The United Bank
(Egyptian Joint Stock Company)
Consolidated Financial Statements
as of 31 December 2021

The United Bank (an Egyptian joint stock company)

Consolidated financial statements
For the Year ended 31 December 2021

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المصرف المتحد
The United Bank
إنطلق معنا ..

Translated from the Auditors' Report originally issued in Arabic

Allied for Accounting & Auditing - EY
Public Accountants & Consultants

Accountability State Authority

AUDITORS' REPORT

To The Shareholders of The United Bank (S.A.E)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The United Bank (S.A.E), represented in the consolidated Statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in shareholders' 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 16 December 2008 as amended by the regulations, issued on 26 February 2019 and in light of the prevailing Egyptian laws and regulations. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatements, 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 Egyptian Standards on Auditing and in 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 that the financial statements are free from material misstatements.

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' professional 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 consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

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Opinion

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

Cairo: 29 June 2022

Auditors

Sherif El Kilany

Allied for Accounting & Auditing - EY
Public Accountants & Consultants

Allied for Accounting & Auditing
A Member of
Ernst & Young Global
المتضامنون للمحاسبة والمراجعة

Ahmed Mohamed Hindawy

Accountability State Authority

Translation of financial statements originaly issued in Arabic

The United Bank
(Egyptian Joint Stock Company)
consolidated Financial Position
As at 31 December 2021

	Notes	31 December 2021 L.E 000	31 December 2020 L.E 000
Assets			
Cash & balances with Central Bank of Egypt	(16)	3 186 380	3 626 689
Due from banks	(17)	24 918 219	16 343 483
Financial assets at fair value through P&L	(18)	23 694	29 986
Treasury bills at fair value through OCI	(19)	6 999 152	11 352 845
Loans & facilities to customers	(20)	17 258 976	14 001 344
Financial investments :			
Fair value through other comprehensive income	(21)	15 118 584	8 761 008
Amortized cost	(21)	165 991	862 892
Investments in associates	(22)	6 667	6 667
Intangible assets	(23)	77 936	79 062
Real estate investment	(24)	14 396	15 513
Deferred tax assets	(32)	265	131
Other assets	(25)	3 853 741	2 566 147
Fixed assets	(26)	421 205	407 394
Total assets		**72 045 206**	**58 053 161**
LIABILITIES & SHAREHOLDERS' EQUITY			
Liabilities			
Due to banks	(27)	15 738 309	10 297 184
Customers' deposits	(28)	45 089 717	37 461 813
Other Loans	(29)	451 260	506 687
Other liabilities	(30)	723 034	701 375
Other provisions	(31)	111 164	153 792
Deferred tax liabilities	(32)	109 794	46 863
Retirement benefits liabilities	(33)	44 718	41 146
Total liabilities	(15)	**62 267 996**	**49 208 860**
Shareholders' Equity			
Capital	(34)	5 000 000	3 675 000
Reserves	(C-34)	980 356	923 411
Set aside under the capital increase account		-	175 000
Retained earnings*	(H-34)	3 757 376	4 029 228
		9 737 732	**8 802 639**
minority rights		**39 478**	**41 662**
Total Shareholders' equity		**9 777 210**	**8 844 301**
Total Shareholders' equity & Liabilities		**72 045 206**	**58 053 161**

* Including net profit for the year

The accompanying Notes from No.(1) to No.(41) are an integrated part of these financial statements.

Mostafa El Daly Chief Financial officer	Farag Abdel Hamed Deputy Managing Director & Executive Board Member	Ashraf Elkady Chairman & Managing Director

Auditors' Report attached

Auditors

Sherif El-kilany E&Y allied for Accounting &Auditing Public Accountants & Consultants	Ahmed Mohamed Hendawy Accountability State Authority

Translation of financial statements originaly issued in Arabic

The United Bank
(Egyptian Joint Stock Company)
consolidated Income Statement
For the year ended 31 December 2021

	Notes	For the Year ended 31 December 2021	For the Year ended 31 December 2020
		L.E 000	L.E 000
Interest income	(6)	4 876 738	4 682 804
Interest expense	(6)	(2 719 932)	(2 680 353)
Net interest income		**2 156 806**	**2 002 451**
Fees and commissions income	(7)	275 794	259 050
Fees and commissions expense	(7)	(62 020)	(42 562)
Net fees and commissions income		**213 774**	**216 488**
Dividends income	(8)	61 346	22 250
Net trading income	(9)	49 310	63 348
Gain from financial investments	(21)	165 643	83 913
Expected credit loss released (charged)	(13)	(19 863)	225 055
Administrative expenses	(10)	(1 131 568)	(1 057 412)
Other Provisions Expenses		22 896	41 629
Other operating (Expense \ Income)	(11)	24 044	69 117
Profit for the year before tax		**1 542 388**	**1 666 839**
Income tax expenses	(12)	(396 992)	(353 265)
Net Profit for the year after tax		**1 145 396**	**1 313 574**
Minority rights		**6 499**	**4 204**
Equity of the bank's shareholders		**1 138 897**	**1 309 370**
		1 145 396	**1 313 574**
Earning per share	(14)	**2.72**	**3.24**

The accompanying Notes from No.(1) to No.(41) are an integrated part of these financial statements.

Translation of financial statements originaly issued in Arabic

The United Bank

(Egyptian Joint Stock Company)

consolidated Statement of other comprehensive income

For the Year ended 31 December 2021

	For the Year ended 31 December 2021	For the Year ended 31 December 2020
	L.E 000	L.E 000
Profit for the Year	1 138 897	1 309 370
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Net change in fair value of investments in equity instruments measured at fair value through other comprehensive income	141 069	41 229
Tax impact related to other comprehensive income that will not be reclassified to the profit or loss	(67 168)	(12 479)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(109 866)	(21 684)
Tax impact related to other comprehensive income that will be reclassified to the profit or loss	7 719	5 113
Expected credit loss for fair value of debt Instruments measured at fair value through other comprehensive income	(319)	11 835
Total other comprehensive income items for the year net of tax	**(28 565)**	**24 014**
Total comprehensive income for the Year net of tax	**1 110 332**	**1 333 384**

The accompanying Notes from No.(1) to No.(41) are an integrated part of these financial statements.

Translation of financial statements originaly issued in Arabic

The United Bank

(Egyptian Joint Stock Company)

consolidated Statement of Cash flows

For the period From 01 January 2021 to 31 December 2021

		31 December 2021	31 December 2020
		L.E 000	L.E 000
Cash flows from operating activities			
Net profit for the year before taxes		1 542 388	1 666 839
Adjustments to reconcile net profit to cash flows provided from operating activities			
Depreciation and amortization		88 519	86 824
Provisions (formed during the year)		279 481	116 549
Differences in evaluating financial investments for the purpose of trading		594	(2 018)
Adjustments to reconcile net profit with cash generated from operating activities			(347)
Depreciation of financial investments at amortized cost		111 906	44 061
Provisions no longer required		(288 667)	(389 673)
Revaluation differences of provision by foreign currencies other than loan provision		(3)	(419)
End of service provision formed		1 591	1 375
Profits from the sale of fixed assets		(12 568)	66 935
Profits from selling financial investments		(10 928)	(2 968)
Dividends		(81 012)	(43 670)
Credit interest		88 095	(4 590)
Income taxes paid		(10 549)	(11 303)
Net operating profit before changes in assets & liabilities		**1 708 847**	**1 527 595**
Net increase (decrease) in assets			
Due from banks		7 206 000	(5 672 423)
Treasury bills at fair value through OCI		4 092 213	(3 970 568)
Financial investments at fair value through P&L		1 430	(17 557)
Financial investments at fair value through other comprehensive income		(6 405 698)	(2 957 681)
Loans to customers		(3 793 360)	(1 431 785)
Other assets		(506 937)	45 657
Net increase (decrease) in liabilities			
Due to banks		5 441 125	9 386 169
Amounts used from provisions (other than loans provision)		(1 919)	(55 524)
End of service provision used		(419)	(29 945)
Customers' deposits		7 627 904	1 701 479
Other liabilities		(547 795)	(986 738)
Net cash flows provided from (used in) operating activities		**14 821 391**	**(2 461 321)**
Cash flows from investing activities			
Purchase of financial investments at amortized cost		(980 764)	(552 765)
Proceeds from recoverable investments at amortized cost		1 680 998	350 561
Payments / proceeds from the sale of financial investments other than financial assets for the purpose of trading		4 128	105 049
Proceeds from selling long-term investments		(368 691)	-
Received (paid) to buy Egyptian treasury bills		-	9 997
Proceeds from the sale of fixed assets and real estate investment		14 365	14 223
Payments for the purchase of fixed assets, preparation and equipment of branches, and real estate investment		(378 327)	(254 870)
Collected / received dividends or dividends income		23 081	4 874
Net cash provided from (used in) operating activities		**(5 210)**	**(322 931)**
Cash flows from financing activities			
The increase in the paid-up capital		-	30 000
(Payments to) or receipts from creditor banks		(325 380)	(777 532)
Dividends paid		(172 670)	(210 270)
Long term liabilities		789 672	646 975
Net cash flows (used in) financing activities		**291 622**	**(310 827)**
Net changes in cash and cash equivalent during the year		15 107 803	(3 095 079)
Cash & cash equivalent at the beginning of the year		7 175 093	10 270 171
Cash & cash equivalent at the end of the year		**22 282 896**	**7 175 092**
Cash and cash equivalent are represented in:			
Cash and due from Central Bank of Egypt		3 186 380	3 626 689
Due from banks		24 918 219	16 343 483
Treasury bills at fair value through OCI		7 224 895	11 549 732
Due to central banks according to the obligatory reserve		(2 790 646)	(3 276 161)
Deposits with banks more than 3 months		(3 031 057)	(9 751 542)
Treasury bills at fair value through OCI (more than 3 months maturity)		(7 224 895)	(11 317 109)
Cash & cash equivalent in the end of the year	(35)	**22 282 896**	**7 175 092**

The accompanying Notes from No.(1) to No.(41) are an integrated part of these financial statements.

The United Bank

(Egyptian Joint Stock Company)

Amended consolidated Statement of changes in equity

For the Year ended 31 December 2021

	Paid - in capital	Set aside under the capital increase account	Fair Value Reserve	Capital Reserve	*General Risk Reserve	Legal Reserves	Banking risk reserve	Carried forward Profit (losses)	Net profit (loss) for the year	Shareholders' rights without minority rights	minority share	Total
	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	L.E 000
Balances as at 01 January 2020	3 500 000	175 000	564 774	28 878	1 849	108 681	257 955	1 281 244	1 747 939	7 666 320	37 367	7 703 687
Net profit for the Year	-	-	-	-	-	-	-		1 309 370	1 309 370	4 204	1 313 574
earnings transfer 2019	-	-	-	-	-	-	-	1 747 939	(1 747 939)	-	-	-
Transfer from reserve	-	-	-	-	-	-	(161 811)	161 811	-	-	-	-
Transfer to reserve	-	-	-	7 378	-	85 141	6 552	(99 071)	-	-	-	-
Dividends	-	175 000	-	-	-	-	-	(363 541)	-	(188 541)	(3 570)	(192 111)
Capital increase	175 000	(175 000)	-	-	-	-	-	-	-	-	-	-
settlements	-	-	-	-	-	-	-	(8 524)	-	(8 524)	3 661	(4 863)
Net change in other comprehensive income	-	-	24 014	-	-	-	-	-	-	24 014	-	24 014
Balance as at 31 December 2020	**3 675 000**	**175 000**	**588 788**	**36 256**	**1 849**	**193 822**	**102 696**	**2 719 858**	**1 309 370**	**8 802 639**	**41 662**	**8 844 301**
Adjustment balances as at 01 January 2021	3 675 000	175 000	588 788	36 256	1 849	193 822	102 696	2 719 858	1 309 370	8 802 639	41 662	8 844 301
Net profit for the Year	-	-	-	-	-	-	-		1 138 897	1 138 897	6 499	1 145 396
earnings transfer 2020	-	-	-	-	-	-		1 309 370	(1 309 370)	-	-	-
Transfer from reserve	-	-	(3 009)	-	-	-	(4 283)	7 292	-	-	-	-
Transfer to reserve	-	-	-	8 261	11 708	64 649	5 175	(89 793)	-	-	-	-
Dividends	-	1 150 000	-	-		-	-	(1 304 165)	-	(154 165)	(2 834)	(156 999)
1% support development banking business	-	-	-	-	-	-	-	(12 804)	-	(12 804)	-	(12 804)
Capital increase	1 325 000	(1 325 000)	-	-	-	-	-	-	-	-	-	-
The difference in the bank's share in the takaful contribution for the period 2020, and the refund of the fines of the customer "New Smart". In the period 2020, the formation of a tax provision on ATM locations from 2017 to 2020	-	-	-	-	-	-	-	(5 163)	-	(5 163)	-	(5 163)
Exclude distributions, reserves and retained earnings from subsidiaries	-	-	-	-	-	-	-	(6 116)	-	(6 116)	(5 849)	(11 965)
Net change in other comprehensive income*	-	-	(25 556)	-	-	-	-	-	-	(25 556)		(25 556)
Balance as at 31 December 2021	**5 000 000**	**-**	**560 223**	**44 517**	**13 557**	**258 471**	**103 588**	**2 618 479**	**1 138 897**	**9 737 732**	**39 478**	**9 777 210**

* First implementation of CBE instructions 26 February 2019.

The accompanying Notes from No.(1) to No.(41) are an integrated part of these financial statements.

The United Bank
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For The Year ended 31 December 2021

1. General information

The United Bank (S.A.E) was established as a commercial bank by virtue of the chairman of the Investment Authority's decision No. 863 dated June 21st, 2006 and the decision of the Board of Directors of the Central Bank of Egypt (CBE) No. 1404/2006 in its session held on June 29th 2006, concerning delisting of the International Islamic Bank for Investment and Development, The United Bank of Egypt and Nile Bank from the official record of banks in the CBE and acquiring the assets and liabilities of the United Bank of Egypt, the International Islamic Bank and the Nile Bank and to be incorporated in The United Bank as of the end of the working day of June 29th, 2006 based on article No. (79) Of the CBE and the Banking and the Monetary Institution Law No. (88) Of 2003 as well as the applicable rules of implementing the provisions of the above mentioned article No. (79) That was issued by the board of directors of the CBE and dated August 31st, 2004. The United Bank shall replace The United Bank of Egypt, The International Islamic Bank for Investment and Development and the Nile Bank in regard to its rights and liabilities provided that the Bank shall take the banking and legal procedures necessary therefore.

- The Bank renders all banking services related to the commercial and Islamic banks through its head office in Cairo, sixty-seven branches and three offices beside a seasonal branch at Cairo international fair.
- The financial Year of the United Bank starts on the first of January and ends on December 31 of each Year.
- The number of the employees of the Bank reached 1 756 employees on 31 December 2021 against

  1 763 employees on 31 December 2020.
- **United lease Co. (United for leasing -Previously)**

  The Arabian United Company for real state (S.A.E) was established ministerial decision No.183 of 1976 published in the official gazette dated July 15th 1976 which has been evaluated after the Investment Guarantees and Incentives Law No. 8 of 1997 and its amendments, taking into consideration the restrictions of Joint stock companies law, partnerships limited liabilities companies No.26 of 1954, which was replaced by the law No.159 of 1981.

  The company's operations represented in establishing and owing for administrating issues housing on AL-Qasr Al-Ainy street, using and controlling it, Finance lease in the field of real estate as well as investing in establishing and owing housing projects including administrative housing, multi-floors garages, establishing hotels, tourist villages, and urban extension projects under their controlling and disposal.

  On 28th of December 2016, the company's extraordinary general assembly agreed to amend the company's name to become *United Financial Leasing Company* and the commercial registration has been accomplished on 13 February, 2017.
  On 21st of December 2017, the company's extraordinary general assembly agreed to amend the company's name to become * United Lease, and the commercial registration has been accomplished on 28 September 2017, noting that the company's purpose was modified on 7 December 2017. On 25 February 2020, the extraordinary general assembly agreed to amend the company's name to become "United Finance Company", knowing that according to the extraordinary general assembly held on 14 November 2019, the purpose of the company has been modified to become as follows:

1-Finance lease and factoring in accordance with restrictions of law No (76) of 2018 after obtaining the approval of Financial Regulatory Authority.
2-Operating lease.

- On 28 September 2020, the extraordinary general assembly has approved to increase the issued capital of the company by issuing 3000,000 shares with par value of EGP 30,000,000 provided that the increased issued shares would be at par value of EGP 10 per share, providing that issued shares for increasing the issued capital of the company are offered for subscription to reach EGP 150 Million, and it was registered at commercial registry at 13th February 2021.
- The company can have an interest or participate in any way with the various companies and organizations and others that carry out activities similar to its business or that may help it achieve its purpose in Egypt or abroad, as well as the company can merge with the mentioned companies and authorities and others or it may purchase it or make an acquisition over it in accordance with the provisions of the law and its executive regulations.
- The company's headquarters is located at 2 Abdel Qader Hamza Street.
- The United Bank owns %87.4552 of the company's shares.

- **Nile development Company.**

Nile company (S.A.E) was established with the approval of formed committee in accordance with provisions of law 159 of 1981 issuing the joint stock law, in its meeting held at 5/3/1985, the company has registered at the Cairo commercial register No.2773 dated 20 March 1985.
The company's activity is presented as follows: purchasing, selling, and dividing lands in accordance with law, constructing housing buildings at all levels, selling and renting it, in addition to carrying out all constructing works with all its types like designing, supervision, and implementation, the company could have an interest or participate in any way with various companies which is not carrying out businesses similar to its business or to help it achieve its purpose in Egypt or abroad, or it may purchase it or make an acquisition over it in accordance with the provisions of the law and its executive regulations, manufacturing all building and constructing materials necessary for accomplishing civil and architectural projects, touristical projects like touristic resorts and hotels.
The company's headquarters is located at 35 Ramses St-Cairo, the fiscal year starts at the beginning of January and ands at 31 December every year. The united Bank owns %48.47 from the company's shares.
The Nile Development Company was grouped due to the control of The United Bank through the number of members of the Board of Directors representing the bank with a number of 5 out of 8 members, and the bank has the power to appoint or dismiss the majority of the members of the Board of Directors and other likes, and it has the power to weight the majority of votes in the meetings of the Board of Directors or the other likes.

- **International Islamic Company for Paints - Acepac (Egyptian joint stock company)**

The bank sold its entire stake amounting to 52.68% of its shareholding in the capital of the International Islamic Paints Company for the fiscal year 2021.

2. Summary of significant accounting policies:

The following are the principal accounting policies used in the preparation of these financial statements .These policies have been followed consistently for all years unless otherwise disclosed.

2.1 Basis of preparation of the consolidated financial statements

These consolidated financial statements are prepared in accordance with the instructions of the Central Bank of Egypt (CBE) for the preparation and filing of the financial statements of banks and the basis for recognition and measurement issued on December 16, 2008 by the Bank and amended in accordance with the instructions issued by the Central Bank of Egypt on 26 February 2019 And Egyptian accounting standards and in accordance with the provisions of the relevant local laws.

The financial statements have been prepared till 31 December 2018 in accordance with the instructions of the Central Bank of Egypt (CBE) for the preparation and photographing of the financial statements of banks and the basis for recognition and measurement issued on December 16, 2008 and its amendments And Egyptian accounting standards and in accordance with the provisions of the relevant local law, and from 1 January 2019 and in accordance with the instructions issued by the Central Bank of Egypt on 26 February 2019, The management has amended some accounting policies to comply with those instructions and the following disclosure shows the details of changes in accounting policies.

Basis of combination

The method of total aggregate is the basis used in preparing the consolidated financial statements of the bank. The consolidated financial statements of the bank are represented in the financial statements of The United Bank, United Finance Company (United Leasing-previously) and Nile Development Company.

Control is achieved through the Bank's ability to control the financial and operational policies of the investee companies for the purpose of obtaining benefits from their activities. The basis of combination includes the following:

1-Excluding the intra-group transaction between the bank and the companies.

2-The non-controlling interest rights presented in shareholder’s equity in the subsidiary.

2.2 Changes in accounting policies:

As of 1 January 2019, the Bank applied the instructions of the Central Bank of Egypt (CBE) rules IFRS 9 "Financial Instruments" dated February 26, 2019 starting from January 01, 2019, It also contained instructions issued by the Central Bank in this regard, the following summarize the main accounting policies changes resulted from applying the required instructions.

Classification of financial assets and financial liabilities

At initial recognition, financial assets have been classified and measured according to amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The financial assets have been classified according to how they are managed (the entity's business model) and their contractual cash flow characteristics.

The financial assets measured at amortized cost and it is not measured at fair value through profit or loss and the following two conditions met:

- The management intension maintaining the asset in business model to collect contractual cash flow.
- This contractual conditions of financial assets will build cash flow in certain dates which limited only on payment of principle and interest (SPPI).

Debt instruments have been measured at fair value through other comprehensive income "FVTOCI" and it is not measured at fair value through profit or loss and the following two conditions met:

- The management intension maintaining the asset in business model to collect contractual cash flow and The sale of financial assets.

- This contractual conditions of financial assets will build cash flow in certain dates which limited only on payment of principle and interest (SPPI).
  The Bank may choose without return to measure equity investment which not classified trading investments to be as a fair value through other comprehensive income at initial recognition. And this choice will be made per each investment.

All other financial assets will be classified as fair value through profit or loss.
In addition to that, the bank may choose without return financial asset that will be measured at amortized cost or fair value through other comprehensive income to measured at fair value through profit or loss in the initial recognition, and in such a case that this reclassification will lead to prevent accounting mismatch.

Business model assessment

The Bank makes an assessment of the objective of a business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice, specially to know whether these management policies concentrate to gain the contractual interest or reconcile financial assets period with financial liabilities period which finance these assets or target cash flow from selling the assets;
- How the performance of the portfolio is evaluated and reported to the Bank's management;
- The risks that affect the performance of the business model and the financial assets held within that business model and how those risks are managed.
- The frequency, volume and timing sales in prior periods, the reasons for such sales and its expectations about future sales activity. Meanwhile the bank didn't scope only on information related to sales activity separately, but taking into consideration overall assessment on how achieving the goal that was announced by the bank to manage financial assets and how to achieve cash flow.

Financial assets that are held for trading or managed and whose performance is evaluated on a fair value basis are measured at fair value through profit or loss because they are neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets.

Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

Impairment of financial assets

According to Central Bank of Egypt (CBE) instructions dated February 26, 2019 to implement IFRS 9 to replace realized loss model recognized according to previous instructions dated December 16, 2008 with expected credit loss (ECL).

Impairment model in new value is applied on all financial assets in addition to some financial guarantees and loan commitments.

According to IFRS 9; credit loss will be recognized in a wide range from applying impairment loss according to Central Bank of Egypt (CBE). Instructions dated December 16, 2008.

The Bank apply three stages to measure expected credit loss on financial assets that are recognized at amortized cost and debt instruments that are recognized at fair value through other comprehensive income. The financial assets can transfer between three stages according to changes in credit quality since initial recognition.

Stage 1: 12 months Expected Credit Lose:
Stage 1 includes financial assets on initial recognition and that do not have a significant increase in credit risk since the initial recognition or that have low credit risk. For these assets, expected credit loss are recognized within 12 months and the interest calculated on the gross book value of the asset (without deducting the credit provision), expected credit losses that result from default events that are possible within 12 months after the reporting date.

Stage 2: Lifetime Expected Credit Loss - not credit impaired:
Stage 2 includes financial assets that have had a significant increase in credit risk since initial recognition but that do not have objective evidence of impairment. For these assets, lifetime expected credit loss are recognized, but interest is still calculated on the gross carrying amount of the asset. Lifetime expected credit loss are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3: Lifetime Expected Credit Loss - credit impaired
Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit loss are recognized.

2.3 Accounting for investments in subsidiaries and associations:

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

2.3.2 Investments in associates
Associates are entities over which the bank exercises significant influence directly or indirectly, but without exercising control or joint control, where the bank holds 20% to 50% of voting rights in the associate.

The purchase method is used to account for the bank's purchases of subsidiaries and associates when they are initially recognized; the acquisition date is the date on which the acquirer obtains control or significant influence of acquire "subsidiary or associate ". According to the purchase method, the investments in subsidiaries and associates are initially recognized at cost (which may be incorporated goodwill). The acquisition cost represents the fair value of the consideration given in addition to the other acquisition related costs.

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

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

2.4 Segment reporting

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

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

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

2.5.2 Transactions and balances in foreign currencies

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

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

Changes in the fair value of investments in debt instruments, which represent monetary financial instruments, denominated in foreign currencies and classified as FVTOCI assets are analyzed into differences resulting from changes in the amortized cost of the instrument, differences resulting from changes in the applicable exchange rates and differences resulting from changes in the fair value of the instrument.

Differences resulting from changes in the amortized cost are recognized and reported in the income statement in "Interest on loans and similar income" whereas differences resulting from changes in foreign exchange rates are recognized and reported in "Other operating revenues (expenses)". The remaining differences resulting from changes in fair value are recognized in equity and accumulated in the "Fair value revaluation reserve" in other comprehensive income.

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

2.6 Financial assets

2.6.1. Fiscal policy in effect as of January 2019

The Bank classifies its following financial assets: financial assets measured at amortized cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit and loss. The classification is generally based on the business model in which financial assets are managed in accordance with contractual cash flows.

2.6.1.1 Financial assets classified as amortized cost

- The financial asset is retained in the business model of financial assets held to collect contractual cash flow.
- The objective from this business model is to collect contractual cash flow which represented in principle and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:
  - Significant deterioration for the issuer of financial instrument.
  - Lowest sales in terms of rotation and value.
  - A clear and reliable documentation process for the justification of each sale and its conformity with the requirements of the standard.

2.6.1.2 Financial assets classified as fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales.

Held to collect contractual cash flows and sales are integrated to achieve the objective of the model.

Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

2.6.1.3 Financial assets classified as fair value through profit or loss

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

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

The characteristics of the business model are as follows:

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

2.7 Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when the bank has a legally enforceable right to offset the recognized amounts and it intends to settle these amounts on a net basis, or realize the asset and settle the liability simultaneously. The terms of treasury bills purchase agreements are presented within a resale obligation and treasury bills sale agreements with a commitment repurchase on a net basis within the treasury bills item in balance sheet.

2.8 Financial derivatives and hedge accounting

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

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

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

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

Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met. At the inception of the hedging relationship, the bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions.

Furthermore, at the inception of the hedge and on an ongoing basis, the bank documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

2.8.1 Fair value hedge

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

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

2.8.2 Cash flow hedge

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

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

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

2.8.3 Derivatives that do not qualify for hedge accounting

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

2.9 Interest income and expense

- Interest income and expense on all interest-bearing financial instruments are recognized in "Interest income" and "Interest expense" line items in the income statement using the effective interest rate method.
- The effective interest rate is a method of calculating the amortized cost of a debt instrument whether a financial asset or a financial liability and of allocating its interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial debt instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability on initial recognition. When calculating the effective interest rate, the bank estimates the future cash flows, considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.
- Interest income on loans is recognized on an accrual basis except for the interest income on non-performing loans, which ceases to be recognized as revenue when the recovery of interest or principle is in doubt.
- Interest income on non-performing or impaired (Stage 3) loans and receivables ceases to be recognized in profit or loss and is rather recorded off-balance sheet in statistical records. Interest income on these loans is recognized as revenue on a cash basis as follows:

1. For retail loans, real estate loans for personal housing and small loans for businesses, when interest income is collected and after recovery of all arrears.
2. For corporate loans, interest income is recognized on a cash-basis after the bank collects 25% of the rescheduled installments and provided these installments continue to be paid for at least one year.

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

2.10 Fees and commission income

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

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

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

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

2.11 Dividends income

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

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

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

2.13 Impairment of financial assets

2.13.1 Financial Policies applied starting from January 01, 2019:

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

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

- Stage 1: Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.
- Stage 2: Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.
- Stage 3: Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

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

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk management.
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.
- Financial instrument, it is transferred to the third stage in case there is an indication of impairment in the value of the financial instrument it is transformed to the third stage
- The financial assets created or acquired by the Bank and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

2.13.1.1 Significant increase in credit risk

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

2.13.1.2 Quantitative factors

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

2.13.1.3 Qualitative factors

Retail loans, micro and small businesses

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

- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request.
- Previous repeated arrears over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and medium businesses

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

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

Un-payments

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

Transfer between three stages:

Transfer from second stage to first stage:

The financial asset shall not be transferred from the second stage to the first: stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid.

Transfer from third stage to second stage:

The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

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

Taking into the effect of foregoing for small and medium projects in view of the periodic book issued by the Central Bank of Egypt on 12/14/2021.

2.14 Intangible assets

2.14.1 Goodwill:

Goodwill arising on the acquisition or consolidation of subsidiaries is an increase in the cost of the business combination over the Bank's share in the fair value of the acquirer's assets and liabilities including contingent liabilities that meet the criteria for recognition at the acquisition date. Goodwill is tested on an annual basis and the income statement is amortized at amortized cost of goodwill at 20% per annum or at impairment whichever is greater.

2.14.2 Computer software programs

The expenses related to developing or maintaining the computer software programs are recognized as expenses in the income statement when incurred.

The expenses related directly to specific software programs that fall under control of the bank and are expected to generate economic benefits that exceed their costs for more than one Year shall be recognized as intangible assets.

The direct expenses include the expenses of the employees of the software programs development team in addition to a reasonable share of the general expenses related thereto.

The cost of the computer software programs recognized as an asset shall be Amortized over the year of gaining benefit from them not exceeding three Years.

2.14.3 Other intangible assets

It consists of intangible assets other than goodwill and computer software (including but not limited to trademarks, licenses, and the benefits of lease contracts).

Other intangible assets are recognized at the cost of their acquisition and consumed by the straight-line method or on the basis of the economic benefits expected from it, over the estimated productive lives of them, and for assets that do not have a specific production life, they are not depreciated, except that the impairment is tested annually. The amount of the impairment (if any) is charged to the income statement.

2.15 Fixed assets

Lands and buildings are mainly represented in head office premises, branches and offices. All fixed assets are disclosed at historical cost less accumulated depreciation and impairment losses. The historical cost includes expenses directly attributable to the acquisitions of the fixed assets' items.

Subsequent expenditures are recognized within the book value of the outstanding asset or as an independent asset, if appropriate, this is the case when it is possible to generate future economic benefits to the bank from the concerned asset and it is also possible to reliably determine its cost. Any maintenance and fixing expenses during the year in which they are incurred are carried to other operating expenses.

Land is not subject to depreciation while depreciation of other fixed assets is calculated on straight-line method to spread the cost in such a way to reach residual value over the useful life of the asset as follows:

Buildings	20 Year
Computers	5 Year
Vehicles	5 Year
Equipment	8 Year
Premises & Alteration	3 Year
Furniture	10 Year

The net realizable value represents the net selling value of the asset or its utilization

Value whichever is greater. Gains and losses from the disposal of fixed assets are determined by comparing the net proceeds at book value. Gains (losses) are included within other operating income (expenses) in the income statement.

2.16 Impairment of non-financial assets

Assets, which do not have fixed useful lives, are not subject to amortization, except goodwill, and impairment is assessed annually. Impairment of depreciable assets is assessed, whenever there are events or changes in conditions suggesting that the book value may not be redeemable.
The impairment loss is then recognized and the asset's value has to be reduced by the excess in the asset's book value over its net realizable value. The net realizable value represents the net selling value of the asset or its utilization value whichever is greater. For purposes of estimating impairment, the asset should link to the smallest cash-generating unit available. On the date of the preparing the financial statements, the non-financial assets being impaired, are to be reviewed if there will be reversal of impairment in the income statement.

2.17 Rentals:

All leases to which the Bank is a party are operating lease contracts and are accounted for as follows:

2.17-1 Rent

Payments are recognized under operating leases less any receipts received from the lessor as part of expenses in the statement of income on a straight-line basis over the period of the contract.

2.17.2 Leasing:

Leased assets represent operating leases within fixed assets in the statement of financial position and are amortized over the estimated useful life of the asset in the same manner as is applied to similar assets. Rental income less any permits granted to the lessee is recognized on a straight-line basis over the period of the contract

2.18 Cash and cash equivalents

For the purpose of the cash flow statement, cash and cash equivalents include the balances, which maturity not exceeding three months from the date of acquisition and include cash, balances at Central Bank of Egypt, other than those within the mandatory reserve, due from banks and treasury bills and other governmental notes.

2.19 Other provisions

Provisions formed against the obligations that are due to be paid after twelve months from the date of the financial statements are measured on the basis of present value of the best estimate of the payments to be paid to meet the current obligation on the date of the financial statements (other than that formed to against credit risks or employee benefits), to estimate the present value of these provision, an appropriate discount rate is used that reflects the time value of money before tax effect.
And as for the obligations that due to be paid after twelve months from the date of the financial statements, the obligation is measured by the not discounted estimated value unless the effect of the time value of money is material, it is calculated at present value.
The wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses) line item.

2.20 Financial guarantees

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

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

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

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

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

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

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

2.21 Employee benefits

Employees' retirement benefit:

The bank contributes to the social security system of the social insurance authority, and this for the benefit of workers according to the social insurance law number 79 for the Year 1975 and its adjustments, and the Income statement is loaded by these contributions according to the principal of maturity.

Medical benefits after retirements:

The Bank provides medical insurance to Insurance Company.
And 1% will be deducted from the basic salary of the personnel involved during their service period and the bank will strengthen 1% deducted on the income statement with the same value. The bank shall bear 75% of the value of the medical treatment document. The employee assigned to the pension shall bear 25% of the value of the remaining document.

2.22 Income taxes

The income taxes on the Year profits or losses include the tax of the current Year and the deferred tax and they are recognized in the income statement with the exception of the income tax on the items of shareholder's equity, which is directly recognized within equity.
The income tax is recognized based on the net profit subject to tax through the application of enacted tax rates at the date of preparing the balance sheet in addition to the tax adjustments related to previous year.
Deferred taxes are recognized from temporary timing differences between the book value of assets and liabilities according to accounting bases and their values according to tax bases. Deferred tax assets and liabilities are measured at the tax rates that expected to apply in the year in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting Year.

The deferred tax assets are recognized when there is likelihood to achieve taxable profits in the future through which this asset can be utilized. The deferred to asset is to be decreased by the portion that will not realize the expected taxable benefit in the coming Year, in case of the increase in expected taxable benefits the deferred tax assets should be increased within the limit of previous reduction in the value of deferred tax assets.

2.23 Borrowings

Loans obtained by the bank are recognized at inception at fair value less the cost of obtaining the loan. Subsequently the loans are measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing year using the effective interest rate is to be recognized to the income statement.
The fair value of the portion that represents a liability regarding, bonds convertible into shares is to be defined by applying the market equivalent rate of return of non- convertible bonds.

This liability is recognized by the amortized cost method until conversion or maturity of bonds. The remaining proceeds are to be charged to the conversion option included within shareholders' equity in net value after deduction of the income tax effect.

The preferred shares that either carries mandatory coupons, redeemed at a defined date or according to the shareholders' option are to be included within the financial liabilities and to be presented within the item of "Other loans." The dividends of these preferred shares are recognized in the income statement under "Interest expense on deposits and similar charges" item, using the amortized cost method and by using the effective rate of return.

2.24 Capital

2.24.1 Cost of capital

The issuance expenses, which are directly related to the issuance of new shares or shares against acquiring an entity or issuance of options, are to be presented as deduction from the shareholder equity in net proceeds after taxes.

2.24.2 Dividends

Dividends are deducted from shareholders' equity in the year the shareholders' general assembly approves these dividends and they include the employees' share in profits and the remuneration of the board of directors established by the statue of association of the bank and the law.

2.25 Trust activities

The Bank carries out Trust activities resulting in the acquisition or management of assets of individuals, trusts or after-service benefit funds. Such assets and profits are excluded from the Bank's financial statements as they are not assets of the Bank

2.26 Comparative figures

Comparative figures for financial assets and liabilities are reclassified but not re-measured to comply with the current period's financial statements presentation according to CBE instruction for IFRS9 implementation starting 26 February 2019.

3. Management of financial risks

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

For example, the bank has laid down to determine and analyze the risks, set limits to the risks and control them through reliable methods and up-to-date systems. The Bank regularly reviews the risk management policies and systems and amendments thereto, so that they reflect the changes in markets, products and services and the best up-to-date applications.
Risks are managed in accordance with preapproved policies by the board of directors. The risk management department identifies, evaluates and covers financial risks, in close collaboration with the bank's various operating units. The board of directors provides written rules which cover certain risk areas, such as credit risk, foreign exchange risk, interest rate risk and the use of derivative and non-derivative financial instruments. Moreover, the risk department is responsible for the periodic review of risk management and the control environment independently.

(A) Credit Risks

The Bank is exposed to credit risk, which is the risk arising from the failure of one party to fulfill its obligations. Credit risk is the most important risk for the Bank. The credit risk is principally in the lending activities that result in Loans and facilities and investment activities that result in the Bank's assets comprising debt instruments.

Credit risk is also found in off-balance sheet financial instruments such as loan commitments. The credit risk management and control processes are concentrated in the Credit Risk Management team in Risk Management, which reports to the Board, senior management and heads of business units periodically.

(A/1) Measuring credit risk

Loans and facilities for banks and customers:

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

- The probability of default by the customer or others to fulfill their contractual obligations.
- The current position and its likely future development from which the Bank derives the exposed balance (Exposure at default).
-risk of default failure.

The day-to-day management of the Bank's business involves those measures of credit risk that reflect the expected loss (the Expected Loss Model) required by the Basel Committee on Banking Supervision and the operational measures may conflict with the impairment burden in accordance with IAS 26, which is based on losses. Realized at the balance sheet date (realized losses model) and not expected losses (note A.3).

The Bank assesses the probability of delays at the level of each customer using internal valuation techniques to classify the detailed merit of different customer categories. These methods of assessment have been developed internally and statistical analyzes are taken into account with the judgment of credit officers to arrive at an appropriate credit rating. The Bank's customers are divided into four categories of merit. Fundamentally, this means that credit centers move between categories of merit depending on the change in the probability of default. Assessment methods are reviewed and developed where necessary.

The Bank periodically assesses the performance of the merit rating methods and their ability to predict delays.

Bank's internal rating categories:

Classification	Meaning Classification
1	Good Debts
2	Normal Follow-up
3	Special Follow-up
4	Irregular Debts

The position exposed to failure depends on the amounts that the Bank expects to be outstanding at the time of the delay, for example for the loan, this position is the face value, and for commitments, the Bank includes all the amounts actually withdrawn in addition to other amounts expected to be withdrawn until the date of the delay That happened. The hypothetical or severe loss represents the Bank's expectations of the extent of loss when claiming the debt if the default occurs. And is done

This is expressed by the loss ratio of the debt and certainly varies depending on the type of debtor, the priority of the claim and the availability

Guarantees or other means of credit coverage.

Debt instruments, treasury bills and other bills

For debt instruments and authorizations, the Bank uses external ratings such as Standard & Poor's or its credit risk management rating. Such investments in securities and bills are seen as a way of obtaining better credit quality while providing an available source to meet the funding requirements.

(A/2) Risk reduction and avoidance policies

The Bank manages, limits and controls the concentration of credit risk at the level of the debtor, groups, industries and countries.
It regulates the levels of credit risk it accepts by setting limits on the amount of risk to be accepted at the level of each borrower, group of borrowers, economic activities and geographic sectors.
Such risks are monitored on an ongoing basis and are subject to annual review or frequently if necessary. The credit risk limits at the borrower / group, producer, sector and country level are approved by the Board on a quarterly basis.
The credit limits of any borrower, including banks, are divided by sub-limits including on and off-balance sheet amounts, and daily risk limits on trading items such as forward foreign exchange contracts. Actual amounts are compared with the daily limits.
Credit risk is also managed by periodically analyzing the ability of borrowers and potential borrowers to meet repayment of their obligations and by adjusting lending limits where appropriate.

Following are some risk mitigations methods:

Guarantees

The Bank establishes many policies and controls to reduce credit risk. One means is to obtain guarantees for the funds provided. The Bank establishes guidelines for specific categories of acceptable collateral and the main types of loan and facility guarantees:
* Mortgage
* Mortgage assets such as machinery and goods
*Mortgage financial instruments such as debt and equity instruments
Long-term financing and corporate lending are often guaranteed while individual credit facilities are unsecured. To minimize credit loss, the Bank seeks additional collateral from the parties as soon as impairment indicators for a loan or facility arise.
Collateral taken for collateral other than loans and facilities is determined by the nature of the instrument and debt instruments and treasury bills are usually unsecured except for financial instruments
(Asset - Backed Securities) and similar instruments that are guaranteed by a portfolio of financial instruments.

Credit related commitments

The primary purpose of credit commitments is to ensure that funds are made available to the customer upon request, and the guarantees and standby letters of credit which a credit risk related to loans are charged. Documentary and commercial Letters of Credit issued by the bank on behalf of the client to grant a third party the right to withdraw from the bank within certain amounts and under specific terms and conditions are often secured by the goods shipped thus carry less risk than the direct loan.
Commitments to extend credit represent the unused portion of the authorized grant of loans, guarantees or documentary credits. The Bank is exposed to a potential loss of an amount equal to the total unused commitments for the credit risk arising from credit grant commitments. However, the amount of loss that is likely to occur is actually less than the unused commitments, since most commitments relating to granting of credit represent potential liabilities for customers with specific credit specifications. The Bank monitors the term to maturity of credit commitments as long-term commitments usually carry a higher degree of credit risk than short-term commitments.

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

The internal systems of the above valuation (Note 1 / A) focus largely on credit quality planning from the outset of evidence of lending and investment activities. Otherwise, only impairment losses that occurred at the balance sheet date for financial reporting purposes are recognized on the basis of objective evidence indicating impairment, as stated in this note. Expected loss used.
The provision for impairment losses in the balance sheet at the end of the period is derived from the four internal rating scores. However, the majority of the provision results from the last two grades of classification.

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

	31 December 2021		31 December 2020	
	Loans and credit facilities	**Allowance for impairment loss**	**Loans and credit facilities**	**Allowance for impairment loss**
1- Good debts	76.72%	9.75%	74.89%	9.17%
2- Normal watch-list	16.72%	12.18%	15.52%	6.42%
3- Special watch-list	1.53%	12.67%	2.22%	9.28%
4- Non performing loan	5.03%	65.40%	7.37%	75.13%
	100%	**100%**	**100%**	**100%**

(A/4) General Model for Measurements of Banking Risks:

In addition to the four categories of the bank's internal credit ratings indicated above, management classifies Loans and credit facilities based on more detailed subgroups in accordance with the CBE requirements.

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

The Bank calculates the allowances required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE.

In the event that the provisions calculated according to the basis of creditworthiness exceed the provision for impairment, the general bank risk reserve (after the legal reserve is established) shall be increased from the distribution of the net profit and included in the equity, and in the event that the net profit is insufficient, this reserve shall be from retained earnings.

In the event that the provision for impairment exceeds the provisions computed according to the basis of creditworthiness, the increase shall be returned to the retained earnings within the limits of what was previously established in the general banking risk reserve account.

The following is a statement of the creditworthiness categories of the institutions according to the internal evaluation principles compared to the evaluation bases of the Central Bank of Egypt and the ratios of provisioning required for the impairment of credit risk assets:

This reserve is adjusted up and down so that its balance always equals the amount of increase between the two provisions. This reserve is not available for distribution, and note No. (32-c) shows the general bank risk reserve account during the fiscal year.

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

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

A/5) Maximum limit for credit risk before collaterals

Financial position items exposed to credit risks	31 December 2021	31 December 2020
Treasury bills	6 999 152	11 352 845
Loans and credit facilities to customers		
Retail loans		
- Overdrafts	133 926	331 442
- Credit cards	64 382	57 149
- Personal loans	3 294 647	2 603 694
- Real estate loans	1 415 422	795 709
Corporate loans		
- Overdrafts	1 033 236	1 333 823
- Direct loans	8 200 614	7 067 172
- Syndicated Loans and facilities	4 583 990	3 307 396
Financial investments		
- Debt instrument	14 418 400	8 953 952
Total	**40 143 769**	**35 803 182**

Credit risk items are excluded from the statement of financial position

	31 December 2021	31 December 2020
Letters of credit & Accepted papers	2 789 037	1 827 574
Letters of guarantee	2 660 360	2 639 769
TOTAL	**5 449 397**	**4 467 343**

- The above table represents the maximum exposure limit at 31 December 2021, 31 December 2020, without taking into account any collateral. For balance sheet items, the carrying amounts are based on the net book value presented in the budget.

- As shown in the previous table, 46.65 % of the maximum exposure to credit risk is due to loans and facilities for customers compared to 43.28% at 31 December 2020. Investments in debt instruments represent 35.92 % compared to 24.81 % at 31 December 2020

- Management believes in its ability to continue to control and maintain the minimum credit risk resulting from both the loan portfolio and facilities and debt instruments based on the following:
  - The Bank has applied more prudent selection processes when granting loans and facilities during the financial year ended On 31 December 2021.
  - More than 93.06 % compared to 94.02% as of 31 December 2020 of investments in debt instruments and treasury bills represented Debt instruments on the Egyptian government.

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

Due from banks	**Stage 1 12-Months**	**Stage2 Life time**	**Stage3 Life time**	**Total**
Credit rating				
Good debts	24 918 980	-	-	**24 918 980**
Carrying amount	**24 918 980**	**-**	**-**	**24 918 980**
Deduction: Provision for impairment losses	**(761)**	**-**	**-**	**(761)**
Book value	**24 918 219**	**-**	**-**	**24 918 219**

Treasury bills	**Stage 1 12-Months**	**Stage2 Life time**	**Stage3 Life time**	**Total**
Good debts	6 999 152	-	-	**6 999 152**
Carrying amount	**6 999 152**	**-**	**-**	**6 999 152**
Deduction: Provision for impairment losses	**(12 612)**	**-**	**-**	**(12 612)**
Book value	**6 999 152**	**-**	**-**	**6 999 152**

Retail loans	**Stage 1 12-Months**	**Stage2 Life time**	**Stage3 Life time**	**Total**
Good debts	4 744 212	18 831	5 238	**4 768 281**
Non-performing loan	60 659	42 954	36 483	**140 096**
	4 804 871	**61 785**	**41 721**	**4 908 377**
Provision for impairment losses	(64 936)	(26 332)	(39 662)	**(130 930)**
Deferred interest and income under settlement	(258 468)	(378)	(1 500)	**(260 346)**
Net loans and credit facilities	**4 481 467**	**35 075**	**559**	**4 517 101**

Corporate loans	**Stage 1 12-Months**	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Good debts	9 119 085	302 074	462	**9 421 621**
Normal watch-list	2 189 173	1 068 221	-	**3 257 394**
Special watch-list	1 500	296 506	-	**298 006**
Non-performing loan	817	5 455	834 547	**840 819**
	11 310 575	**1 672 256**	**835 009**	**13 817 840**
Provision for impairment losses	(28 619)	(251 968)	(590 622)	**(871 209)**
Deferred interest and income under settlement	(63 353)	(29 550)	(111 853)	**(204 756)**
Net loans and credit facilities	**11 218 603**	**1 390 738**	**132 534**	**12 741 875**

Debt instruments at fair value through other comprehensive income	**Stage 1 12-Months**	**Stage2 Life time**	**Stage3 Life time**	**Total**
Good debts	14 250 267	-	-	**14 250 267**
Carrying amount – fair value	**14 250 267**	**-**	**-**	**14 250 267**
Deduction: Provision for impairment losses	**(9 699)**	**-**	**-**	**(9 699)**
Book value	**14 250 267**	**-**	**-**	**14 250 267**

Debt instruments at amortized cost	**Stage 1 12-Months**	**Stage 2 Life time**	**Stage3 Life time**	**Total**
Good debts	168 133	-	-	**168 133**
Carrying amount	**168 133**	**-**	**-**	**168 133**
Deduction: Provision for impairment losses	**(2 142)**	**-**	**-**	**(2 142)**
Book value	**165 991**	**-**	**-**	**165 991**

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

Due from banks	**Stage1 12-Months**	**Stage2 Life time**	**Stage 3 Life time**	**Total**
Allowance for impairment losses at 01 January 2021	820	27 731	-	**28 551**
impairment loss recognized during the year	-	70 173	-	**70 173**
Returns to the income statement is a provision whose purpose is not valid	(202)	(97 760)	-	**(97 962)**
Financial assets that have matured or been disposed of	144	(144)	-	**-**
Foreign exchange translation differences	(1)	-	-	**(1)**
Balance at the end of the year	**761**	**-**	**-**	**761**

Treasury bills at fair value through other comprehensive income	**Stage 1 12-Months**	**Stage2 Life time**	**Stage 3 Life time**	**Total**
Allowance for impairment losses at 01 January 2021	9 842	-	-	**9 842**
Returns to the income statement is a provision whose purpose is not valid	(7 691)	-	-	**(7 691)**
impairment loss recognized during the year	10 471	-	-	**10 471**
Foreign exchange translation differences	(10)	-	-	**(10)**
Balance at the end of the year	**12 612**	**-**	**-**	**12 612**

Retail loans	**Stage 1 12-Months**	**Stage Life time**	**Stage 3 Life time**	**Total**
Allowance for impairment losses at 01 January 2021	59 000	7 176	31 311	**97 487**
Net impairment loss recognized during the year	-	-	(1 474)	**(1 474)**
Loans written-off during the year	-	-	(1 448)	**(1 448)**
Collections of loans previously written-off	-	-	893	**893**
Transfer	5 936	19 156	10 380	**35 472**
Foreign exchange translation differences	-	-	-	**-**
Balance at the end of the year	**64 936**	**26 332**	**39 662**	**130 930**

Corporate loans	**Stage 1 12-Months**	**Stage2 Life time**	**Stage 3 Life time**	**Total**
Allowance for impairment losses 01 January 2021	25 277	142 344	726 609	**894 230**
Net impairment loss recognized during the year	179 225	-	-	**179 225**
Returns to income statement as provisions no longer required	-	-	(136 580)	**(136 580)**
Loans written-off during the year	-	-	(33 390)	**(33 390)**
Collections of loans previously written-off	-	-	3 392	**3 392**
Transfer	(175 860)	109 631	30 757	**(35 472)**
Foreign exchange translation differences	(23)	(7)	(166)	**(196)**
Balance at the end of the year	**28 619**	**251 968**	**590 622**	**871 209**

Debt instruments at fair value through other comprehensive income	**Stage 1 12-Months**	**Stage 2 Life time**	**Stage 3 Life time**	**Total**
Allowance for impairment losses at 01 January 2021	12 788	-	-	**12 788**
impairment loss recognized during the year	1 841	-	-	**1 841**
Returns to the income statement is a provision whose purpose is not valid	(4 922)	-	-	**(4 922)**
Foreign exchange translation differences	(8)	-	-	**(8)**
Balance at the end of the year	**9 699**	**-**	**-**	**9 699**

Debt instrument with amortized cost	**Stage1 12-Months**	**Stage 2 Lifetime**	**Stage3 Lifetime**	**Total**
Allowance for impairment losses at 01 January 2021	335	-	-	**335**
impairment loss recognized during the year	1 912	-	-	**1 912**
Returns to the income statement is a provision whose purpose is not valid	(105)	-	-	**(105)**
Balance at the end of the year	**2 142**	**-**	**-**	**2 142**

(A/6) Loans and credit facilities

Balances of loans and credit facilities in terms of credit risk rating are analyzed below:

	31 December 2021	31 December 2020
	Loans and credit facilities to customers	Loans and credit facilities to customers
Neither have arrears nor impaired	17 035 411	13 962 743
Have arrears but not impaired	784 142	565 197
Impaired	906 664	968 445
Total	**18 726 217**	**15 496 385**
Less: Allowance for impairment losses	(1 002 139)	(991 717)
Less: the proceeds set aside, revenues under settlement, a pending credit, and discounting commercial papers	(465 102)	(503 324)
Net	**17 258 976**	**14 001 344**

The total impairment losses of loans and credit facilities reached L.E 1 002 139 in thousand as of 31 December 2021, against L.E 991 717 in thousand as of 31 December 2020.

Loans and credit facilities for customers and banks (with Total):

- Loans and credit facilities with no past dues or impairment:

The creditworthiness of the loans and credit facilities portfolio with no past dues or impairment is assessed with reference to the internal assessment adopted by the bank.

L.E 000

	Retail					
31 December 2021	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage Loans**	**Other Loans**	**Total**
Performing	936	53 870	836 925	1 236 332	1 996 367	4 124 430
Total	**936**	**53 870**	**836 925**	**1 236 332**	**1 996 367**	**4 124 430**

	Corporate			
31 December 2021	**Debit Current Account & Direct Loans**	**Syndicated Loans**	**Other Loans**	**Total**
Performing	7 803 356	1 596 419	776	9 400 551
Regular follow-up	402 129	2 855 265	-	3 257 394
Special follow up	253 036	-	-	253 036
Total	**8 458 521**	**4 451 684**	**776**	**12 910 981**

L.E 000

	Retail					
31 December 2020	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage Loans**	**Other Loans**	**Total**
Performing	-	43 354	482 423	707 851	1 955 944	3 189 572
Total	**-**	**43 354**	**482 423**	**707 851**	**1 955 944**	**3 189 572**

	Corporate			
31 December 2020	**Debit Current Account & Direct Loans**	**Syndicated Loans**	**Other Loans**	**Total**
Performing	7 511 442	3 174 960	86 769	10 773 171
Total	**7 511 442**	**3 174 960**	**86 769**	**10 773 171**

- **Loans and credit facilities with past dues but are not subject to impairment**

These are loans and credit facilities with delays up to 90 days but are not subject to impairment unless there is other information to the contrary a loan and credit facilities to customers with past dues but not subject to impairment and the fair value of their collaterals are represented in the following:

L.E 000

	Retail					
31 December 2021	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage Loans**	**Other Loans**	**Total**
Past dues up to 30 days	94	7 716	151 487	135 636	260 896	555 829
Past dues more than 30 days to 60 days	-	2 204	-	-	41 963	44 167
Past dues more than 60 days to 90 days	193	350	71 666	26 911	18 985	118 105
Total	**287**	**10 270**	**223 153**	**162 547**	**321 844**	**718 101**
The fair value of collaterals	**-**	**-**	**-**	**-**	**-**	**-**

31 December 2021	Corporate			
	Debit Current Account	Syndicated Loans	Other Loans	Total
Past dues up to 30 days	21 070	-	-	**21 070**
Past dues more than 30 days to 60 days	-	-	-	**-**
Past dues more than 60 days to 90 days	44 971	-	-	**44 971**
Total	**66 041**	**-**	**-**	**66 041**
The fair value of collaterals	**14 386**	**-**	**-**	**14 386**

L.E 000

31 December 2020	Retail					
	Debit Current Account	Credit Cards	Personal Loans	Mortgage Loans	Other Loans	Total
Past dues up to 30 days	-	9 255	90 953	67 248	159 393	326 849
Past dues more than 30 days to 60 days	-	2 120	23 295	11 153	132 664	169 232
Past dues more than 60 days to 90 days	-	2 173	10 006	3 829	25 136	41 144
Total	**-**	**13 548**	**124 254**	**82 230**	**317 193**	**537 225**

31 December 2020	Corporate			
	Debit Current Account	Syndicated Loans	Other Loans	Total
Past dues up to 30 days	20 013	-	1 905	**21 918**
Past dues more than 30 days to 60 days	3 240	-	-	**3 240**
Past dues more than 60 days to 90 days	2 814	-	-	**2 814**
Total	**26 067**	**-**	**1 905**	**27 972**
The fair value of collaterals	**16 257**	**-**	**-**	**16 257**

At the first recognition of loans and credit facilities, the fair of collaterals is evaluated based on the same financial assets evaluation methods used, and in subsequent year to the fair value will be updated by the market prices or the similar assets' price.

Loans and credit facilities subject to impairment on individual basis (Total) loans & credit facilities to customers

The balance of loans and credit facilities which are subject to impairment on an individual basis, before taking into account the cash flow from collaterals, amounted to L.E 906 664 in thousand as at 31 December 2021 against L.E 968 445 in thousand as at 31 December 2020.

Herein below, is the analysis of the total value of loans and credit facilities subject to impairment on individual basis including the fair value of collaterals the bank has obtained against these loans

	Retail					L.E 000
31 December 2021	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage Loans**	**Other Loans**	**Total**
Individual impairment loan	775	242	42 620	16 542	5 666	**65 845**
The fair value of collaterals	-	-	-	-	559	**559**

	Corporate			
31 December 2021	**Debit Current Account& Direct Loans**	**Syndicated Loans**	**Other Loans**	**Total**
Individual impairment loan	708 332	132 306	181	**840 819**
The fair value of collaterals	339 271	-	-	**339 271**

	Retail					L.E 000
31 December 2020	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage Loans**	**Other Loans**	**Total**
Individual impairment loan	36 973	246	7 813	5 751	10 415	**61 198**
The fair value of collaterals	64 818	-	-	-	-	**64 818**

31 December 2020	Corporate			
	Debit Current Account Direct Loans	Syndicated Loans	Other Loans	Total
Individual impairment loan	769 765	132 436	5 046	**907 247**
The fair value of collaterals	197 390	-	-	**197 390**

Restructured Loans and credit facilities:

Restructuring activities include the extension of payment arrangements, the implementation of housekeeping programs, the adjustment and the postponement of payment for non-regular customers, and the restructuring application policies are based on indicators or criteria indicating that there is a high probability of continuing repayment based on the management's personal judgment. These policies are subject to ongoing review. It is customary to apply the restructuring on long-term loans, especially customer financing loans. The renegotiated loans reached 12 563 thousand pounds at 31 December 2021 compared to 61 478 thousand pounds at 31 December 2020.

Loans and credit facilities to customers

Corporate loans	31 December 2021	31 December 2020
Debit Current Account	1	39 046
Direct loans	12 562	22 432
Total	**12 563**	**61 478**

(A/7) Debt instruments, treasury bills, and other governmental notes

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

	Rating	31 December 2021	31 December 2020
Egyptian Treasury Bills	B	6 999 152	11 352 845
Egyptian Treasury Bonds	B	13 860 770	8 495 010
Total		**20 859 922**	**19 847 855**

(A-8) Acquisition of collaterals:

The bank - during the present financial Year - has obtained assets by acquiring some collaterals.

Asset nature	Book value L.E 000
Lands	38 361
shares	400
Total	**38 761**

The acquired assets are classified under the item of other assets in the balance sheet, while these assets shall be sold whenever it is practically possible.

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

The following table provides a breakdown of the gross amount of the most significant credit risk limits to which the bank is exposed at the end of the current reporting year (before excluding allowances for impairment). The gross amount of all financial assets including loans and credit facilities is segmented into the geographical regions of the bank's clients.

L.E 000

31 December 2021	Cairo	Alex -Delta	Upper Egypt	Total
Treasury bills at fair value through OCI	6 999 152	-	-	**6 999 152**
Loans and credit facilities to customers				
Retail loans				
Debit current accounts	33 051	97 968	2 907	**133 926**
Credit cards	36 111	25 361	2 910	**64 382**
Personal loans	1 970 575	1 170 963	153 109	**3 294 647**
Real estate loans	797 971	482 059	135 392	**1 415 422**
Corporate loans				
Overdrafts	767 420	264 005	1 811	**1 033 236**
Direct loans	7 181 770	889 833	129 011	**8 200 614**
Syndicated Loans and facilities	4 583 990	-	-	**4 583 990**
Financial investments				
Debt instruments	14 418 400	-	-	**14 418 400**
Total at the end of year	**36 788 440**	**2 930 189**	**425 140**	**40 143 769**
Total at the end of the comparative year	**32 566 378**	**2 846 959**	**389 845**	**35 803 182**

Business segment

The following table represents an analysis of the most important bounders of credit risk at book value and before excluding allowances for impairment, distributed according to the customers' business and activities.

31 December 2021	Financial Institutions	Industrial Institutions	Mortgage activity	Governmental sector	Other activities	Individuals	Total
Treasury bills and other governmental notes	-	-	-	6 999 152	-	-	**6 999 152**
Loans and credit facilities to customers:							
Loans to individuals (Retail):							
Debit current accounts	-	-	-	-	-	133 926	**133 926**
Credit cards	-	-	-	-	-	64 382	**64 382**
Personal loans	-	-	-	-	-	3 294 647	**3 294 647**
Mortgage	-	-	-	-	-	1 415 422	**1 415 422**
Loans to Corporate:							
Debit current accounts	548	140 594	38 744	246 597	606 753	-	**1 033 236**
Direct loans	1 141	2 627 545	833 739	74 139	4 664 050	-	**8 200 614**
Syndicated loans	-	821 727	88 613	2 421 217	1 252 433	-	**4 583 990**
Financial Investments:							
Debt instruments	-	-	-	13 860 770	557 630	-	**14 418 400**
Total as at 31-12-2021	**1 689**	**3 589 866**	**961 096**	**23 601 875**	**7 080 866**	**4 908 377**	**40 143 769**
Total as at 31-12-2020	**1 691**	**2 925 685**	**356 510**	**21 942 544**	**6 788 759**	**3 787 994**	**35 803 182**

(B) Market Risk

The bank is exposed to market risk represented in volatility in fair value or future cash flows resulted from changes in market prices. Market risk arise from the open positions of interest rates, currency rates and the equity instruments as each of them is exposed to the market's general and specific movements as well as to the changes in the sensitivity level of market prices or rates such as interest rates, foreign exchange rates and the equity instruments' prices. The bank separates exposures to market risk either held for trading or held for non-trading portfolios.

The management of market risk resulted from trading, non-trading activities are centralized in the market risk department in the bank, and it is followed up by two separate team regular reports on market risks are submitted to the bank's management and heads of business units.

The trading portfolios include these positions resulting from the bank's direct dealing with customers or with the market. Whereas, the non-trading portfolios, arise mainly from management of the return rate of assets and liabilities related to retail transactions. These portfolios include the foreign exchange risks and equity instruments resulted from investments available for sale.

(B/1) Methods of Measuring Market Risk and Defining Exposure Limits

The Bank uses a lot of control market risk such as stress testing "ST".

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

(B/2) Stress test for foreign exchange risk

The following table provides FX position (whether short or long) for all balance sheet items and off balance sheet items.

Currency	Short/Long FX positions	FX short positions	FX long positions	Expected loss at 10%
USD	(34 918)	(34 918)	-	(3 492)
THB	(31)	(31)	-	(3)
EUR	(9 152)	(9 152)	-	(915)
GBP	(43)	(43)	-	(4)
JPY	(1 072)	(1 072)	-	(107)
CAD	(35)	(35)	-	(4)
AED	(388)	(388)	-	(39)
KWD	1	-	1	-
SAR	(3 114)	(3 114)	-	(311)
CNY	12	-	12	1
EGP	48 739	-	48 739	-
Maximum expected loss at 31 December 2021				**(4 874)**
Maximum expected loss at 31 December 2020				**7 155**

(B-3) The risk of fluctuations in foreign exchange rates

The bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows and the bank's management has set limits of foreign currencies in total value for each position at the end of the day and intra-day, which are monitored on the spot. The following table summarizes the extent of the bank's exposure to fluctuations in exchange rates risk at the end of the fiscal Period. The following table includes the book value of financial instruments broken down into its component currencies:

The concentration of currency risk of financial instruments

L.E 000

Financial assets at the end of Year	L.E	USD	Euro	GBP	Other Currencies	Total
Cash and balances with Central Bank of Egypt	3 126 278	39 710	18 709	938	745	**3 186 380**
Due from banks	7 543 476	17 236 020	50 030	58 045	30 648	**24 918 219**
Financial assets for the purpose of trading	23 694	-	-	-	-	**23 694**
Treasury bills through OCI	4 552 828	2 384 737	61 587	-	-	**6 999 152**
Loans and credit facilities to customers	16 200 032	2 238 306	287 878	1	-	**18 726 217**
Financial Investments:						
- At fair value through other comprehensive income	14 177 556	819 260	-	-	121 768	**15 118 584**
- At amortized cost	-	164 624	-	-	1 367	**165 991**
Total financial assets	**45 623 864**	**22 882 657**	**418 204**	**58 984**	**154 528**	**69 138 237**
Financial liabilities						
Due to banks	2 705	15 575 292	155 407	842	4 063	**15 738 309**
Customers' deposits	37 627 927	7 117 838	257 479	58 038	28 435	**45 089 717**
Total financial liabilities	**37 630 632**	**22 693 130**	**412 886**	**58 880**	**32 498**	**60 828 026**
Net financial position	**7 993 232**	**189 527**	**5 318**	**104**	**122 030**	**8 310 211**

L.E 000

At the end of 31 December 2020	L.E	USD	Euro	GBP	Other Currencies	Total
Total financial assets	**39 275 615**	**16 324 203**	**780 618**	**62 204**	**30 648**	**56 473 288**
Total financial liabilities	**30 973 275**	**15 930 904**	**758 752**	**63 269**	**32 797**	**47 758 997**
Net financial position	**8 302 340**	**393 299**	**21 866**	**(1 065)**	**(2 149)**	**8 714 291**

(B/4) Interest rate risk:

The bank is exposed to the impact of fluctuations in the levels of interest rates prevailing in the market that is the cash flow risk of interest rate represented in the volatility of future cash flow of a financial instrument due to changes in the interest rate of the mentioned instrument. Whereas the interest rate is fair value risk is the risk of fluctuations in the value of the financial instrument due to changes in interest rates in the market. The interest margin may rise due to these changes but still the profits may decrease if unexpected movements occur. The bank's management sets limit for the level of difference in the re-pricing of interest rate that the bank can maintain and risk department in the bank daily monitors this .

The following table summarizes the extent of the bank's exposure to the risk of fluctuations in interest rates that includes the book value of financial instruments divided based on the price of re-pricing dates or maturity dates whichever is sooner.

The end of year 31 December 2021	Up to 1 month L.E 000	More than 1 month to 3 month L.E 000	More than 3 month to 1 Year L.E 000	More than 1 Year to 5 Year L.E 000	More than 5 Year L.E 000	Interest free L.E 000	Total L.E 000
Financial assets							
Cash and balance with Central Bank of Egypt	-	-	-	-	-	3 186 380	**3 186 380**
Due from banks	19 328 776	4 230 296	1 200 000	-	-	159 147	**24 918 219**
Financial assets at fair value through profit and loss	23 694	-	-	-	-	-	**23 694**
Treasury bills at fair value through comprehensive income	204 615	1 041 046	5 753 491	-	-	-	**6 999 152**
Loans and credit facilities to customers	1 947 714	6 362 759	2 573 479	4 894 811	1 841 195	1 106 259	**18 726 217**
Financial Investments							
- At fair value through other comprehensive income	29 991	241 342	640 382	10 526 128	2 813 953	866 788	**15 118 584**
- At amortized cost	-	-	-	165 991	-	-	**165 991**
Total financial assets	**21 534 790**	**11 875 443**	**10 167 352**	**15 586 930**	**4 655 148**	**5 318 574**	**69 138 237**
Financial liabilities							
Due to banks	312 042	-	15 402 366	-	-	23 901	**15 738 309**
Customers' deposits	20 005 500	5 839 316	4 320 935	10 787 654	-	4 136 312	**45 089 717**
Total financial liabilities	**20 317 542**	**5 839 316**	**19 723 301**	**10 787 654**	**-**	**4 160 213**	**60 828 026**
The interest re- pricing gab	**1 217 248**	**6 036 127**	**(9 555 949)**	**4 799 276**	**4 655 148**	**1 158 361**	**8 310 211**

L.E 000

The year ended 31 December 2020	Up to 1 month	More than 1 month to 3 month	More than 3 month to 1 Year	More than 1 Year to 5 Year	More than 5 Year	Interest free	Total
Total financial assets	**8 908 291**	**17 940 722**	**12 487 931**	**9 063 211**	**2 590 406**	**5 482 727**	**56 473 288**
Total financial liabilities	**20 805 015**	**1 397 763**	**12 467 556**	**8 718 471**	**-**	**4 370 192**	**47 758 997**
The interest gab re-pricing	**(11 896 724)**	**16 542 959**	**20 375**	**344 740**	**2 590 406**	**1 112 535**	**8 714 291**

C- Liquidity risk

The liquidity risk is the risk that the bank unable to meet its commitments associated with its financial obligations at maturity date and replacing the funds that have been withdrawn; and that may result failure in meeting obligations related to repayment of the depositors' funds or meeting the lending commitments.

(C-1) Liquidity risk management:

The processes of liquidity risk control carried by Risk management department in the bank include the following:

- The daily funding is managed by monitoring and controlling the future cash flows to ensure the ability to fulfill all obligations and requirements.
- This includes replenishment of funds as they mature or is borrowed by customers. The bank maintains an active presence in the global money markets to ensure achievement of this target.
- Maintaining a portfolio of highly marketable assets, which can easily be liquidated to meet any interruption in cash flows.
- Monitoring liquidity ratios compared to the internal requirements of the bank and the Central Bank of Egypt's requirements.
- Management of concentration and profile the debt maturities.

Monitoring and reporting take the form of cash flow measurement and projections for the next day, week, and month respectively. The starting point for these projections is represented in the analysis of the contractual maturities of financial liabilities and expected collection dates of financial assets.

Risk management department controls the unmatched medium term assets management, the level and type of the unutilized portion of loans' commitments, the extent of utilizing debit current accounts advances and the impact of contingent liabilities such as letters of guarantees and letters of credit.

(C-2) Financing approach:

Liquidity resources are reviewed by a separate team in the Risk management department of the bank to provide a wide variety of currencies, geographical regions, resources, products, and maturities.

D- Financial Assets and Liabilities

(D-1) Financial instruments not measured at fair value:

The following table summarizes the present value and the fair value of financial assets and liabilities, which are not presented in the bank's balance sheet at fair value:

	31 December 2021		31 December 2020	
	Book value	**Fair value**	**Book value**	**Fair value**
Financial Assets	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**
Due From banks	24 918 219	24 918 219	16 343 483	16 343 483
Loans & facilities to customer	17 258 976	Not Determined	14 001 344	Not Determined
Debt instruments	165 991	165 991	862 892	860 491
Financial liabilities				
Customers' deposits	45 089 717	Not Determined	37 461 813	Not Determined
Due To banks	15 738 309	15 738 309	10 297 184	10 297 184

- Due from Banks

The fair value of deposits for one night with a variable interest rates it represents the discounted value. The expected fair value of deposits with variable interest rate is estimated based on the discounted cash flows using the prevailing interest rates in the debit financial markets with similar credit risk and maturity date.

- Loans and facilities to customers

Loans and facilities are recognized net after discounting the impairment loss provisions.

- Debt instruments with amortized cost

The fair value of debt instruments with amortized cost''Egyptian treasury bonds'' is classified according to Reuters rates declared at the end of the period.

- 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.

E-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:

- Compliance with the legally imposed capital requirements in Egypt
- Protecting the Bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base that supports the growth of business.

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 quarterly basis

Central Bank of Egypt requires each bank to do the following:

- Maintaining L.E 500 million as a minimum requirement for the issued and paid-in capital.
- Maintaining a minimum level of capital adequacy ratio of 10%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank.

The numerator of the capital adequacy ratio consists of the following two tiers:

Tier One: Tier one, comprised of two parts 'Going Concern Capital – Tier one ' & 'Additional Going Concern – Tier one '. Including risk reserves of IFRS 9 as per the instructions of the Central Bank.

Tier Two: Represents the going concern capital which comprised of:

- 45% of the increase in the fair value than the book value of financial investments ((Financial investments with fair value through OCI, debt instruments with amortized cost, subsidiaries and associates investments).
- 45% of special reserve
- 45% of the reserve of the positive differences of foreign exchange.
- Hybrid financial instruments.
-Subordinated loans deposits shall not exceed 50% of tier one of capital,
- Impairment provision for loans facilities & contingent liabilities should not exceed 1.25% of risk weighted asset & contingent liabilities, also it should be formed an impairment provision for loans, facilities and non-regular contingent liabilities enough to meet the obligations for which the provision was established.

Disposals of 50% from tier one & 50% from tier two:

- Investments on non-financial companies, each company separately which amounts to 15% or more of paid-in capital of the bank before the regulatory amendments.
- Total amounts of the investments on non-financial companies, each company separately which amounts to 15% or less of paid-in capital of the bank before the regulatory amendments provided that these investments combined exceeds 60% of the paid-in capital of the bank before the regulatory amendments.
- Securitization portfolios.

When calculating the numerator of capital adequacy ratio, it must take into consideration that subordinated loans (deposits) not exceeds 50% from tier one after disposals.

Assets and contingent liabilities weighted by credit risk, market risk and operation risk

The denominator of capital adequacy standard consists of:

1- Credit risk.
2- Market risk.
3- Operation risk.

Assets risk weight scale ranging from zero to 100% based on the debt part risk to reflect the related credit risk scheme, taking into consideration the cash collaterals. Similar criteria are used for off balance sheet items after adjusting it 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 and previous year.

The following table summarizes the components of Tier One, Tier two and capital adequacy ratios.

According to Basel II **Tier One (main capital &addition)**	**31 December 2021** **L.E 000**	**31 December 2020** **L.E 000**
Share capital	5 000 000	3 675 000
General Reserve	307 437	234 041
Retained earnings	3 415 715	3 443 071
Disposals from first category	(77 936)	(79 194)
Total of Tier One (after disposals)	**8 645 216**	**7 272 918**
Tier two (supporting capital)		
Provision of credit facilities and contingent regular liabilities	125 832	255 438
Disposals from Tier two	-	-
Total supplementary capital	**125 832**	**255 438**
Total capital	**8 771 048**	**7 528 356**
Risk weighted assets and contingent liabilities :		
Total risk weighted assets and contingent liabilities	**37 084 047**	**38 652 127**
Capital adequacy ratio (%)	**23.65%**	**19.48%**

- The financial leverage ratio on December 31, 2021 was about 11.18%.

Financial leverage ratio

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

This ratio will be included in Basel requirement tier1(Minimum limit of capital adequacy) in order to maintain the effectiveness of the Egyptian Banking system, as well as keep up with the best international regulatory practices.

Financial leverage ratio reflects the relationship between tier1 for capital that are used in capital adequacy ratio (after exclusions) and the bank's assets (on and off-balance sheet items) that are not risk weighted assets.

Ratio components

a) The numerator components

The numerator consists of tier1 for capital that are used in capital adequacy ratio (after exclusions) in accordance with the requirements of the Central Bank of Egypt (CBE).

b) The denominator components

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

1- On balance sheet exposure items after deducting Tier1 Exclusions for capital base.
2- Derivatives contracts exposure.
3- Financing financial securities operations exposures.
4- Off-balance sheet exposures'' weighted exchange transactions''.

The financial leverage ratio as of 31 December 2022 and 31 December 2021 is summarized in the following table:

	31 December 2021	31 December 2020
	L.E 000	L.E 000
First: Tier 1 capital after exposures	8 628 815	7 230 020
Total on-balance sheet exposures item (1)	73 649 210	59 459 225
Total off-balance sheet exposures item (2)	3 656 731	2 840 770
Total on and off-balance sheet exposures item (1+2)	77 305 941	62 299 995
Financial leverage ratio	**11.18%**	**11.67%**

4. The significant accounting estimates and assumptions

The bank applies estimates and assumptions, which affect the amounts of assets and liabilities to be disclosed within the following financial Year/period. Estimates and assumptions are continuously assessed based on historical experience and other factors as well, including the expectations of future events, which are considered reasonable in the light of available information and surrounding circumstances.

a) Impairment losses on loans and facilities (Expected credit loss)

The bank reviews the loans and facilities portfolio on at least a quarterly basis to assess impairment. The bank applies personal judgment when determining the necessity of recording the impairment charges to the income statement so as to know if there is any reliable data which refer to the existence of a measurable decline in the expected future cash flows of the loans portfolio even before being acquainted with the decline at the level of each loan in the portfolio. These evidences may include observable data, which refer to the occurrence of a negative change in the ability of a portfolio of borrowers to repay the bank, or local or economic circumstances related to default in the bank's assets. On scheduling future cash flows, the management use estimates based on prior experience of losses of assets with credit risk characteristics in the presence of objective evidences that refer to impairment similar to those included in the portfolio. The method and assumptions used in estimating the amount and timing of future cash flows are reviewed on a regular basis to minimize any differences between estimated and actual losses based on previous experience.

b) Impairment in equity instruments at fair value through OCI.

Fair value of derivatives

The bank has determined impairment of investments in equity instruments available for sale when there is a significant or prolonged decline in its fair value below its cost, and determining whether the decrease is significant or prolonged needs personal judgment and to make this judgment the bank evaluates among other factors – the usual volatility of the share price in addition to that, there may be impairment when there is evidence of a deterioration in the financial condition of the investee company ,its operational and financing cash flows, the performance of the industry or sector, or changes in technology.

c) Debt instrument at amortized cost:

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

5-Sectors segment analysis

A- Geographical segment analysis

L.E 000

31 December 2021	**Cairo**	**Alex., Delta & Sinai**	**Upper Egypt**	**Total**
Income and expenses according to geographical segment				
Geographical segment income	6 776 832	1 410 134	148 674	**8 335 640**
Geographical segment expense	(5 939 456)	(1 130 502)	(120 286)	**(7 190 244)**
Business sector result	**837 376**	**279 632**	**28 388**	**1 145 396**
Profit (loss) for the Year	**837 376**	**279 632**	**28 388**	**1 145 396**
Assets and liabilities according to geographical segment				
Geographical segment assets	68 724 521	2 896 365	424 320	72 045 206
Total assets	**68 724 521**	**2 896 365**	**424 320**	**72 045 206**
Geographical segment liabilities	68 724 521	2 896 365	424 320	72 045 206
Total liabilities	**68 724 521**	**2 896 365**	**424 320**	**72 045 206**

31 December 2020	**Cairo**	**Alex., Delta & Sinai**	**Upper Egypt**	**Total**
Income and expenses according to geographical segment				
Geographical segment income	6 478 834	1 313 114	136 485	7 928 433
Geographical segment expense	(5 367 011)	(1 129 039)	(118 809)	(6 614 859)
Business sector result	1 111 823	184 075	17 676	1 313 574
Profit (loss) for the Year	1 111 823	184 075	17 676	1 313 574
31 December 2020				
Assets and liabilities according to geographical segment				
Geographical segment assets	**54 838 660**	**2 826 694**	**387 807**	58 053 161
Total assets	**54 838 660**	**2 826 694**	**387 807**	58 053 161
Geographical segment liabilities	**54 838 660**	**2 826 694**	**387 807**	58 053 161
Total liabilities	**54 838 660**	**2 826 694**	**387 807**	58 053 161

6-Net interest income

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Interest income on loans and similar income		
Loans and facilities		
Customers	1 652 312	1 424 864
Total (1)	**1 652 312**	**1 424 864**
Treasury bills and bonds	2 065 843	**1 591 209**
Deposits & Current Accounts	936 795	**1 508 987**
Debt instruments at amortized cost & at fair value through OCI	59 934	43 173
Total (2)	**3 062 572**	**3 143 369**
Sales	200	9 331
Revenue from units sold	-	2 468
Interest income from selling by installments	7	21
Financial leasing revenue	161 647	102 523
Other	-	228
Total (3)	**161 854**	**114 571**
Total Interest Income (1 + 2+ 3)	**4 876 738**	**4 682 804**
Interest expenses on deposits and similar charges		
Current accounts and deposits		
– Banks	(173 642)	(188 029)
– Customers	(2 446 469)	(2 393 016)
- Other	(99 821)	(99 308)
TOTAL	**(2 719 932)**	**(2 680 353)**
Net income from return	**2 156 806**	**2 002 451**

7-Net Fees and commissions income

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Fees and commissions income:		
Fees and commissions related to credit	91 446	88 247
Corporate finance service fees	2 504	4 951
Other fees	181 844	165 852
Total	**275 794**	**259 050**
Fees and commissions expenses:		
Other fees and commissions Paid	(62 020)	(42 562)
Total	**(62 020)**	(42 562)
Net Fees & Commissions	**213 774**	**216 488**

8-Dividends income

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Securities with fair value through P&L	404	360
The share in the business results of sister	-	-
Securities with fair value through OCI	60 942	21 830
Investments in affiliates and associates	-	60
Total	**61 346**	**22 250**

9- Net trading income

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Profits from dealing in foreign currency	47 116	57 804
Gain on sale of trading portfolio	2 789	3 526
Revaluation differences from held for trading investments	(595)	2 018
Total Trading Income	**49 310**	**63 348**

10- Administrative expenses

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Employees cost		
Wages and salaries	(617 749)	(580 987)
Social Insurance	(31 520)	(27 823)
Pension cost (Other retirement benefits)	(1 666)	(1 525)
	(650 935)	(610 335)
Other administrative expenses	(480 633)	(447 077)
Total	**(1 131 568)**	**(1 057 412)**

11- Other operating income (expense)

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Revaluation profit (losses) of assets and liabilities balances in foreign currencies with monetary nature other than these held for trading or classified at inception at fair value through profits and losses	769	(7 484)
Gains from sale of property and equipment	12 568	8 261
Other *	10 707	68 340
Total	**24 044**	**69 117**

* Includes the amount L.E 4 117 thousands represents profit on sale of El Hadaba lands and Assets reverted to the Bank in 31 December 2021 and 16 857 thousand in 31 December 2020.

12- Income tax expense

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Treasury bills income tax	(102 998)	(115 804)
Treasury bonds income tax	(297 469)	(191 502)
Income tax	(3 901)	(6 546)
Deferred tax	7 376	(39 413)
Total	**(396 992)**	**(353 265)**

13- Impairment losses released (charged)

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Loans and facilities to customers (Note no. 19)	(46 085)	260 470
Due From banks	27 755	(24 476)
Treasury bills at fair value through other comprehensive income	(2 798)	(5 678)
Debt instruments at fair value through other comprehensive income	3 068	(6 471)
Debt instruments at amortized cost	(1 803)	1 210
Total	**(19 863)**	**225 055**

14- Earnings per share

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Net profit for the Period	1 145 396	1 313 574
The share of employees in the bank's profits	(110 892)	(128 037)
Remuneration for members of the Board of Directors	(19 000)	(19 000)
Minority rights	(6 499)	(4 204)
Net profit for the year after excluding minority interests	**1 009 005**	**1 162 333**
The weighted average of the ordinary shares	**371 459**	**358 204**
Earnings per share	**2.72**	**3.24**

15- Classification and measurement of financial assets and financial liabilities:

The following table shows the financial assets (before deducting any impairment provisions) and financial liabilities according to the classification of business model:

31 December 2021	Amortized cost	Debt instruments at fair value through other comprehensive income	Equity instruments at fair value through other Comprehensive income	Financial instruments at fair value through profit or loss	Total Carrying amount
Cash and due from Central Bank of Egypt (CBE)	3 186 380	-	-	-	**3 186 380**
Due from banks	24 918 980	-	-	-	**24 918 980**
Treasury bills	-	6 999 152	-	-	**6 999 152**
Financial assets at fair value through profit and loss	-	-	-	23 694	**23 694**
Loans and facilities to customers	18 726 217	-	-	-	**18 726 217**
Financial investment at fair value through OCI	-	14 765 559	353 025	-	**15 118 584**
Financial investments at amortized cost	168 133	-	-	-	**168 133**
Total financial assets	**46 999 710**	**21 764 711**	**353 025**	**23 694**	**69 141 140**
Due to banks	**15 738 309**	-	-	-	**15 738 309**
Customer deposits	**45 089 717**	-	-	-	**45 089 717**
Total financial liabilities	**60 828 026**	-	-	-	**60 828 026**

The following table shows the net amounts of financial assets and financial liabilities according to CBE instruction dated 16 December 2008 and IFRS 9 that was issued from CBE instructions dated 26 February 2019 :

1 January 2019	**Measurement according to CBE instruction dated December 16, 2008**	**Measurement to according IFRS 9**	**Carrying amount according to CBE instruction dated December 16,2008**	**Re-Classification**	**Re-measurement of financial reports IFRS9**	**Total Carrying amount according to IFRS9**
Cash and due from Central Bank of Egypt (CBE)	Loans and facilities	amortized cost	1 828 577	-	-	**1 828 577**
Due from banks	Loans and facilities	amortized cost	18 636 259	-	(41 145)	**18 595 114**
Treasury bills	Loans and facilities	Fair value through statement of comprehensive income	8 155 563	(15 926)	-	**8 139 637**
Loans and credit facilities to customers	Loans and facilities	amortized cost	10 241 011	-	(104 404)	**10 136 607**
Debt instruments	Available for sale	Fair value through statement of comprehensive income	2 757 038	-	-	**2 757 038**
Debt instruments	Held to maturity	amortized cost	1 457 489	-	(539)	**1 456 950**
Equity instruments	Available for sale	Fair value through statement of comprehensive income	175 274	-	-	**175 274**
investment funds	Available for sale	Fair value through statement of comprehensive income	33 746	-	-	**33 746**
investment funds	Amortized Cost	Fair value through statement of comprehensive income	25 000	-	-	**25 000**
Total financial assets			**43 309 957**	**(15 926)**	**(146 088)**	**43 147 943**
Due to banks	amortized cost	amortized cost	5 778 392	-	-	**5 778 392**
Customer deposits	amortized cost	amortized cost	32 410 685	-	-	**32 410 685**
Total financial liabilities			**38 189 077**	**-**	**-**	**38 189 077**

16- Cash and balances with Central Bank of Egypt

	31 December 2021 L.E 000	31 December 2020 L.E 000
Cash	395 733	350 528
Due from central bank within the required Reserve ratio	2 790 647	3 276 161
Balance	**3 186 380**	**3 626 689**
Balances without interest	3 186 380	3 626 689
Total	**3 186 380**	**3 626 689**

17- Due from banks

	31 December 2021 L.E 000	31 December2020 L.E 000
Current accounts	159 108	219 011
Deposits	24 759 872	16 153 023
Deduction: Provision for impairment losses	(761)	(28 551)
Balance (1)	**24 918 219**	**16 343 483**
*Central Bank other than mandatory reserve	6 435 851	4 405 431
Local banks	18 271 658	11 299 265
Foreign banks	211 471	667 338
Total	**24 918 980**	**16 372 034**
Deduction: Provision for impairment losses	(761)	(28 551)
Balance (2)	**24 918 219**	**16 343 483**
Balances without interest	159 108	219 011
Balances with fixed interest	24 759 872	16 153 023
Deduction: Provision for impairment losses	(761)	(28 551)
Total	**24 918 219**	**16 343 483**
Current balances	24 918 219	16 343 483
Total	**24 918 219**	**16 343 483**

*Due from CBE includes amount L.E 631 057 thousands presents a percentage according to the cash reserve in foreign currency, and calculated by 10% from total deposits in foreign currency at 31 December 2021, and will be created at 03 February 2022.

18- Financial assets at fair value through P&L

	31 December 2021 L.E 000	31 December 2020 L.E 000
Equity instruments listed on the securities market		
-Shares of local companies	17 940	19 965
-Financial investments at fair value through profit and loss	5 754	10 021
Total	**23 694**	**29 986**

19- Treasury bills at fair value through OCI

	31 December 2021 L.E 000	31 December 2020 L.E 000
Egyptian treasury bills	7 714 004	11 352 845
Total	**7 714 004**	**11 352 845**
Represented in		
Treasury bills due 91 days	-	234 520
Treasury bills due 182 days	21 433	1 782 412
Treasury bills due 273 days	1 145 671	3 083 470
Treasury bills due 364 days	6 546 900	7 196 150
Total	**7 714 004**	**12 296 552**
Deduct : Unearned income	(489 109)	(711 595)
Total 1	**7 224 895**	**11 584 957**
Sale of treasury bills with a commitment to repurchase		
Treasury bills sold with commitment to repurchase during 364 days.	(225 743)	(232 112)
Total 2	**(225 743)**	**(232 112)**
Total (1-2)	**6 999 152**	**11 352 845**

20- Loans and facilities to customers

	31 December 2021 L.E 000	31 December 2020 L.E 000
Retail		
Debit current accounts	133 926	331 442
Credit cards	64 382	57 149
Personal loans	3 294 647	2 603 694
Mortgages	1 415 422	795 709
Total (1)	**4 908 377**	**3 787 994**
Corporate including small loans for economic activities		
Debit current accounts	1 033 236	1 333 823
Direct loans	8 200 614	7 067 172
Syndicated loans	4 583 990	3 307 396
Total (2)	**13 817 840**	**11 708 391**
Total loans and facilities to customers (1+2)	**18 726 217**	**15 496 385**
Less:		
Provision for expected credit loss	(1 002 139)	(991 717)
Accrued Interest	(152 412)	(118 077)
Accrued Interest under settlements (Murabhat)	(312 690)	(385 247)
Net	**17 258 976**	**14 001 344**
Distributed as following :		
Current assets	10 954 066	9 188 377
Non-current assets	6 304 910	4 812 967
Total	**17 258 976**	**14 001 344**

Credit was granted to finance small and medium enterprises to clients through a partnership contract with the Social Fund 50% for both the bank and the fund, and the fund`s share amounted L.E 495 thousands in 31 December 2021.

Provision for expected credit loss

	Retail					L.E 000
31 December 2021	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage**	**Other Loans**	**Total**
Beginning balance as at 01 January 2021	686	1 544	41 694	45 218	8 345	**97 487**
Amounts written-off during the year	-	(1 192)	(245)	(11)	-	**(1 448)**
Recoveries during the year	-	863	30	-	-	**893**
Transfers	161	(329)	37 621	308	(2 289)	**35 472**
Returns to income statement as provision no longer required	-	-	(1 259)	(215)	-	**(1 474)**
Balance as at the end of Financial year	**847**	**886**	**77 841**	**45 300**	**6 056**	**130 930**

	Retail					L.E 000
31 December 2020	**Debit Current Account & Direct Loans**	**Credit Cards**	**Personal Loans**	**Mortgage**	**Other Loans**	**Total**
Beginning balance as at 01 January 2020	21 041	837	17 163	26 680	43 477	109 198
Amounts written-off during the year	(870)	(142)	(252)	-	(657)	(1 921)
Recoveries during the year	-	705	21	-	-	726
Transfers	(19 485)	144	24 762	18 538	(34 475)	(10 516)
Balance as at the end of Financial year	**686**	**1 544**	**41 694**	**45 218**	**8 345**	**97 487**

L.E 000

Corporate

31 December 2021	**Debit Current Account & Direct Loans**	**Syndicated Loans**	**Other Loans**	**Total**
Beginning balance as at 01 January 2021	693 977	194 203	6 050	**894 230**
Created During the year	179 225	-	-	**179 225**
Returns to income statement as provision no longer required	(132 122)	-	(4 458)	**(136 580)**
Amounts written-off during the year	(33 390)	-	-	**(33 390)**
Recoveries during the year	3 392	-	-	**3 392**
Transfers	(48 031)	13 986	(1 427)	**(35 472)**
Foreign currencies revaluation differences (-/+)	(44)	(152)	-	**(196)**
Balance as at the end of Financial year	**663 007**	**208 037**	**165**	**871 209**

Corporate **L.E 000**

31 December 2020	**Debit Current Account & Direct Loans**	**Syndicated Loans**	**Other Loans**	**Total**
Beginning balance as at 01 January 2020	950 024	191 622	9 150	**1 150 796**
Created During the Year	27 824	-	-	**27 824**
Returns to income statement as provision no longer required	(258 465)	-	(34 932)	**(293 397)**
Amounts written-off during the year	(146 584)	-	(2 667)	**(149 251)**
Recoveries during the year	151 220	-	-	**151 220**
Transfers	(29 599)	5 615	34 499	**10 515**
Foreign currencies revaluation differences (-/+)	(443)	(3 034)	-	**(3 477)**
Balance as at the end of Financial year	**693 977**	**194 203**	**6 050**	**894 230**

21- Financial Investments

	31 December 2021 L.E 000	31 December 2020 L.E 000
Financial investments at fair value through OCI		
A. Debt instruments at fair value		
- Listed in the market	14 250 267	7 940 425
- Unlisted in the market	-	150 300
B. Equity instruments at fair value		
- Listed in the market	515 292	464 100
- Unlisted in the market	335 196	186 137
C. *Investment fund documents at redemption value	17 829	20 046
Total (1)	**15 118 584**	**8 761 008**
Investment at amortized cost		
A- Debt instruments (amortized cost)		
Listed in the market	-	689 587
Unlisted in the market	168 133	173 640
Provision for expected credit loss(ECL)	**(2 142)**	**(335)**
Total (2)	**165 991**	**862 892**
Total financial investment (1+2)	**15 284 575**	**9 623 900**
- Current balances	14 763 417	9 093 777
- Non-current balances	521 158	530 123
	15 284 575	**9 623 900**
- Debt instrument with fixed interest	13 860 770	8 495 010
- Debt instrument with variable interest	557 630	458 942
Total	**14 418 400**	**8 953 952**

- Investment Funds listed under Financial Investments at fair value through other comprehensive income include the Fund's documents, which are established by the Bank and include two percent of the total number of United Bank Mutual Fund Investment Funds with cumulative daily return in Egyptian pounds
- The bank shall retain these documents until the end of the life of the fund in accordance with the provisions of the law. The nominal value of the bank's share in the fund is LE 5 million

- Investments that are not listed on the stock exchange or have no external evaluation evaluated according to the internal form prepared by the bank for that, which was notified to the Central bank according to the following:

- Stocks that are not traded on the stock exchange and whose fair value cannot be reached in a reliable manner or the availability of an evaluation prepared for them from an independent financial expert house approved by the Financial Supervisory Authority, the fair value is calculated using the two methods of equity and the sector profit multiplier (P/E Multiplier) with the average between them with equal relative weight, as there is no control percentage that allows obtaining documented information from these companies that enables the bank to operate in a cash flow manner in an objective way.

- In the case of losing companies (extended losses), the fair value is calculated by two equity methods, and the book value multiplier method, P / BM, on average between them with an equal relative weight instead of the profit multiplier method (where the profit multiplier method leads to a financial value that is not expressed in the fair value), In the event that the loss (interim) and the extent of that loss is not shown, the average earnings per share for the last 5 years is calculated with equal relative weight to apply the P / EM method on a more objective basis (according to the usual historical performance).

- The discounted cash flow method may be applied with one of the other previous methods with equal relative weight between them if it is available from the company in an objective manner consistent with the usual historical performance and the basic profitability of the company.

- Companies (discontinued / under liquidation), and a 100% component of their book value is calculated with a fair value calculated with a commemorative value (one pound) due to their high risks and uncertainty about the size of sovereign and other obligations that may be due in the future, whatever their value calculated by any of the evaluation methods, A precaution against potential risks.

- Other companies that have a full value of decay remain the same as a hedge in light of the political and economic conditions globally, regionally and locally unless the study indicates what is totally or partially ending the decay of any / some of the items.

	Fair value through other comprehensive income	Amortized cost	Total
	L.E 000	**L.E 000**	**L.E 000**
Balance as at 01 January 2021	8 761 008	863 227	**9 624 235**
Additions	29 400 233	981 637	**30 381 870**
Disposals (sale/redeemed)	(22 993 961)	(1 652 271)	**(24 646 232)**
Differences of valuations of assets of monetary nature in foreign currencies	(574)	-	**(574)**
Changes in fair value	63 784	-	**63 784**
Amortization of Premium- discount	(111 906)	(24 460)	**(136 366)**
Balance as at 31 December 2021	**15 118 584**	**168 133**	**15 286 717**
Provision for expected credit losses	**-**	**(2 142)**	**(2 142)**
Balance as at 31 December 2021	**15 118 584**	**165 991**	**15 284 575**
Balance as at 01 January 2020	5 853 794	644 731	**6 498 525**
Additions	7 070 615	569 057	**7 639 672**
Disposals (sale/redeemed)	(4 099 427)	(354 125)	**(4 453 552)**
Differences of valuation of assets of monetary nature in foreign currencies	(13 507)	(3 284)	**(16 791)**
Changes in fair value	(6 406)	-	**(6 406)**
Amortization of Premium- discount	(44 061)	6 848	**(37 213)**
Balance as at 31 December 2020	**8 761 008**	**863 227**	**9 624 235**
Provision for expected credit losses	**-**	**(335)**	**(335)**
Balance as at 31 December 2020	**8 761 008**	**862 892**	**9 623 900**

Profits (losses) resulting from financial investments

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Profits on sale of financial investments available -for- sale and treasury bills at fair value through OCI	141 922	83 913
Profits (losses) sale shares on _Investments in Subsidiaries & associates	23 721	-
Balance as at end of year	**165 643**	**83 913**

22- Investments in Subsidiaries & associates

31 December 2021	Country of the Head Office Company's	Company's Assets	Company's Liabilities (without shareholders' equity)	Company's Revenues	Profits (losses) of the company	Amount of Contribution	Percentage of Contribution
		L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	%
* United Company for Development and Construction (Diyar)	Egypt	31 932	141	1 132	125	6 667	24%
Total		**31 932**	**141**	**1 132**	**125**	**6 667**	

The balances of the company's assets and liabilities, revenues, profits and losses of the company on December 31, 2020

31 December 2020	Country of the Head Office Company's	Company's Assets	Company's Liabilities (without shareholders' equity)	Company's Revenues	Profits (losses) of the company	Amount of Contribution	Percentage of Contribution
		L.E 000	L.E 000	L.E 000	L.E 000	L.E 000	%
* United Company for Development and Construction (Diyar)	Egypt	31 932	141	1 132	125	6 667	24%
Total		**31 932**	**141**	**1 132**	**125**	**6 667**	

- The approval of the extraordinary general assembly of United Financial Leasing Company (formerly the Arab United Real Estate Company) and the Egyptian Company for United Real Estate on October 20, 2016, on the merger of the Egyptian Company for United Real Estate in United Financial Leasing Company "formerly the Arab United Real Estate Company" on the basis of the book value For the two companies on December 31, 2015, provided that the shareholding percentages are distributed on the basis of the market value of the assets of the two companies. This was the decision of the General Authority for Investment and Free Zones No. 146/2 of 2018 licensing the merger, and the commercial registry was marked on April 1, 2018.

23- Intangible assets

	31 December 2021 L.E 000	31 December 2020 L.E 000
Net book value at the beginning of the Period/year	79 062	73 649
Additions	25 410	30 040
Amortization	(26 536)	(24 627)
Net book value at the end of the period/year	**77 936**	**79 062**

24- Investment property:

	lands	Buildings and constructions	Machinery, furniture, equipment and real estate investment	**Total**
The cost of the asset on January 01, 2020	640	37 188	10 872	**48 700**
additions during the year	-	-	575	**575**
disposals during the year	-	-	-	**-**
The cost of the asset at December 31, 2020	**640**	**37 188**	**11 447**	**49 275**
Depreciation compound on January 01, 2021	-	(25 196)	(7 992)	**(33 188)**
Depreciation	-	(767)	(924)	**(1 691)**
Accumulated depreciation at December 31, 2021	-	(25 963)	(8 916)	**(34 879)**
Net book value as at December 31, 2021	**640**	**11 225**	**2 531**	**14 396**
Net book value as at December 31, 2020	**640**	**11 993**	**2 880**	**15 513**

25- Other assets

	31 December 2021 L.E 000	31 December 2020 L.E 000
Accrued revenues	825 890	528 003
Prepaid expenses	59 888	52 210
Payments under purchase of fixed assets & Intangible assets	630 871	360 694
*Assets reverted to the Bank in settlement of debts (after deducting provision L.E 107 088 thousand)	351 818	323 249
**Purchased financial assets	350 082	-
Assets available for sale	908	908
security deposits and advances with others	4 381	3 374
Book value of Hadaba land and Gamasa resort (after deducting provision of 3 356 thousands)	5 594	5 480
Projects in progress	37 020	35 522
Inventory	1 212	4 794
Assets held for sale	-	669 132
Others	1 587 474	584 422
Total	**3 855 138**	**2 567 788**
Provision for expected credit loss	**(1 397)**	**(1 641)**
Total	**3 853 741**	**2 566 147**

*The balance of the Non- recorded reverted assets as at 31 December 2021 is L. E 221 Million.

Inventory:

	31 December 2021 L.E 000	31 December 2020 L.E 000
raw materials	6	1 976
refills	-	300
finished goods	650	1 636
Production in progress	-	6
Writing tools and assignments	-	58
spare parts	-	292
fuel storage	-	1
Elevator spare parts	55	112
Air conditioning spare parts	398	464
Electricity spare parts	33	33
Sanitary ware spare parts	70	66
The impairment in the value of idle inventory	-	(150)
Total	**1 212**	**4 794**

*Inventory evaluates stationery, supplies and materials inventory on the basis of cost by following the weighted average method.

* The inventors evaluate finished production and production in process on the basis of industrial cost or net realizable value, whichever is less.

*Inventory of spare parts is evaluated at actual cost on a first-in, first-out basis.

*Inventory of raw materials is valued at cost or net realizable value, whichever is less.

The United Bank
Notes to the consolidated financial statements for the financial Year ended 31 December 2021

26- Fixed assets

	Lands& Buildings L.E 000	Equipment L.E 000	Computers L.E 000	Vehicles L.E 000	Furniture L.E 000	Others L.E 000	Total L.E 000
Beginning balance as at 01 January 2020							
Cost	450 521	24 209	282 645	21 176	35 594	126 002	940 147
Accumulated depreciation	(217 028)	(15 029)	(244 465)	(13 761)	(21 301)	(87 403)	(598 987)
Net book value at beginning of financial Year	**233 493**	**9 180**	**38 180**	**7 415**	**14 293**	**38 599**	**341 160**
Additions during the year	74 133	1 935	35 316	1 342	3 700	16 618	133 044
Disposals during the year	(5 673)	(168)	(196)	(720)	(207)	(1 219)	(8 183)
Accum. Deprec. – disposals	742	168	195	516	195	534	2 350
Depreciation for the year	(9 767)	(2 343)	(22 707)	(2 433)	(2 553)	(21 174)	(60 977)
Net book value as at 31 December2020	**292 928**	**8 772**	**50 788**	**6 120**	**15 428**	**33 358**	**407 394**
Beginning balance as at 01 January 2021							
Cost	518 981	25 976	317 765	21 798	39 087	141 401	1 065 008
Accumulated depreciation	(226 053)	(17 204)	(266 977)	(15 678)	(23 659)	(108 043)	(657 614)
Net book value at beginning of financial year 01 January 2021	**292 928**	**8 772**	**50 788**	**6 120**	**15 428**	**33 358**	**407 394**
Additions during the year	26 801	584	29 366	11 676	920	13 286	82 633
Disposals during the year	(6 692)	(2 161)	(1 517)	(3 075)	(795)	(1 265)	(15 505)
Accum. Deprec. – disposals	1 342	265	1 516	2 392	441	1 019	6 975
Depreciation for the year	(12 526)	(2 285)	(20 981)	(3 518)	(2 368)	(18 614)	(60 292)
Net book value as at 31 December 2021	**301 853**	**5 175**	**59 172**	**13 595**	**13 626**	**27 784**	**421 205**
Balance for year ended 31 December 2021							
Cost	539 090	24 399	345 614	30 399	39 212	153 422	1 132 136
Accumulated depreciation	(237 237)	(19 224)	(286 442)	(16 804)	(25 586)	(125 638)	(710 931)
Net book value	**301 853**	**5 175**	**59 172**	**13 595**	**13 626**	**27 784**	**421 205**

- The balance of non-recorded fixed assets as at 31 December 2021 is amounted to L.E 233.6 M .

27- Due to banks

	31 December 2021 L.E 000	31 December2020 L.E 000
Current accounts	23 862	27 807
Deposits	15 714 447	10 269 377
Balance	**15 738 309**	**10 297 184**
Balances without interest	23 862	27 807
Balances with fixed interest	15 714 447	10 269 377
Balance	**15 738 309**	**10 297 184**
Current balances	15 738 309	**10 297 184**
Balance	**15 738 309**	**10 297 184**

28- Customers' deposits

	31 December 2021 L.E 000	31 December2020 L.E 000
Demand deposits	7 772 797	8 551 871
Term and call deposits	17 442 618	10 895 793
Certificates of deposits and savings	14 098 216	12 296 149
Savings deposits	5 452 006	5 429 527
Other deposits	324 080	288 473
Balance	**45 089 717**	**37 461 813**
Corporate deposits	21 236 734	15 423 437
Retail deposits	23 852 983	22 038 376
Balance	**45 089 717**	**37 461 813**
Balances without interest	4 098 784	4 276 529
Balances with variable interest	32 599 055	28 691 119
Balances with fixed interest	8 391 878	4 494 165
Balance	**45 089 717**	**37 461 813**
Current balances	34 302 063	28 743 342
Non-current balances	10 787 654	8 718 471
Balance (Total Customers' deposits)	**45 089 717**	**37 461 813**

29- Other loans

	31 December 2021 L.E 000	31 December2020 L.E 000
creditor banks	451 260	506 687
Total	**451 260**	**506 687**

30- Other liabilities

	31 December 2021 L.E 000	31 December2020 L.E 000
Accrued interest	253 258	162 174
*Accrued expenses	25 773	40 242
Other credit balances	430 963	468 495
Advance under purchase assets reverted to the bank	13 040	30 464
Total	**723 034**	**701 375**

31- Other provisions

	31 December 2021					31 December 2020				
	Provision for Contingent Claims	**Provision for Loan commitments**	**Provision for Contingent Liabilities**	**Other provision**	**Total**	**Provision for Contingent Claims**	**Provision for Loan commitments**	**Provision for Contingent Liabilities**	**Other provision**	**Total**
	L.E 000	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**	**L.E 000**
Balance at the beginning of the year	99 292	11 027	32 631	10 842	**153 792**	93 815	10 557	35 391	41 997	**181 760**
Formed during the year	4 082	1 300	10 193	3 619	**19 194**	11 270	6 717	4 580	2 347	**24 914**
*Transfers during the year	(19 122)	-	-	-	**(19 122)**	37 821	-	-	-	**37 821**
Return to Income statement	(13 485)	(6 885)	(16 237)	(3 558)	**(40 165)**	(38 015)	(6 247)	(7 343)	(3 045)	**(54 650)**
Foreign currencies revaluation differences	-	-	2	-	**2**	(137)	-	3	-	**(134)**
Used during the year	(1 418)	-	-	(1 119)	**(2 537)**	(5 462)	-	-	(30 457)	**(35 919)**
Balance at the end of the year	**69 349**	**5 442**	**26 589**	**9 784**	**111 164**	**99 292**	**11 027**	**32 631**	**10 842**	**153 792**

* 19 122 thousand pounds were transferred from the provision for contingent liabilities to the provision for debit balances.

32- Deferred tax, that results in assets (liability) or Principal (obligation)

	Deferred tax assets	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
United bank	56 732	60 623	166 526	107 077
Islamic paints	-	-	-	409
	56 732	60 623	166 526	107 486
United Finance	235	92	-	-
Nile Co	30	39	-	-
	265	131	-	-

Movement of deferred tax assets & liabilities

	Deferred tax assets	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
At the beginning of year	60 754	67 467	107 486	100 111
Additions during the year	364	312	68 913	19 643
Disposals	(4 121)	(7 025)	(9 873)	(12 268)
Balance at the end of year	**56 997**	**60 754**	**166 526**	**107 486**

The assets and liabilities of deferred tax are included directly in equity

	Deferred tax assets	Deferred tax assets	Deferred tax liabilities	Deferred tax liabilities
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Differences in fair value of financial investments	-	-	166 526	107 486
Total	**-**	**-**	**166 526**	**107 486**

*The deferred tax assets are recognized when there is likelihood to achieve taxable profits in the future through which this asset can be utilized. The deferred to asset is to be decreased by the portion that will not realize the expected taxable benefit in the coming years, in case of the increase in expected taxable benefits the deferred tax assets should be increased within the limit of previous reduction in the value of deferred tax assets.

33- Retirement benefits liabilities

	31 December 2021 L.E 000	31 December 2020 L.E 000
Liabilities recorded in balance sheet:		
Medical benefits after retirements	44 718	41 146

The balances recognized in the income statements:	31 December 2021 L.E 000	31 December 2020 L.E 000
Medical benefits after retirements	1 666	1 525
Amounts that recognized in the balance sheet are as follow:		
Present value for unfunded liabilities	44 718	41 146

Changes in liabilities through the financial year represented in:	31 December 2021 L.E 000	31 December 2020 L.E 000
Balance (Beg. of the year)	41 146	45 906
Current service cost	6 074	6 571
Returned to the income statement	-	(9 621)
Paid advantages	(2 502)	(1 710)
Total	**44 718**	**41 146**

34- Shareholders' Equity

(a) Authorized capital

- The bank's authorized capital amounted to LE 7.5 Billion.

(b) Issued and subscribed capital

- The issued and fully paid up capital is 5 billion Egyptian pounds distributed over 500 million shares, the nominal value of each share is 10 pounds. On December 8, 2021, the extraordinary general assembly of the bank agreed to increase the capital to become 5 billion pounds to comply with the Central Bank and Banking System Law No. 194 of 2020, and the bank has completed the procedures and ratified the investment sheet and annotated it in the commercial register on 01/10/2022, and accordingly it becomes The capital is 5 billion pounds.

(c) Reserves

	31 December 2021	31 December2020
	L.E 000	L.E 000
Capital reserve	44 517	36 256
Fair value reserve	560 223	588 788
Legal reserve	258 471	193 822
Bank risk reserve	103 588	102 696
General risk reserve *	13 557	1 849
Total reserves at the end of Year	**980 356**	**923 411**

* According to the Central Bank's instructions to apply the IFRS9 standard as of 01 January 2019, both the general bank risk reserve - credit and the IFRS9 risk reserve are combined into one reserve in the name of the general risk reserve, provided that the difference between the required allocations is deducted according to standard 9 and the required allocations according to the previous instructions on General risk reserve.

(C-1) Fair value reserve /financial investments available for sale

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Balance at the beginning of year	588 788	564 774
Net gains (losses) from change in fair value	34 212	19 651
Profit from sale of equity instruments through OCI	(3 009)	(106)
Expected credit losses on debt instruments at fair value through other comprehensive income	(319)	11 835
Deferred income taxes recognized during the year (Note 30)	(59 449)	(7 366)
Balance at the end of the year	**560 223**	**588 788**

(D) Retained earnings

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Net Carried forward profit	4 029 228	3 029 183
Transferred to reserves	(89 793)	(99 071)
Transferred from reserves	7 292	161 811
Dividend	(1 304 165)	(363 541)
1% for Banking support fund	(12 804)	-
The difference in the bank's share in the symbiotic contribution for the year 2020, and refunding the "New Smart" client's fines for the year 2020. Create a provision for taxes on ATM locations from 2017 to 2020	(5 163)	(8 524)
Excluding the Islamic Company for Paints and Distributions, reserves and retained earnings from subsidiaries	(6 116)	-
Profit for the Year	1 138 897	1 309 370
Total Carried forward Profit	**3 757 376**	**4 029 228**

- Decisions of the ordinary general assembly of the united bank held on 27 May 2021, unanimously approved the distribution of profits for 2020 which includes a legal reserve amounted L.E 64 649 thousand, capital reserve amounted L.E 8 261 thousand bank risk reserve amounted L.E 5 175 thousand, ,Distributions of shares are free to shareholders amounted L.E 1 150 000 Thousand, distributions of profits for employees and board of directors amounted L.E 147 037 thousand.

35- Cash and cash equivalents

For purpose of cash flow statements presentation, cash and cash equivalents include the following balance, which does not exceed the following maturity dates of three months from the date of acquisition.

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Cash and due from Central Bank of Egypt	395 734	350 528
Due from banks	21 887 162	6 591 941
Treasury bills	-	232 623
Total	**22 282 896**	**7 175 092**

36- Contingent liabilities and commitments:

a) Legal Claims

A provision was formed for the held legal claims against the bank on 31 December 2021 , in addition to some legal claims that are not expected to affect the profit so, there is no formed provision for it.

b) Capital commitments

The Bank's contracts for capital commitments amounted to L.E 496 479 thousand as of 31 December 2021 against L.E 850 715 thousand in the comparative year

31 December 2020 representing purchases of fixed assets and intangible assets, the management has adequate confidence of the availability to finance these commitments.

c) Loans, guarantees, and facilities commitments

	31 December 2021	31 December 2020
	L.E 000	L.E 000
Letters of credit & Acceptances	2 789 037	1 827 574
Letters of guarantee	2 660 360	2 639 769
Net	**5 449 397**	**4 467 343**

d) Commitments to operational leasing contracts

The total minimum lease payments for non-cancellable operating leases are as follows:

	31 December 2021	31 December 2020
	L.E 000	L.E 000
More than one year and less than five years	3 669	3 669
Net	**3 669**	**3 669**

37- Transactions with related parties

A-Central Bank of Egypt

Balance sheet	31 December 2021	31 December 2020
	L.E 000	L.E 000
Current account (CBE Reserve)	2 792 270	3 277 433
Due To CBE	6 435 851	4 405 431
Treasury bills	7 714 004	12 296 552
Accrued interest on deposits	54 574	13 729
Sale of treasury bills with a commitment to repurchase	225 743	232 112

Income Statement	31 December 2021	31 December 2020
	L.E 000	L.E 000
Interest income on deposit on CBE	740 611	760 339
Income from treasury bills	564 246	606 069
Supervision and control expenses	12 974	5 821
Returns on sales of treasury bills with a commitment to repurchase.	8 183	8 435

B-The united company for leasing(previously Arab Real Estate Company)

Balance sheet	31 December 2021	31 December2020
	L.E 000	L.E 000
Deposits	44 228	69 357
Investment in subsidiaries and associates	111 059	111 059
Loans	772 265	291 471
Musharkat	7 280	7 280
Accrued revenue	2 299	-

Income Statement	31 December 2021	31 December 2020
	L.E 000	L.E 000
Interest paid on deposits	4 731	2 481
Income commission	235	136
Administrative expenses (salaries seconded by the company)	-	1 224
Paid rent to The United Company for Leasing	20 657	21 014
Interest on loans included	40 205	13 330
The Remunerations of the board of directors (attendance allowance)	734	717

C- Nile company for construction

Within the balance sheet	**31 December 2021**	**31 December 2020**
	L.E 000	**L.E 000**
Deposits	2 716	682
Contingent claims (Letters of credit)	40	40

Within Income Statement	**31 December 2021**	**31 December 2020**
	L.E 000	**L.E 000**
Dividends	-	509
Interest paid on deposits	92	113
Commissions earned	4	8
(Board Members' remuneration (attendance allowances)	-	23

The Remunerations of the board of directors and the top management:

The net remuneration and salaries paid by the twenty largest salary and remunerations in the Bank and its sister companies and subsidiaries are based on a monthly average of 280,000 Egyptian pounds per person during the financial year ended 31 December 2021.

38- The United Bank tax position at 31 December 2021

First: the three parties before acquisition at 29 June 2006

1- The International Islamic Bank for Investment & Development (previously)

a. Salary Tax;

- The inspection, settlement and the amounts due were paid and there is no tax due.
- There are no periods of dispute either in the internal committee and before the judiciary.
- The final settlement has been received.

b. Stamp Tax;

- All Branches were inspected & Pay the due differences and get the final clearance.
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement has been received.

c. Corporate Tax:

- The inspection, settlement and the amounts due were paid and there is no tax due.
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement has been received.

2- The Nile Bank (previously)

a. Salary Tax;

- The inspection, settlement and the amounts due were paid and there is no tax due.
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement has been received.

b. Stamp Tax:

- The inspection, settlement and the amounts due were paid and there is no tax due.
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement for all branches have been received.

c. Corporate Tax:

- The bank has been inspected for such period and has had a final settlement with the tax authority.
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement for all branches have been received.

3- The United Bank of Egypt (previously)

a. Salary Tax:

- The inspection, settlement and the amounts due were paid and there is no tax due
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement for all branches have been received.

b. Stamp Tax:

- The bank has been inspected for such period and has had a final settlement with the tax authority.
- There are no periods of dispute either in the internal committee or the appeal committee or before the judiciary.
- The final settlement for all branches have been received.

c. Corporate tax:

- All the periods and payment of the tax due were examined, and there were some items of disagreement between the bank and the Tax Office that were in circulation before the judiciary for the period 1991-2004, requests to end tax disputes were submitted and that it was in accordance with the Tax Reconciliation Law No. 79 of 2016 and The memoranda and documents that supported this view of the bank were submitted. The committee decided on all disputes for the years 1991-2004. The bank and the Minister of Finance signed the final agreement, which resulted in savings in the provision of approximately 130 million pounds. The final settlement of the Bank of Egypt is underway. The United Bank and transfer the credit balance to the file of The United Bank so that the bank can benefit from the credit balance in the payment of any taxes that may occur to the bank in the future.

Second: United Bank starting from the merge date in 31 December 2021.

a. Salary tax

FYs from the beginning of the activity until 31 December 2017.

- The bank has been inspected for such period and has had a final settlement with the tax authority.

FY 01 January 2018 Till 31 December 2020.

- The documents were prepared and provided to the tax advisor to start the tax examination activities, and it is expected that the competent tax office will provide us with the results during January 2022.

FY 01 January 2020 Till 30 September 2021.

- The monthly tax withheld from employees is supplied on a regular monthly basis

b. Stamp tax

FY from 01 July 2006 till 2017

- The tax examination work has been completed, the tax assessment forms have been received, and the due tax has been paid in full

FY 01 January 2018 till 31 December 2019.

-The tax examination work has been completed and the tax assessment forms have been received. The forms have been appealed due to a material error. An internal committee is being held to amend the error and it is expected that no tax will be due.

FY 01 January 2020 till 31 December 2020.

-All the required analyzes and documents have been submitted to the competent tax office, and the tax examination work is being followed up. It is expected that the competent tax office will provide us with the results before the end of the fiscal year 2021.

FY 01 January 2021 till 31 December 2021.

- Stamp tax due on advertisements is calculated and paid on legal dates.

- Stamp tax due on lottery prizes is paid and supplied on legal dates.

- The stamp tax due on the highest debit balance on loans, advances and facilities (customers' share and the bank's share) is calculated and supplied, as well as the tax due on defaulting customers' balances (the bank's share), according to the agreement of the Federation of Egyptian Banks with the Tax Authority.

c. Corporate Tax

FYs from 01July /2006 till 31 December 2017

-The examination was completed and a form was received (19). The basis of the examination was agreed and agreed with the competent office on the tax on corporate profits tax with the imposition of a tax on the independent vessel and Article 56 of Law 91 of 2005.

FYs from 01January 2018 till 31 December 2018

-The tax examination work has been completed and the tax assessment forms have been received, and the forms have been challenged due to the existence of some items that were unjustly returned to the tax office. An internal committee is being held to clarify the bank's point of view, and it is expected that no tax will be due for that period.

FYs from 01January 2019 till 31 December 2020

- The tax return was submitted immediately after the bank's financial statements were approved, with all analyzes and documents prepared for the tax office, and the tax examination work is being followed up. It is expected that the competent tax office will provide us with the results in January 2022.

FYs from 01January 2021 till 31 December 2021

- The tax return is being prepared and submitted as soon as the bank's financial statements are approved.

Note that:

-Tax returns are submitted in accordance with the provisions of Law 91 of 2005 on a regular basis.
-Payment and supply of debit and addition taxes are paid according to the actual deduction from the bank's suppliers and suppliers on a regular quarterly basis.
-The tax due is paid according to Article 56 of Law 91 of 2005.
-Tax due on the return of treasury bills and bonds is paid regularly
-VAT will be paid (newly) for the bank's transactions with non-resident parties, which are called reverse commissioning of transactions.

Actual position:

FYs from 01July 2006 till 31 December 2017

-The examination was completed and a form was received (19). The basis of the examination was agreed and agreed with the competent office on the tax on corporate profits tax with the imposition of a tax on the independent vessel and Article 56 of Law 91 of 2005.

FYs from 01July 2017 till 31 December 2018

-Preparation is underway to prepare the tax return as soon as the financial statements of the bank are approved, with all analyzes and documents being prepared for the tax office to start the tax examination work immediately after the tax return is submitted on 4/30/2019.

Third: Subsidiaries

1.United lease (The United Arabian company for real estate-previously)
First: Corporate Tax

- **Year 1986**

The final settlement had been done.

- **Years from 1987 to 2004**

The Court of Cassation decided to cancel the ruling issued in the appeal and provided that the ordinary judiciary has no jurisdiction to inspect the case and refer it to the court of administrative judiciary and the appeal session has not been identified.

- **Years from 2005 to 2014**

- The final settlement had been done with tax authority and there is no dispute.

- **Years from 2015 to 2018**

The company was notified of the tax form (19), and the company has objected and appealed against this form, and required the tax authority to refer the file to the internal committee.

- **Years from 2019 to 2020**

-The tax return was submitted on the legal date, the taxes were paid accordingly, and the examination was not carried out.

Second: salary Tax:

- **From the beginning of activity to 2014**

  The final settlement had been done.

- **Years from 2015 to 2018**

  The company was notified of the (38) salary form, and the company objected and appealed against this form. The tax office demanded that the file be referred to the competent internal committee.

- **2019**

  The competent tax office has examined the accounts and books, and this examination has resulted in tax differences that are being paid.

- **Years from 2020 to 2021**

  Taxes were paid monthly according to the law, and the examination was not carried out.

Third: Stamp Tax:

The payment was made until 2019, and the examination and settlement took place until the year 2017.

Forth: Real estate Tax:

It was paid until 2021 according to the claim from the real estate tax dated January 13, 2021.

Fifth: Value - added Tax:

The company is not subjected to value-added tax in accordance of the law No. (67) of 2016, and its executive regulations.

2.The Egyptian company for united real estate- (The merged company)

First: Corporate Tax

- **From the beginning of the activity to 2004**

  The final settlement had been done.

- **Years from 2005 to 2009**

  These years had subjected to method of inspection by sample applied by the issuance of tax law No, (91) of 2005, and the company has not been notified of ant inspection related to them.

- **Years from 2010 to 2012**

  The re-examination was completed, and the company objected and referred the file to the Experts Committee in the Administrative Judiciary.

- **Years from 2013 to 2016**

  The company was notified of the tax form (19), and the company has objected and appealed against this form, and required the tax authority to refer the file to the internal committee.

- **Years from 2017 to 2018**

- The tax declaration was submitted on the legal date, and the taxes were paid in accordance with the declaration but the inspection has not carried out.

Second: salary Tax:

- **From the beginning of activity to 2004**

  The final settlement had been done.
- **Years from 2005 to 2010**

- The inspection and settlement had been done and the company has been notified of Form (40) for committees, as the appeal committee ruled that there is a credit balance for the company owed by the Tax Authority which will be deducted from the next year's inspection.
- **Years from 2011 to March 2018**

  The company has been notified of form No, (38) salaries, and the company has objected and appealed on that form and required the tax authority to refer the file to the internal committee.

Third: Stamp Tax:

- **From the beginning of activity to 2006**

- The final settlement had been done.
- **Years from 2007 till March 2018**

- Inspection in progress.

3.Nile for Development
First: Corporate Tax

- Inspection, taxability, and tax has been paid till 2018.
- The declaration has been submitted and the accrued tax has been paid till 2020.

Second: Salaries Tax:

- Inspection, taxability, and tax has been paid till 2018.
- Quarterly returns have been submitted through December 31, 2021
- The company is paying payroll tax and submits it to Egyptian Tax Authority on its legal dates.

Third: Stamp Tax:

- Inspection, taxability, and tax has been paid till 2016.
- Within the years from 2017 to 2021 the company has not been notified of inspection till now.

Forth: Discount system

The company applies the provisions of the law to the entities and establishments that are entitled to a deduction on account of taxes, and it submits the value of what has been deducted to the General Administration to collect the forms of deduction and collection under the tax account at the interest on the legal dates by virtue of a check accompanied by 41 (deduction and collection under the tax account).

Fifth: Social insurance

The company is registered with the General Organization for Social Insurance, Qasr al-Nil office, facility number 308441, and the company is regularly is paying the insurance premiums due on it.

4. The International Islamic Company for Paints and Chemical Industries (ASIPAC):

First: Corporate Tax

- The period from the beginning of the activity until the knowledge of 1998, there are no tax liabilities.

- The company's books were examined from 1999 to 2004. The company objected to linking the appeal committee. The matter is being considered by the expert committee and the dispute settlement committee. An amount of 400,000 pounds was paid on account until settlement.

- The years from 2005 to 2008, the company's tax return was approved.

- The company's books were examined in 2009, and the company objected to linking the appeal committee. The matter is being considered by the Committee of Experts and the Dispute Settlement Committee, and an amount of 300,000 pounds was paid under the expected tax account.

- Tax returns for the years 2010 to 2020 were submitted in light of the provisions of the Income Tax Law No. 91 of 2005 and its executive regulations on the legal dates and the payment of taxes due from the declaration.

Second: Value Added Taxes:

- The company's books were examined until the end of 2016 and the payment was made.
- From 2017-2020, declarations are submitted on the legal dates and the due tax is paid.

Second: Salaries Tax:

- Inspection, taxability, and tax has been paid till 2008.
- The company's books are being examined for years from 2009 to 2020.

Third: Stamp Tax:

- Inspection, taxability, and tax has been paid till 2012.
- The years from 2013 to 2020 were not examined.

Forth: Real estate tax

- Payment made until the end of 2020.

Fifth: Discount system

- The company is committed to applying the provisions of the law by deducting the tax account and paying on the legal dates.

39- Trust activities

The value of customers' securities deposited for custody at the Bank amounted to L.E. 1 415 826 thousand on 31 December 2021 (31 December 2020 L.E 911 789 thousand).

40- The United Bank Investment fund (with cumulative daily return) "The Fund":

The fund is one of the banking activities that the Bank has been licensed under the Capital Market Law No. 95 of 1992 and its executive regulations, and managed by CI Assets Management Company for Investment Funds Management and has reached 2 500 000 units with nominal value L.E. 250 000 thousand The bank share 50 000 units (with nominal value of L.E 5 000 thousand) to continue the fund activity. 2% of the total number of documents on the first day of the Fund are listed as financial investment.

Valued at redemption in 31 December 2021 recorded L.E 274.29 (31 December 2020 L.E 250.57). The Fund's existing documents amounted to 2 911 915 documents as of 31 December 2021, compared to the amount of units Fund was recorded 2 717 649 units on 31 December 2020.

According to the fund management contract as well as the subscription prospectus, The United Bank receives fees and commissions in return for supervising the fund as well as other administrative services it performs for it. The total commissions amounted to 3 624 thousand pounds for the fiscal period ending on 31 December 2021, compared to 3 481 thousand pounds. It was included in the item income of fees and commissions / other fees in the income statement, and the return on the bank's contribution to the fund amounted to 10 427 thousand pounds. It was included in the financial investments reserve item within equity on 31 December 2021, compared to an amount of 10 242 thousand pounds on 31 December 2020.

41- Important event

1- The impact of the recent spread of the virus (Covid-19) on the economy and global markets continues. And the consequent negative impact on several aspects, including the workforce, operations, and liquidity available to the bank. The consequent stoppage is tangible in many business sectors in the economic structure, and the bank is monitoring the situation closely. The bank has activated the business continuity plan and other measures for managing risks as a result of this pandemic and its impact on banking operations and the bank's financial performance.

Accordingly, as the bank's management did not have information that would enable it to disclose the impact of events subsequent to the date of the financial statements on the values of some assets, liabilities and business results during the coming financial periods and as a result of the spread of the Coronavirus pandemic, those values and results may differ materially in the coming periods if they are available to the management The bank has reliable indicators and indicators that enable it to determine the extent of the impact and size of events subsequent to the date of the financial statements on the values of these assets and liabilities.

2- On 15 September 2020, the Central Bank and Banking System Law No. 194 of 2020 was promulgated, which repealed the Central Bank, Banking and Monetary System Law promulgated by Law No. 88 of 2003, and the law applies to entities among the most important of which are the Central Bank of Egypt and the Egyptian banking system and obligates the suitors to the provisions of the law to adjust their status according to For its provisions, within a period not exceeding one year from the date of its implementation, and the Board of Directors of the Central Bank may extend this period or for other periods not exceeding two years, provided that the Central Bank issues regulations and decisions implementing the provisions of the law.