy of some industries from. For more details, refer to note (3.1.6) The impact of the aforementioned status over the economic position is considered judgmental & uncertain, and management will keep assessing the current position and its related impact regularly."

Subsequent events

During 2023 CIB obtained both CBE & CBK approval for acquiring the remaining 49% of Mayfair-CIB bank to reach 100% of ownership.

During 2023 CIB BoD decided to start liquidation process for C-Ventures company, one of bank's subsidiaries.