TWENTY TWENTY ANNUAL REPORT

Bank Audi

EGYPT

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A | THE CHAIRMAN’S STATEMENT

Thank you all very much. This has to be the key message of our Annual Report covering the financial year of 2020. This report affords me the opportunity to state that phrase not only in the context of the way our Bank, community and government rose to the challenge of the Covid-19 pandemic but also for all the past efforts and contributions on which the platform has been built for a brighter future.

Looking back at our journey as part of the Bank Audi group, I must remark on the significant and successful growth achieved across all aspects of our banking activities. Therefore, my thanks are deeply deserved and equally shared among our shareholder representatives, executives, management and staff. I would also be remiss in not mentioning the personal contribution made since the outset of our Bank by Mr. Samir Hanna, Chairman and Group CEO and until August 2020 a Bank Audi Egypt Board Director. His leadership support, guidance and advice has been invaluable not least in allowing the local management team to forge ahead to establish ourselves amongst the most professionally respected Egyptian private sector banks.

The balanced foundations laid over these years have enabled our Bank to show resilience both in previous periods of economic and social crisis and again during the outset of this pandemic. In view of the heavy toll that the Egyptian population and our country have had to endure, the Bank and our staff have continued to perform their important roles in helping customers and the community at large. We have assisted in implementing the initiatives of the Egyptian Government and Central Bank of Egypt with pragmatism and compassion. At the same time, we have managed to produce highly credible financial results and growth in activities and services during 2020 as seen in these accounts and reports, and which further underpin the sustainability of the Bank.

From a personal perspective, I am rightly proud that we have been able to successfully pass the baton of leadership to a new generation of Executives and Managers, many of whom have progressed through the Bank since its early years. They understand and apply the values and key characteristics of our Bank, which have been safely embedded in readiness for its future.

Whilst the proposed change in the Bank’s share ownership and the uncertainties of the outcomes from the pandemic will inevitably make 2021 a year of transition, I have no doubt that the Bank is well placed for the future. With foresight, detailed planning, wise investment and hard work, we have built a technology platform that will form a critical part of our banking activities going forward. This platform has been carefully aligned and balanced with a growth in our physical branch network, enabling us to extend the Bank’s reach whilst maintaining high service quality to our affinity customers.

In conclusion, our Bank’s reciprocal partnership approach and balanced commitment and support to all our stakeholders, makes my simple but key message so personally humbling. So once again I repeat, thank you all very much.

Hatem Sadek
Chairman of the Board of Directors

B I CEO AND MANAGING DIRECTOR'S STATEMENT

Despite 2020 being one of the most challenging years for Egypt’s economy and society, Bank Audi Egypt performed remarkably and again demonstrated resilience and commitment to our overarching Vision, Mission and Values. The dedication of our team of management and staff to serving and supporting our customers and the reciprocal response by all our stakeholders was highly credible.

The Egyptian Government managed to balance macroeconomic stability alongside providing responsible and proactive support to our people, communities and businesses during the ongoing Covid-19 pandemic. Their initial emergency response package of EGP 100billion (representing some 1.7% of GDP) was used to augment health expenditure, scale up social protection and provide financial relief for individuals and businesses. At the same time, $15 billion of external financing was secured.

Working in conjunction with the Central Bank of Egypt, we played our civil role by implementing financial forbearance measures relating to customer fees and charges. We also prepared for changes that might emanate from the new Banking and Central Bank Act. In line with the Central Bank of Egypt’s recommendation on financial inclusion, we created a new department with a strategy for the next 3 years and started new related product development. We also obtained an E-Com Digital Acquiring License as part of our ongoing roll out of digital services. Furthermore, we donated EGP 20 million to the initiative of the Federation of Egyptian Banks in order to confront the repercussions of the pandemic.

From a business and financial perspective in 2020, we achieved further steady growth in both customer loans and deposits. Our total assets and equity reached nearly EGP 86 billion and EGP 8 billion respectively. Our net profit before taxes of EGP 2.1billion matched 2019’s excellent performance. Our customer base, particularly in retail banking, continued to expand and we launched Royale alongside our Premiere and Select affinity customer segments. We added to our card activities and range of related services and apps, not least as these helped our customers during the pandemic to make essential purchases whilst limiting human interaction. At the same time, our branches continued to maintain welcomed contact and provide service quality compassionately to our non-digital customers.

Our technology investment and innovation certainly enabled the Bank to assist the Egyptian community at a time of great need but it has also positioned us at the forefront of future development and delivery of financial services. Our participation in the Cairo ICT Exhibition in November 2020 reflected our belief in the importance of supporting the Egyptian Government and Central Bank’s plans towards digital and technological transformation in all sectors of the economy and society. In this regard, the Bank received the award from Trusted Advisors for the Best Data-Centric Transformation & Managing Customer Journey in the MENA Region. This further aligns with our interest to build on Egypt’s young, technologically skilled and educated workforce in terms of employment opportunities and supporting diversified and sustainable businesses and participating in financing national infrastructure enhancement projects.

Ultimately, our performance, innovation, reputation and social contribution reflects our people. I am most grateful to our Board members, management colleagues, staff, customers and all those working for our other stakeholders who have become even closer partners and have helped us steer a safe and steady course in 2020 and beyond through these uncharted and uncertain times.

Mohamed Bedeir
Managing Director

C | STRATEGIC DIRECTION & VALUES OF BANK AUDI SAE

VISION

To be the Egyptian partner of choice to Bank with, Work for and Invest in.

MISSION

To deliver a superior level of service and provide easy access to innovative and tailored products and services for targeted segments through user appropriate modular channels, and the sharing of our knowledge by highly trained and innovative staff, working in meritocracy, so as to provide sustainable value to our stakeholders and community.

BANK VALUES

TRANSPARENCY

Ensure open communication with all stakeholders to maintain trust, integrity, and accountability.

HUMAN CAPITAL

Promote diversity, provide equal opportunity, reward talent and value teamwork.

HERITAGE

Enhance the reputation of Bank Audi sae by building on our record of accomplishment and contribution.

QUALITY

Strive for excellence and professionalism in everything we do.

CIVIC ROLE

Be good citizens in the communities in which we live and work.

INNOVATION

Encourage creativity and continuous development.

D | OVERVIEW OF BANK AUDI GROUP

Bank Audi Group is a leading Lebanese banking group with footprints in Europe, the Mena region and turkey.

The Bank offers universal financial products and services including Corporate, Commercial, Retail and Personal, and Private Banking services in addition to capital market activities and factoring.

As at end-September 2020, based on unaudited financial statements, Bank Audi's consolidated assets reached USD 35.2 billion[1], principally driven by private customers' deposits of USD 26.5 billion, with shareholders' equity reaching USD 3.0 billion.

Today, Bank Audi Group boasts one of the largest branch networks in Lebanon, covering the Greater Beirut area and other strategic regions in Lebanon. The Bank has also two principal subsidiaries in the MENA region outside Lebanon, two principal subsidiaries in Europe and one in Turkey.

Founded in 1830, Bank Audi Group was incorporated in its present form in 1962 as a private joint stock company with limited liability (société anonyme libanaise) for a period of 99 years. The initial shareholders of the Bank were members of the Audi family, together with Kuwaiti investors. Since 1983, the shareholder base has expanded and, today, the Group's shareholder base encompasses more than 1,500 holders of common shares and/or holders of Global Depositary Receipts (GDR), which represent common shares. The Bank's common shares including its GDRs are listed on the Beirut Stock Exchange.

E | KEY FINANCIAL HIGHLIGHTS OF BANK AUDI SAE

Bank Audi Egypt continues to be driven by an uncompromising mission to build lasting relationships with clients who share our aspiration for being partners by mutual choice. We see a key part of our contribution to this affinity partnership based around our values and the creation of value. We strive for professionalism, innovation, and quality of service. Through the sharing of information and applying our knowledge and capabilities, we try to meet the changing financial service needs of our clients. In this way, the Bank's management and staff aspire to apply our values to make each day better than the day before.

In line with its continued focus on sustainability, the Bank recorded outstanding financial performance ratios in 2020. Profit before taxes recorded EGP 2.09Billion, which represented a growth of 13%, compared to the previous year, which was EGP 1.84Billion. This increase was achieved despite the slowdown in lending business. Net Interest Income increased by 11% (y-o-y) to reach EGP 3.1Billion in 2020.

Customers' Deposits reached EGP 75.3Billion at end of December 2020, rising by 15% compared to 2019. Total Assets reached EGP 85.6Billion at end of December 2020, recording an increase of 14% compared to 2020. Total Equity increased to EGP 8Billion versus EGP 7.1Billion in 2019 with capital adequacy ratio 25.20%. Earnings per share were 39.28 and leverage increased to 8.13% (versus 8.03%).

[1]Based on the applicable official exchange rate of 1 USD = 1,507.5 LBP

F | THE GLOBAL AND REGIONAL ECONOMY IN 2020

The Global Economy in 2020

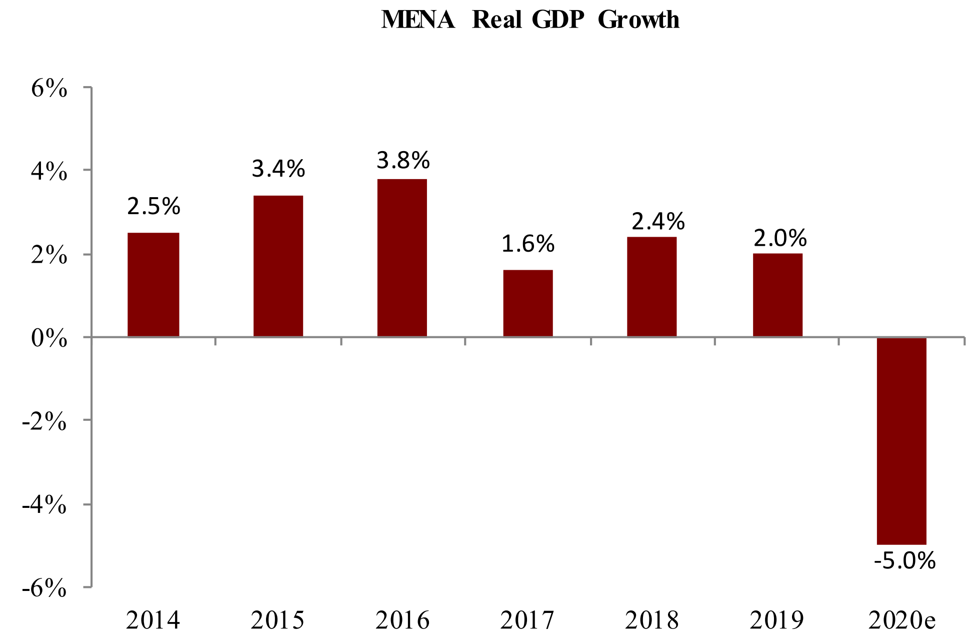
The global economy experienced unprecedented pressures over the course of 2020 amid the COVID19- pandemic, which severely affected mobility and economic activity. The setbacks induced by the ongoing global health pandemic were very different from previous recessions, as the services sector, much more than manufacturing, was particularly hit this time due to the needed health response to slow transmission. Government-mandated shutdowns of businesses and activities deemed as non-essential triggered a wave of joblessness unseen since the Great Depression. The pandemic thus delivered a blow to global trade of goods and services; which was estimated by the IMF to have contracted by 10.4% in 2020. Exports shrank swiftly to their lowest levels in nearly a decade in the spring of 2020, and international travel and tourism was largely curtailed. As the year unfolded, economies around the world started to reopen, albeit partially and gradually, which allowed economic activity to somewhat pick up. But with the pandemic continuing to spread, many countries have slowed reopening and/or reinstated partial confinement to protect vulnerable people. Overall, the global economy witnessed a recession this year, with real GDP estimated by the IMF to have contracted by 4.4% in the full year 2020.

At the same time, unprecedented government stimulus prevented further damage to many economies while weighing on sovereign debt levels, albeit at very affordable cost with close to zero interest rates. Major economies around the world also rapidly proceeded with considerable easing of monetary and financial policies in response to the pandemic. This included key policy rate cuts (sometimes to negative levels), renewed asset purchases, expansion of US dollar swap lines and easing of bank prudential regulations. Monetary authorities appeared to be committed to sustaining credit support well until the crisis phase is over. Those large-scale policy actions succeeded in strengthening investor sentiment and maintaining the flow of credit to the private sector economy in difficult and uncertain times, thus easing the burden of the crisis and its repercussions on global economic activity. Banks in particular faced the global health pandemic with considerably stronger liquidity and capital buffers as compared to the previous global financial crisis, thus allowing them to continue providing financing to the economy, helped by government policies aimed at easing credit conditions. With the vaccination process unfolding, and despite persistent uncertainties as to the timing and depth of inoculation, the global economy looked set to experience a V-shaped recovery. However, with inflationary pressures remaining subdued, global financial conditions remained likely to be broadly accommodative in the foreseeable future.

World Economic Indicators

	2014	2015	2016	2017	2018	2019
Real GDP growth	3.6%	3.4%	3.4%	3.8%	3.6%	3.0%
Average inflation	3.2%	2.8%	2.8%	3.2%	3.6%	3.4%
Current account balance / GDP	0.5%	0.3%	0.3%	0.5%	0.4%	0.3%
Fiscal balance / GDP	-2.8%	-3.2%	-3.4%	-3.1%	-3.0%	-3.6%
Government debt / GDP	78.8%	79.9%	83.0%	81.8%	82.2%	83.0%

Amid this global environment, the MENA region witnessed sluggishness in 2020. The spillover effects of the Covid19-Pandemic, the decline in oil prices, in addition to rising geopolitical tensions compounded downside risks to economic growth. Within this environment, real GDP growth for the Arab World decelerated from around %2.0 in 2019 to a net contraction of %5.0, reflecting growth contractions in the region's largest oil-exporting and oil-importing economies.



Sources: IMF, Bank Audi's Group Research Department.

In fact, the coronavirus disease (COVID19-) pandemic continued to sweep across the region. The necessary public health response to the pandemic greatly decreased mobility and came at a steep economic cost. Countries introduced a range of policies to restrict foreign and countrywide travel, close businesses and schools, trace and quarantine individuals at risk of contracting the virus, and required mandatory masks and gloves. With global recovery subdued, downside risks continued to dominate the outlook as the pandemic continued to test countries. Ensuring adequate resources for health systems and correctly targeting support programs remained the immediate priorities.

The MENA banking sectors remained an image of macroeconomic developments at large. Measured by the consolidated assets of MENA banks, banking activity reported an annual growth of %5.6 in October 2020 relative to the same month of the previous year. Likewise, deposits registered a growth of %4.0 and loans reported a growth of %6.3 over the same period. No less importantly, MENA banks' net banking profitability remained under pressure within the context of relatively modest banking activity growth and tough operating conditions in their respective economies.

G | THE EGYPTIAN ECONOMY IN 2020

Egypt managed the COVID-19 pandemic and the related disruption to economic activity by adopting proactive measures to address health and social needs and support the sectors most directly affected by the crisis. The growth slowdown was less severe than expected with Egypt expected to be among the few countries with positive growth rate in 2020. External market conditions also improved with a strong return of portfolio inflows.

While growth declined from 5.6% in the FY 2019 to 3.5% in FY 2020, Egypt remained the top performing economy in the Arab world. However, as per the IMF, risks to the outlook remained, particularly as a second wave of the pandemic increased uncertainty about the pace of the domestic and global recovery.

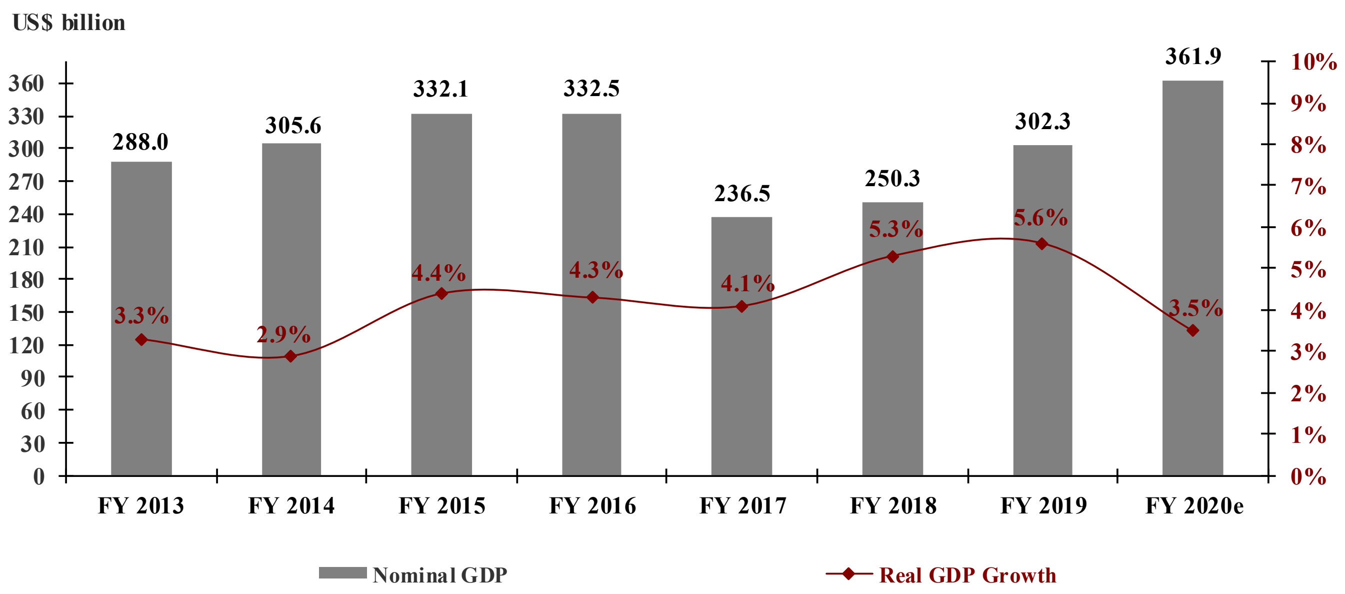
At the external level, the current account deficit declined to 3.2% of GDP in fiscal 2020 from 3.6% in fiscal 2019, supported by more resilient remittances than initially expected. For fiscal 2021, Moody's expects a renewed widening of the current account deficit to 3.7% of GDP in light of continued subdued tourism revenues and expectation of weaker remittance inflows over time as weak economic activity seems likely to persist in source countries.

At the fiscal level, budget execution stayed on track to achieve the program target for FY2020/21. The existing budget envelope provided sufficient flexibility to accommodate anticipated additional support for vulnerable groups in the event of a second wave of COVID19, while maintaining the program's fiscal objectives. Among the measures adopted to limit the fallout of the pandemic the government adopted a temporary "Corona tax" of 1% on all public and private sector salaries, and 0.5% on state pensions in order to support sectors and SMEs most affected by the pandemic. The measure started in August 2020 and will remain in place for one year.

At the monetary level, The Central Bank of Egypt's (CBE) data driven approach to monetary policy was instrumental in anchoring inflation expectations and achieving low and stable inflation. Monetary easing in later months of 2020 further supported economic activity and eased appreciation pressures from large capital inflows, which had a dampening effect on inflation.

the banking system remained resilient, having entered the crisis well-capitalized and with ample liquidity. The CBE's initiatives helped ensure continued access to credit through the crisis whilst ongoing financial sector supervision will be critical to maintain the resilience of the banking sector as crisis initiatives begin to expire.

Evolution of Egypt's Economic Growth



Sources: IMF, Bank Audi's Group Research Department.

Within this context, banking activity continued to expand at sound levels, with assets, deposits and loans growing by double-digits annually in USD terms amid a supportive macroeconomic environment. Deposits grew by 16.9% in USD term over the year-to -August 2020. Loans grew by 21.4% over the same period, while total assets grew by 15.3%. The aggregate net profits of listed banks yet contracted by 8.9% in the first nine months of 2020 relative to the same period in 2019 on the basis of the results of 9 out of 11 listed banks.

Comparative Banking Sector Indicators in Egypt

	Dec-17	Oct-18	Variation %	Change	Dec-18	Oct-19	Variation %	Change
Bank Assets	271.0	304.9	33.9	12.5%	303.2	362.3	59.1	19.5%
Bank Assets	187.5	205.3	17.8	9.5%	213.1	258.3	45.2	21.2%
Bank Loans	82.4	94.9	12.5	15.2%	101.3	113.4	12.1	12.0%

Sources: IMF, Bank Audi's Group Research Department.

02

CORPORATE GOVERNANCE

A. Board Members & Committees

Members of the Board of Directors serving throughout the year 2020 were elected by a resolution of the Ordinary General Assembly of shareholders held on March 2018 for a three-year term expiring on the date of the annual Ordinary General Assembly meeting (expected to be held in March 2021) that will examine the accounts and activity of the year 2020.

The structure of the Board of Directors serving at the date of this report is as follows:

Members	Member Status	Corporate Governance and Nomination Committee	Remuneration Committee	Risk Committee	Audit Committee	Executive Committee *
MR. HATEM A. SADEK	Non-Executive	√ (Chair)	√	√		
MR. MOHAMED M.BEDEIR	Executive			√		√ (Chair)
MR. SAMIR HANNA **						
DR. IMAD I. ITANI	Non-Executive		√ (Chair)		√ (Chair)	
MR. KHALIL EL DEBS	Non-Executive				√	
MR. TAMER GHAZALEH	Non-Executive	√	√	√ (Chair)		
MR. MOUNIR FAKHRY ABDELNOUR	Independent	√			√	
MR. AHMED F. IBRAHIM	Secretary of the board					

*** Non-Board Members:**
Chief Institutional & Islamic Banking Officer - Chief Financial Officer - Chief Corporate Banking Officer - Chief Risk Officer - Chief Operating Officer - Chief Legal Officer.

*** Executive Committee Member Changes as follows:**
Head of Audit & Head of Compliance status changed from Committee Members to invitees on 21, Jan 2020

**** Resignation approved by the BoD on 27 August 2020 and by CBE on 27 September 2020**

Executive Committee Members:-

Mohamed Bedeir (CHAIRPERSON)	CEO & Managing Director
Mohamed Latif	Chief Institutional & Islamic Banking Officer
Mohamed Shawky	Chief Financial Officer
Sherif Sabry	Chief Corporate Banking Officer
Karim Hesni	Chief Risk Officer
Bassel Kelada	Chief Operating Officer
Hesham Ragab	Chief Legal Counsel

BIOGRAPHIES OF BOARD MEMBERS

MR. HATEM SADEK

Non-Executive Chairman from March 2017
Chairman & Managing Director
from May 2006 until March 2017

Mr. Hatem A. Sadek
Non-Executive Chairman from March 2017
Chairman & Managing Director from May 2006 until March 2017

Mr. Hatem Sadek graduated with a BSc in Economics & Political Science from Cairo University. He started working in 1964 as an assistant to the Chief Executive Officer in the Information Bureau of the President of Egypt. Between 1968 and 1974, Mr. Sadek became Manager of the Research Center for Strategic Studies and editor at Al Ahram newspaper. He then joined the Bureau of the Secretary General of the League of Arab States for one year. Mr. Sadek's banking career started in 1976 when he established Arab Bank PLC regional office and branches in Egypt and held the position of Senior Executive VP & Chief Country Manager; in addition to Chairman of the Strategic Planning Committee for the Arab Bank worldwide between 2000 - 2001.

Mr. Hatem Sadek then moved to Misr International Bank (MIBank) in 2001 where he held the position of Deputy Executive Chairman of MIBank as well as Deputy Chairman, Supervisory Board of MIBank Europe Gmbh, Frankfurt, Germany. From 2003 till 2005, he was MIBank's Executive Chairman where he launched and supervised MIBank's 5-year total restructuring program, until the Bank was acquired by Nationale Société Generale in September 2005.

Mr. Sadek then became Consultant to Banque Misr's Board of Directors for Change and Restructuring Programs before joining Bank Audi sae in 2006 as Chairman & Managing Director. He was also a Board Member of Odeabank A.Ş Turkey, a subsidiary of Bank Audi sal between June 2012 and March 2017.

BIOGRAPHIES OF BOARD MEMBERS

MR. MOHAMED BEDEIR

Chief Executive Officer and
Managing Director since August 2019

Mr. Mohamed Bedier
CEO & Managing Director
since April 2019.

Mr. Bedeir is a Board Member & Deputy CEO, Managing Director of Bank Audi Egypt since June 2016. Mr. Bedeir's banking career spans nearly 30 years bringing his expertise in banking and financial industry to his role in Bank Audi – Egypt. Mr. Bedeir has an extensive experience in all the activities of Corporate Banking, Commercial Banking, Retail Banking, Treasury, Risk Management, Market Risks, Asset & Liability Management, Trade Finance, Finance, Information Technology, MIS, and Financial Planning.
Mr. Bedeir began his career in 1991 where he worked with Misr International Bank in Letter of Guarantees, Import and Export L/Cs, as well as multinational corporate banking field. Thereafter, he held progressively senior positions whereby in 2000 he managed Investment and Private Equity Division, and then served as the Head of Asset & Liability Management in 2002.

In 2005, he moved to National Societe General Bank – Cairo as he was nominated as the Head of Asset & Liability Management. In early 2007, Mohamed Bedeir was appointed as the Head of Market Risk, Asset & Liability Management in Bank Audi – Egypt, while in 2008 he shifted to be the Deputy Chief Financial Officer.

In 2009, Bedeir was nominated to be the Chief Financial Officer at Bank Audi – Egypt. Finally in 2016, he became the Deputy CEO, Managing Director & Executive Board Member overlooking & supervising the Retail Banking, the branches, the Finance, all the operations departments and the IT.

Since joining Bank Audi – Egypt, Bedeir has worked to share Bank Audi's strategy and vision with different stakeholders ensuring the Bank's sustainability. Mr. Mohamed Bedeir graduated from Sadat Academy for Managerial Science – Faculty of Management, earning his bachelor's degree in Arts: Management, Concentration: [Banking]. Bedeir received his MBA from Arab Academy for Banking & Financial Sciences in 2011.

BIOGRAPHIES OF BOARD MEMBERS

MR. SAMIR HANNA

Non-Executive Board Member
Resigned on 27/8/2020

Mr. Samir N. Hanna
Non-Executive Board Member
Resigned on 27/8/2020

Mr. Samir Hanna is the Chairman and Chief Executive Officer of the Bank Audi Group. He joined Bank Audi sal in January 1963 and held several managerial and executive positions across various departments of the Bank. He was appointed General Manager of Bank Audi sal in 1986 and member of its Board of Directors in 1990.

In the early 1990s, he initiated and managed the restructuring and expansion strategy of Bank Audi sal, transforming it into a strong banking powerhouse offering universal banking products and services including Corporate, Commercial, Retail, Investment and Private Banking. He grew the Bank to its current position as the largest bank in Lebanon (and among the top Arab banking groups), with a presence in 10 countries. Mr. Samir Hanna was elected Chairman of the Board of Bank Audi sal, succeeding Mr. Raymond Audi, on 10 April 2017.

As Group Chief Executive Officer, he heads all aspects of the Bank's Executive Management.

BIOGRAPHIES OF BOARD MEMBERS

DR. IMAD I. ITANI

Non-Executive Board Member

Dr. Imad Itani
Non-Executive Board Member

Imad Itani started his banking career at Bank Audi, Lebanon, in 1997, after having worked for a few years in Corporate Finance for major energy companies in Canada. He was later appointed as General Manager and Group Head of Retail Banking and of Islamic Banking of the Bank Audi Group, and member of its Board of Directors since 2002. In July 2020, he resigned from his executive role at Bank Audi and remained a non-executive member of its Board of Directors. He currently serves also as a member of the Board of Directors of Odeabank since its establishment in 2012 and was elected as Chairman of the Board in November 2020.
Imad Itani holds a PhD in Economics from the University of Chicago (USA) and is a former lecturer in Economics and Finance to graduate students at the American University of Beirut.

BIOGRAPHIES OF BOARD MEMBERS

MR. KHALIL EL DEBS

Non-Executive Board Member

Khalil Debs
Non-Executive Board Member

As the Deputy Group Chief Executive Officer, Khalil Debs is responsible for the management of the front office activities of the bank. These include Corporate & Commercial Banking, SME, Retail Banking, Energy and Infrastructure Finance, Operations, Private Banking, Private Equity and the International Division. In his role, he manages and oversees the development and implementation of the business strategies and policies of the bank across these different business lines in Lebanon and in the international entities.
Khalil Debs joined Bank Audi s.a.l in 1995. He played a key role in the development of the corporate and commercial lending activities of the bank in Lebanon and actively contributed to the regional expansion policy on which Bank Audi embarked since 2004.
Until July 1st 2020, Khalil Debs acted as the Group Head of Corporate Banking overseeing the corporate and commercial lending activities of the bank's entities spanning across several countries in addition to his role as a member of their respective credit committees.
He established during 2008 the group's syndication and project finance division; which successfully structured and led a number of key transactions in the MENA region.

In addition to his new role as Deputy Group Chief Executive Officer, Khalil serves as the Chairman of Bank Audi LLC (Qatar) and Solifac (Bank Audi's factoring arm in Lebanon) and is a member of the Board of Directors of Odeabank A.S. (Turkey), Bank Audi France sa, and Bank Audi sae (Egypt).
Prior to joining Bank Audi, Khalil worked with ABN-AMRO Bank N.V. for two years.
He holds a Master in Business Administration from the Lebanese American University and is a Chartered Financial Analyst (CFA) since 2001.

BIOGRAPHIES OF BOARD MEMBERS

MR. TAMER M. GHAZALEH

Non-Executive Board Member

Tamer Ghazaleh
Non-Executive Board Member

Deputy Group Chief Executive Officer of Bank Audi sal
Vice-Chairman of Board of Directors of Odea Bank sa
Member of the Board of Bank Audi sae (Egypt)
Member of the Board of BAPB Holding (Cyprus)
Member of the Risk Committee and Remuneration Committee of Odea Bank sa
Associate Member of the Credit Committee of Odea Bank sa
Co-Chair of the Group Executive Committee of Bank Audi sal

Tamer Ghazaleh joined Bank Audi Group in 2004 as Chief Financial Officer (CFO) of Bank Audi - Jordan Branch Network, in charge of the Finance and Administration Departments there. In March 2006, Mr. Tamer Ghazaleh moved to Bank Audi sae (Egypt) where he became assistant General Manager and CFO, bringing a significant contribution to the expansion of the bank's activities in Egypt and to the establishment of its strong financial pillars. In October 2009, Tamer Ghazaleh was appointed as Assistant Group as CFO at Bank Audi sal's Head Office in Beirut, and subsequently Group CFO in March 2015. In July 2020, Tamer Ghazaleh was promoted to Deputy Group Chief Executive Officer of Bank Audi sal.
Throughout his career at Bank Audi Group, Tamer Ghazaleh was a key contributor to the development and adaptation of the Group's financial management to its complex needs and expansion plans, mobilizing adequate human resources for financial management and making use of advanced integrated information technology to align the Bank to international best practice in financial management and reporting, and to abide by the evolving International Financial Reporting Standards. He is currently a member of the Board of Directors of several affiliates of Bank Audi. He also holds the position of Co–Chair of the Group Executive Committee of the bank, whose mission is to assist the Group Chief Executive Officer in the strategic and day-to-day running of the Bank. In November 2020, Tamer Ghazaleh was appointed Vice-Chairman of the Board of Directors of Odeabank.
Prior to joining Bank Audi Group, Tamer Ghazaleh occupied several positions in international companies, as he worked for three years with Deloitte and Touch M.E. Jordan and UAE. In 2001, he joined the Standard Chartered Bank in Jordan to become the CFO in 2002 and a member of the Executive, Risk, and ALCO committees until 2004.
Tamer Ghazaleh holds a Bachelor's Degree in Accounting from the University of Jordan (1998) and is a graduate of the Executive Management Program at the Harvard Business School (2009) and Advanced Management Program (AMP) at the Harvard Business School in 2019.

BIOGRAPHIES OF BOARD MEMBERS

MR. MOUNIR FAKHRY ABDELNOUR

Non-Executive Board Member

Mr. Mounir Fakhry AbdelNour
Non-Executive Board Member

Mr. Mounir Fakhry AbdelNour is Chairman & Member of the Board of Directors of several leading industrial and non-bank financial companies in Egypt and acts as Senior Adviser for Rothschild & Co in Paris, one of the world's largest independent financial advisory groups. Mr. AbdelNour was between 2011 and 2015 Minister of Tourism, Minister of Investments and Minister of Trade and Industry in Egypt. Prior to joining the Egyptian Cabinet, Mr. AbdelNour was founder and Chairman of Hero Middle East and Africa, previously Societe Egypto-Franciase Pour les Industries Agro-Alimentaires (Vitrac), a member of the Board of Directors of a member of the board of directors of the Egypt Arab African Bank, Founder and Managing Director of Egyptian Finance Company, Vice President of American Express Bank and representative of Banque de l'Union Europeenne Paris in Egypt and the Middle East. Mr. AbdelNour was a member of the Board of Directors of the Federation of Egyptian Industries, the Egyptian Competition Authority, the Cairo Stock Exchange and the Egyptian Expo and Convention Authority. He was Chairman of the Egyptian Center for Economic Studies.
Mr. AbdelNour earned his undergraduate degree in Statistics from the Faculty of Economics and Political Science, Cairo University and holds a Master's degree in Economics from the American University in Cairo.

COMPOSITION OF THE BOARD OF DIRECTORS

The structure of the Board of Directors serving at the date of this report is as follows:

Definition of "Director independence" as per the Bank's Governance Guidelines (summary): "In order to be considered an independent non-executive director by the Board, a director should have no relationship with the Bank that would interfere with the exercise of independent judgment in carrying out responsibilities as a director.

- Such a relationship should be assumed to exist when a director: Is him/herself or in conjunction with any of his/her affiliates a significant client of the Bank. A significant client is considered one who is among the top 10 clients of the Bank or any of its affiliated companies, in terms of either total value of credit outstanding, deposits or fees paid during the previous calendar year.
- Is him/herself or in conjunction with any of his/her affiliates a significant supplier of the Bank, having supplied to the bank services or goods worth more than EGP 8Million over the preceding 3 calendar years.
- Has been a consultant to the Bank or a partner or employee in a firm that provides consulting services to the Bank over the year preceding the appointment.
- He/she or his/her affiliates have been over the 3 years preceding his appointment as a partner or an employee of the Bank's external auditor.
- He/she was employed for the Bank or any of its affiliates over the 3 years preceding his/her appointment.
- He/she or his/her affiliates are partners with the Bank in any joint venture or other type of partnership that represents more than 2% of either of the partner's revenues, in terms of the balance sheet value of their respective stakes.
- He/she are an affiliate - up to the fourth degree - of any of the Board members, or the Bank's Senior Management and/or their related parties
- He/she is earning from the bank any kind of salary or fund other than his/her allowance as a Board member.
- He/she are BoD members for a period exceeded six consecutive years. For the purposes of the present Guidelines an affiliate of a director or member of the Bank's senior management and/or their related parties, as the case may be, is defined as: (a) any immediate relative up to fourth degree of kinship or spouse or (b) any commercial entity of which a director or its affiliates under (a) are Board members, senior executives or partners or of which they control directly or indirectly more than 10% of its decision making rights."

FREQUENCY OF MEETINGS

In 2020, the Board of Directors held 8 meetings, the Audit Committee held 4 meetings, the Risk Committee held 4 meetings, the Corporate Governance and Nomination Committee held 2 meetings, Remuneration Committee held 1 meeting and the Executive committee held 6 meetings.

CHANGES TO THE BOARD OF DIRECTORS DURING THE YEAR 2020

Resignation of Mr. Samir Hanna approved by the Bank's Board of Directors on 27 August 2020 and by the Central Bank of Egypt on 27 September 2020

BANK AUDI SAE - SHARIA' SUPERVISORY BOARD

- Dr. Nizam Yaqoobi (Chairman)
- Dr. Khaled El Fakih
- Dr. Mohamed Nabil Ghanayem

AUDITORS

- PricewaterhouseCoopers (PWC)
- Nexia

B. GOVERNANCE

In line with its long-standing commitment to sound governance, the Board of Directors of Bank Audi sae continued to give significant consideration to the Bank and the Group's Governance practices in 2020. As in previous years, it monitored the genuine implementation of the Governance Guidelines and revisited a number of governance related policies and charters, further articulating some and adopting new ones as necessary to continuously enhance the effectiveness of the framework. Changes introduced to the Governance framework of the Bank during 2020 included the adoption, review and/or update of a number of Governance, Compliance and Risk-related policies. As usual, the Bank also continued to monitor the evolution in Governance related regulations and best practices in order to ensure that the necessary changes are introduced to its own guidelines and processes. Bank Audi's Board is satisfied that the Bank's Governance framework conforms to applicable directives and guidelines and is adapted to the Bank's needs and high expectations of its stakeholders. The Board is also satisfied that, in 2020, it has fully discharged all its responsibilities, as mapped in its yearly rolling agenda, and has acted on the recommendations of its committees that also substantially discharged all of their own responsibilities.

Bank Audi sae's Governance framework is governed by a Board of Directors consisting of 6 members elected by the General Assembly of shareholders for terms not exceeding 3 years. The responsibility of the Board is to ensure strategic direction, Management supervision and adequate control of the company, with the ultimate goal of increasing the long-term value of the Bank. Bank Audi Group's Governance framework and that of its major banking subsidiaries, such as Bank Audi sae, encompass a number of policies, charters, and terms of reference that shape the Group and Bank's Governance framework over a wide range of issues including risk supervision, compliance, audit, remuneration, evaluation, succession planning, ethics and conduct, budgeting, and capital management. Clear lines of responsibility and accountability are in place throughout the organization. Strategic objectives setting corporate values and promoting high standards of conduct have been established and widely communicated throughout the Bank, providing appropriate incentives to ensure professional behavior.

The Bank's Corporate Governance Guidelines are accessible on the Bank's website at www.bankaudi.com.eg. The Board is supported in carrying out its duties by the Board Audit Committee, the Board Risk Committee, the Board Corporate Governance Nominations Committee, the Board Remuneration Committee, and the Executive Committee.

• The mission of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities in regards to:

(I) the adequacy of accounting and financial reporting policies, internal control and the compliance system;
(II) the integrity of the financial statements and the reliability of disclosures;
(III) the appointment, remuneration, qualifications, independence and effectiveness of the external auditors;
(IV) and the independence and effectiveness of the internal audit function.

• The mission of the Risk Committee is to assist the Board in discharging its risk-related management framework responsibilities.

The Corporate Governance and Nomination Committee is to assist the Board of Directors of Bank Audi in maintaining an effective institutional and corporate governance framework for the Bank, an optimal board composition, and effective board process and structure.

• The mission of the Remuneration Committee is to assist the Board of Directors of Bank Audi in maintaining a set of values and incentives for Bank executives and employees that are focused on performance, and promote integrity, fairness, loyalty and meritocracy.

The mission of the Executive Committee is to support the Board of Directors in carrying out its duties, and to support the Chief Executive Officer (CEO) & Managing Director (MD) in guiding the Bank and its day - to- day running, all in connection with matters relating to the Organizational and institutional framework, the Budget implementation, acquisition or sale of assets and new Credit approvals.

Shareholders	No. of shares	%
Bank Audi sal	34,699,998	%99.999994
Audi Investment Bank sal	1	%0.000003
Audi Private Bank sal	1	%0.000003
Total	34,700,000	%100.00

03

BUSINESS, RISK, SUPPORT & CONTROL PERFORMANCE

Business, Risk, Support & Control Performance

A. Business Performance

I. Corporate Banking & SMEs

Based on Bank Audi sustainable strategy to invest in human capital – which is considered the most important asset – Corporate Banking finalized credit courses for our graduates and well-educated calibers, providing coaching and training from top-notch professors in the credit field alongside on-the job experience and knowledge transfer from senior managers. After cleansing the corporate portfolio for the past two years, corporate banking started to re-penetrate the market despite the challenging conditions faced in the local banking sector due to corona pandemic. Marketing efforts exerted alongside deep due diligence being carefully performed, resulted in attracting over 75 new clients to the Bank who were very well chosen among sectors least affect by the pandemic. The aforementioned extensive efforts, in addition to increasing selectively limits for existing clients, resulted in growing our corporate loan and facilities portfolio by almost 12%, which represented one of the highest loan portfolio percentage increases in the market in 2020. The Corporate Banking department succeeded in increasing the credit portfolio by about EGP 1.75Billion through vertical expansion to attract new customers, as well as increasing the rates of use of the facilities granted in the sectors less affected by the Corona pandemic.

In order to maximize Corporate Banking profitability on the liability side, we managed to attract new deposits to the Bank exceeding our liability budget target by 10% and increasing liabilities placements by over LE. 1.1Billion. Corporate Banking also adopted the strategy of diversifying its activities by introducing a new product in 2020 to invest in securities and participate in primary securitization through pairing with other banks and financial institutions. On the Syndication level, we pitched selectively for mega deals with credit worthy and well-established entities. Our efforts resulted in participating in a new Syndicated loan granted to the largest state owned Gas Company for US$ 200Million, with our share of US$ 25Million where banks were competing aggressively to participate due to project fundamentals and the shareholder being state owned. On the SME side, Bank Audi continued to concentrate on achieving Central Bank of Egypt's set percentage of 20% of total portfolio. The SME department succeeded to attract and secure approvals for 48 new clients diversified between Bank Audi geographical areas inside and outside Cairo, particularly in the Delta & Suez Canal Region. Most of the new approved SME loans and facilities serviced the food, pharmaceutical and construction sectors, in addition to increasing our contribution in micro finance companies which helped in transferring thousands of very small business loans to be connected with formal economy. Moreover, we designed simplified programs and products with small ticket loans to traders in order to speed up the lending process by applying a pre-set criteria and scorecard.

II. Retail Banking

Retail Banking continued to be the main contributor (approximately 50%) to Bank Audi's profitability. In addition, the Bank's vision continues to perceive Retail banking as one of most consistent revenue generators by enabling convenience, unique value proposition and innovative solutions to our customers.

Retail & Business Banking Liabilities portfolio witnessed an incremental growth of 12%. During 2020, we succeeded to minimize the tradeoffs between deposit interest rates and margins to ensure our customers' ongoing satisfaction. In order to maintain this, 2020 witnessed the launch of a series of new products to match the customer needs. Firstly, were a set of three, six and nine months' time-deposits that generate a monthly interest with a very competitive rate targeting customers who prefer a short term product while maintaining high returns. Our Mega Egyptian pounds current account campaign for 2020 yielded its aspired benefits on our non-interest income portfolio which saw growth of 39%. Despite the COVID-19 pandemic challenges, we succeeded to grow our customer base by 11%.

We are always committed to our customers to be the trusted financial advisor and be always available at their side fulfilling their financial ambition. Therefore, this year witnessed the full rollout of the Royale proposition that had been launched at the end of 2019. This proposition along with Premiere and Select ensures that we remain at the side of our customers through all the stages of their financial life and helping them to grow and achieve their dreams. In 2020, we achieved substantial growth within all our household segments. The Royale Segment witnessed a growth of 9% in portfolio, which reflected our customers' trust, and that our optimum goal remains their growth and helping them create the path to a better future.

To make sure that we remain aligned with the Egyptian market dynamics and strategic direction, we also re-focused on that part of our customer base defined as Corporate Non Borrowing companies. As we believe in their role as a productive driver of inclusive economic growth in the emerging market, we introduced the Easy Business Proposition. This proposition tries to ensure that we provide financial and non-financial mutual benefits from our relationship with this target segment. We aim to achieve this by being closely in touch with those customers, by being flexible, understanding them better and keeping them engaged in building on our belief of their role in future economic growth.

Bank Audi's credit and debit cards are the main key drivers in revenue generation and in acquiring new to bank customers. In 2020, cards were a very essential tool throughout the Covid-19 lockdown, in which it helped customers perform their daily purchases by limiting the human interaction whether through e-commerce spend or by using contactless feature. In 2020, we introduced two new credit cards to fit all customers' needs; this is to complete Bank Audi card suit:

- **World Elite credit card:** It offers outstanding purchasing power and top-of-the line features and benefits that are designed to help the customers enjoy the finest luxuries in life.

- **Platinum credit cards:** It is positioned for premium cardholders looking for worldwide acceptance, excellent service and access to remarkable benefits. Additionally, several acquisition campaigns were launched in 2020 as a sweetener to attract new customers. Despite the fact that Covid-19 impacted on customer spend, the ENR increased by 9% to reach EGP 705Million while the portfolio size increased by 12% to reach 62,000 credit cards.

In 2020 our Retail-lending portfolios showed a significant increase to reach EGP 9.8 Billion achieving a year over year growth of 21.8% despite the COVID challenges and complying with the Central Bank of Egypt initiatives in this regard. We continued our part of the effort on capitalizing on the business opportunities in building an SME asset portfolio through our unique Very Small Business Loans Program "VSBL" financing companies with annual sales turnover up to EGP 50 Million. This helped increase our current portfolio of customers to reach 858 customers with incremental VSBL portfolio growth of 33%. Bank Audi Auto Loans witnessed a significant portfolio growth of 49%. This was achieved through the good relationship we hold with all major Auto dealers in Egypt. As we understand the nature of Auto Loan need, we made sure to closely monitor the turnaround time to ensure all loans were booked in a timely manner. During 2020, we also kept a close eye on financing our customers' needs through our various Personal Loans Programs while ensuring better portfolio credit performance and decreasing overall delinquency ratios. This helped achieving 34% growth in the Personal loan portfolio. As Bank Audi Egypt has always been one of the most proactive banks in the Retail Banking sector, we were ranked the 6th bank in terms of Total Retail Lending as of Q2 2020, 6th in terms of Retail Loans portfolio and 5th in Credit Cards ENR between our peer group of private banks.

The year 2020 has been a challenging year like no other; however, it also presented new opportunities for Retail Banking to focus on the digital channels and alternative delivery channels. There was a dire need during 2020 to focus on reaching and serving clients while ensuring their safety. During 2020, Bank Audi accelerated and focused on all digital projects.

We increased and enhanced our vast array of alternative delivery channels and services that consists of 168 ATMs, 53 branches and a 24/7 call center. We enriched our ATM network with new and innovative services such as card-less deposit and I-score inquiry that will save all clients or their messengers a trip to the branch and the convenience of flexible hours.

Bank Audi launched a new Customer On-Boarding mobile application, which enables the sales team to provide customers with initial instant feedback for their loans, and credit cards applications. This allows customers to apply instantly with the sales agent and provides customers with faster service. Online banking took a completely new shape during 2020 and was coupled with a mobile application to provide the client with the outmost convenience. New services have been added to the pack and a customer can start any transaction on one application and finish it through another at their convenience, all while having the same convenience of Audi soft token on their mobile phone.

Our Mobile wallet application witnessed an increase in acquisition of 72 % while we started revamping the product and this will continue through 2021.

We received multiple thousands of customers' requests in 2020 through our new two-way SMS system. The Bank launched this service in time to assist with the Central Bank of Egypt's initiative for installment postponement to facilitate receiving customer requests.

In 2020, the Central Bank of Egypt recommended to focus on Financial Inclusion. Accordingly, a new department was set up with a strategy for the upcoming three years and started developing products to apply the Financial Inclusion strategy and increase the bankable population.

Bank Audi was granted an E-Com digital acquiring license in September 2020 from the Central Bank of Egypt. The Bank collaborated with one of the multinational consultancy firms and developed a five-year strategy that aligns with acquiring business and financial inclusion.

Digital projects were not only developed on the front side, but more was also put in place in the Bank's end to ensure a more secured experience to the Bank's customers. We have implemented a new Online Fraud monitoring system. The system provides a complete solution for transaction authentication as well as predictive fraud detection and prevention and alert management.

III. Treasury & Capital Markets

Bank Audi – Egypt's Treasury & Capital Markets Division is a strategic business partner across all areas of the business by adding value and weight to other operating divisions of the Bank. The Treasury division manages the Bank's liquidity to meet its obligations, pertinent to the functions of the Bank, whilst managing payments, receipts and financial risks effectively. Bank Audi – Egypt's blend of experienced and fresh well-educated traders provide assistance to all of the Bank's business partners in order to spread the knowledge on the wide range of Treasury products it provides, in order to assure a mutual benefit environment. The Division is also considered one of the major contributors to the Bank's bottom line profitability. This is achieved through safeguarding the Interest Margins, enhancing the Net Interest Income, seizing market opportunities for Capital Gains while mitigating different kinds of risks the Bank might encounter.

During 2020, Bank Audi – Egypt's Treasury & Capital Markets Division introduced some modifications to enhance using the most advanced database, «MUREX», to cater for the clients' hedging needs and the day-to-day activities in a

controls respecting environment.
Moving to the macro perspective, in light of the situation the world is going through; the Egyptian government approved a stimulus package for the quick response to the pandemic whilst trying to maintain a sustainable situation. Although the growth rate of the GDP was 3.5 % having been expected to reach 6 % during FY2019/2020, the Egyptian economy succeeded to achieve a positive growth rate, while other peer MENA countries recorded negative growth and a global contraction of 4.1%.
Foreign investments in local debt securities more than doubled to USD 23Billion in Nov-2020 from USD 10.4 Billion in May 2020. The strong rebound came after record outflows during the initial COVID-19 shock, when Egyptian local markets suffered from USD 12.7Billion of outflows between March and May. The interest from foreign investors stemmed by attractive real interest rate of 7 % compared to peer countries in the EM below 5 %. However, the total balance showed a slight increase compared to USD 22 Billion in Dec-19 due to the pandemic. Additionally, the foreign exchange reserves showed a massive decline between March and May from USD 45.51 Billion in Feb 2020 to USD 36 Billion in May 2020 before recovering again to reach USD 39.222Billion in Nov 2020. Hence, the Egyptian pound appreciated by around 2.2% from USD/EGP 16.04 to USD/EGP 15.69 during FY2020 due to foreign appetite in the debt securities, albeit, the pandemic caused a slowdown in the global trade business, tourism and caused a risk averse mode for foreign investors. This contributed to a huge volatility in the foreign exchange rates, which are obstacles the Government is striving to overcome.
Furthermore, the Central Bank of Egypt maintained an expansionary monetary policy shown in interest rates cuts equivalent to 400 Bps; reflected in decreasing the discount rate from 12.75% to 8.75%, throughout the FY2020 (300 Bps of which were emergency cut in March). Accordingly, the Government's Debt securities (9-Months T-bill) decreased from 14.87% in Jan 2020 to 12.96% in Dec 2020 along with the newly introduced benchmark CONIA from 12.53% in Jan. to 10.47% in Dec. The COVID-19 pandemic, low inflationary pressure mainly drove the easing policy and the fact that real interest rate remained relatively high. Moreover, the average headline inflation rate was 5.02% compared to an inflation target of 9 % (±3 %). However, given moderate oil prices, high real rates, EGP appreciation and government intervention in the food market, we expect inflation to hover in the 5.5-6% range until seeing material declines in the second half of 2021.
As for the FY2021, IMF expects the Egyptian economy to grow by 2.8 % with a modest recovery in all sectors except tourism as the pandemic continues to disrupt international travel. Meanwhile, the Egyptian Government predicts growth around 3-3.5% for the FY2021. Pandemic-related risks still exist in light of the second global wave of COVID-19 cases. Furthermore, the Central Bank of Egypt is expected to continue the interest rate cut by 150 bps to 200 bps to further support economic recovery amid muted inflation.

IV. Investments

The Egyptian equity market reached its lowest prices in Mid-March 2020 with the appearance of COVID19 as the EGX 30 index tumbled to its lowest negative territory during the past three years at a level of 8,700 down from a level of 13,961 at closing 2019 which represented a loss of almost 37.5%by end March 2020. Post the shock of COVID19 and its drastic effect on equity markets and oil prices around the globe; the Egyptian Government effectively responded with some economic measures to counter the pandemic effect and support the stock market, mainly with the intervention of Central Bank of Egypt, National banks and coupled with the cut of interest rates of 400bps in 2020. The Government's timely intervention paved the way to an instantly turning cycle in the stock market that rallied significantly to regain some of its losses so that the EGX 30 index witnessed a slight come back to close year end 2020 at level of 10,845.26.

Despite the fact that EGX30 underperformed our expectations for the year 2020 that was mainly due to the appearance of COVID 19, we feel that the Egypt capital markets fundamentals are still quite strong with the following potential watch list:

- The continuation of the undergoing Economic reform especially with expected easing for gas prices for heavy manufacturing companies.
- The planned privatization program (listing of Public companies on the Stock Exchange), coupled with strategic acquisitions that are currently underway.
- The Market hit a bottom in terms of multiples by Mid-March 2020, when the market average P/E hit 7.3x, while the Market rose back only to an average P/E of 11x which compares to average P/E of 16.9x in the last 5 years.
- The Egyptian equity market is yet very cheap and at its lowest P/E prices compared to emerging markets, providing great investments opportunities in the market for investors.
- The relative recovery in earnings for listed companies will be a key driver for market performance over Q1/Q2 2021.
- Egypt remains attractive in terms of debt markets in the region, improving BOP and the deceleration in inflation levels, where foreign holdings of Egyptian debts varies around USD25 Billion at closing 2020.
- The continuation of easing the monetary policy is still a desirable approach, while inflation is kept contained.
- As soon as COVID updates show signs of relief, distressed markets will positively respond with decent rallies.
- Net foreign reserves closed at almost USD40 Billion that emphasize Egypt remarkable FCY stability.
- However, the issue of fresh liquidity in the Egypt Equity Market still remains a concern.

Despite all the turbulent and the challenging market during 2020, our Investments department managed to outperform expectations

V. Financial Institutions and Corresponding Banking

Bank Audi Egypt's Financial Institutions «FI» manages relationships with correspondent banks worldwide and acts as the first gate for correspondent banks. FI covers the Bank's business with local and foreign banks through its dedicated teams; Correspondent Banking team and Programs & Multilaterals Relations team.
FI faced new challenges in early 2020 as the COVID-19 pandemic brought unprecedented macroeconomic shocks to the global economy, pushing it into a recession of uncertain magnitude and duration. Financial systems worldwide were under pressure to support the flow of credit amidst declining growth while managing heightened operational risks. Like other monetary authorities around the world, the Central Bank of Egypt took aggressive measures to help the financial system absorb the shocks of COVID-19, which hit Egypt at a time when its GDP growth was near 6% and growth prospects were at decade-high records.
It is worth noting that FI amidst these above challenges thrived to secure business continuity and sustain decent profitability. We continued to ensure providing highest quality services to Bank Audi's clients exceeding customer satisfaction particularly in managing business relationships through our wide correspondent banks network. FI was highly active in enhancing the Bank's relationship with various correspondent banks providing an array of products and services including trade finance, direct lending, international payments and tailored/structured solutions, and this was positively reflected in providing new business approaches that met the Bank's clients' needs during these tough times. A number of factors reinforced FI role namely; experienced relationship officers, a diverse network of almost 200 global correspondent banks, strong ties with multilateral financial institutions in addition to the strong sponsorship of Bank Audi Group. The Bank also acted as a participating bank in FI Syndications. FI tried also to capitalize on rating agencies positive outlook on Egypt; Standard & Poor's credit rating for Egypt stood at B with stable outlook. Moody's credit rating for Egypt was last set at B2 with stable outlook. Fitch's credit rating for Egypt was last reported at B+ with stable outlook, triggered by progress in implementing economic and fiscal reforms, driving improved macroeconomic stability, fiscal consolidation and stronger external finances. FI continued to witness growing global interest in investing in Egypt, offering various funding instruments to support short and long term facilities in various aspects.

- **Programs & Multilaterals Relations**

FI focuses on sustainable development funds and credit lines provided by government and multilaterals agencies that positively impact our community and environment. The Bank acted as an agent bank for funds and credit lines by providing an array of services and tailored operation mechanisms, promoting funds to potential clients to increase SME accessibility to credit lines. During 2020, FI reinforced and strengthened its business relationship with multilaterals being of great collaboration for business continuity in similar strenuous circumstances. Going forward, despite adverse environments, Bank Audi Egypt persists to expand its trade finance facilities coverage to satisfy its existing corporate client needs and attract new clients, through signing trade facilitation programs with multilateral financial institutions to support Egyptian exporters' trade transactions with Africa.

The Main Objectives of Bank Audi- Egypt's Financial Institutions:

- Continue to explore and penetrate new markets.
- Focus on supporting Egyptian trade and business.
- Broaden and enhance business relationships with Financial Institutions worldwide.
- Introduce/innovate revenue-generating products and services.
- Attract funds and participate in new developmental programs.

VI. Islamic Banking

The Islamic sector of Bank Audi is aiming to be one of the main players in the Egyptian Islamic market, which is plentiful with many promising opportunities for Islamic business, since the market share of the Islamic banks represents around 8% of the Egyptian banking market. With the increasing importance of Financial Inclusion in Egypt, the Islamic Banking will become an important engine to achieve this objective in terms of increasing the number of banking accounts, and this is what we aspire to in Bank Audi. The new Islamic Sukuk Law has provided sharia-compliant solutions by which the Islamic banks can invest surplus funds. Bank Audi benefited from this by subscribing in one of the offerings for EGP 50 million and we are expecting additional larger subscriptions during 2021.
The year 2020 witnessed the inauguration of the October Islamic Branch; which is the fourth branch alongside Mossadak, Haram and Miami, and another step towards achieving our primary goal of reaching 10 Islamic banking branches by 2025. Our Islamic liabilities achieved a growth rate of 25% during 2020, by reaching EGP 3.9billion compared to EGP 3.1billion. Our Islamic sector launched many products during 2020 aiming to attract more customers and maximize the sector's profitability, such as:-

- Shabab account, which targets individuals from 16 to 21 years old as this age group represents a large number of the population.
- USD Wakala investment account.
- Developing 3, 6 and 9 Months' deposits in Egyptian pounds with distinctive profit rate meeting High Net Worth Individuals and Large Corporates' needs.

VII. Global Transaction Services «GTS»

Bank Audi Egypt focused on enhancing and developing its digital proposition to support our clients' day-to-day business banking transactions and non-banking ones through unique cash management and digital solutions in a response to the prevailing pandemic situation.

The newly developed online banking and mobile banking applications were launched in 2020 offering new services for all companies. These services included trade finance and investment products, transfers services with the option to setup scheduled and recurrent payments, TDs bookings and account opening, checks monitoring and many more features, all bundled in a unique user interface that offers a convenient and easy banking experience, tailor made to fit each and every company regardless of its size or industry. Bank Audi also focused on delivering other exceptional solutions to support their clients' day-to-day business transactions such as bulk payments for payroll and supplier payments and online governmental payments. These services allowed more clients to safely make governmental payments using E-finance's online platform without the need to visit Bank Audi branches for all payments (NAFEZA payment, taxes, customs, Social Insurance, Citizen Payment, Suez Canal unified bill, Real estate taxation, etc…). Bank Audi had successfully processed a total volume of EGP 5.5Billion in NAFEZA payments during 2020, which contributed with EGP 27.4MM in the Bank's bottom line profitability.

Bank Audi Egypt received two awards from the Global Economics as "Best Cash Management Bank" and "Best New Cash Management Product" in Egypt, which confirms great focus on delivering exceptional new products in the Egyptian market. Bank Audi's strategy for 2021-2022 is to remain committed on the ongoing development of its digital bouquet of products complementing the existing ones. Corporate B2B mobile wallets, internet banking upgrade and supply chain platform are a few examples of the services currently under development and targeted to be launched soon. As part of promoting trade business for non-borrowing clients, GTS Trade Finance Relationship Managers provided ongoing support to our branch network team in terms of new-to-bank client acquisition, technical solutions and consultancy. This assistance led to improvement in our trade volumes despite current pandemic situation. In 2020, the GTS "BEST - Business Easy Services & Transactions" team expanded their service excellence by covering all our Corporate Business Banking clientele base that led to an increase in our overall client satisfaction while offering day-to-day support activities to our non-borrowing clients such as resources distribution and special pricing requests. The "BEST" team continues to play an important role in Bank Audi's service model and as we grow our client base year on year, we plan to maintain the highest service level accordingly.

VIII. Governmental Entities & Public Sector Division

Despite the special circumstances that required directing a large part of the Egyptian State's resources to deal with the COVID-19 pandemic, the sector was able to achieve a growth in deposits of 13% by developing the portfolios of some customers and attracting new customers in various economic sectors (electricity sector - water - economic activities), diversifying and distributing risks to different sectors. The sector's activity was not limited to Greater Cairo and its suburbs, but the Bank's new branches in various governorates and the sector's strong relationship with holding companies were used extensively to open subsidiary accounts in many governorate capitals.

IX. The Branch Network

The Branch Network focused on maximizing contacts and relationship development from our customer database and worked on attracting new customers to the Bank. 2020 was the year of excelling in both financial and non-financial performance and scope of our activities and services. The financial outcomes of 2020 showed incremental increase in Deposits by 14 % to reach EGP 44 Billion.
In 2020, working hours were extended in two branches El-Sheikh Zayed and Port Said in order to serve more potential customers and provide sufficient time to satisfy customer needs, and both these two branches operated normally during public holidays. The year 2020 witnessed a leap in achieving the E-Finance and Nafeza services through Bank Audi's branches. While the majority were in the Airport branch that serves Nafeza Customers 24/7 to stimulate the investment climate, maximize production capabilities, expand the export base and facilitate internal and external trade through a single electronic platform. The Branch Network expanded its geographical distribution during the year to reach 53 branches comprising 49 conventional and 4 Islamic branches. This includes a new branch in Kafr El-sheikh, which is a very vital area to serve more wealthy customers. Aligning with the Bank's strategic objectives to maximize customer satisfaction level, our Branch network new structure model implementation served in enhancing the service excellence pillars after defined allocation of key staff based on competency assessments and level of experience.
This affected positively on the delivery of high quality service within a competitive turnaround time.

A new proposition of new segment "Select" was launched in the 1st quarter of 2020 which empowered our sales force to acquire a new client segment and enabled effective relationship management that will enrich our portfolio.

Overall our branch network portfolio Mix is Individual 59% and Corporate 41%. The Branch network focused on maximizing the customer data base and worked on attracting new to bank customers which resulted in over 20,000 new to bank clients joining our Bank.

B. Risk Performance

I.Credit Risk

Bank Audi Egypt's Credit Risk function encompasses several departments, namely Credit Risk assessment, Credit Administration, Credit Investigation and the Loan Remedial department, all of which are geared towards safe and diligent granting of corporate credit facilities in addition to proper utilization and monitoring. The ultimate target of our credit risk management operations is to minimize risk to acceptable levels and reach optimal capital allocation by achieving a balance between risk versus return in our portfolio, guided in our endeavors by international standards and best practices. During the past 15 years, the Bank's Credit Risk function has represented the main safety valve in the Bank's placements of funds with corporate clients; it has participated in our rapid yet safe asset growth and build-up of the healthy and well diversified portfolio that is evidenced today by a balanced risk profile. On the technical side, the Bank has evolved during the years to move towards automation systems to achieve a more accurate and consistent credit granting process backed by globally renowned systems and institutions. During the years of turbulence that the market has endured, the Bank's Credit Risk has remained vigilant to the factors at play, yet was able to maintain enough vision and flexibility to aid the Bank's business developers to assist their clients in these stressed times. On the internal part, the Bank's Credit Risk management have been with the Bank since its inception and managed to build up a strong team of exceptional calibers around them that have ensured loyalty and commitment to sound credit risk practices whilst facilitating the Bank's ability to grow.

During 2020, the credit risk function stood up to the challenges that affected economies both locally and globally, thus maintaining exposures and ratios at levels on a par with the banking industry. Looking forward, we are aware of the increasing challenges and market pressures that face the Banking sector on several fronts. Our aim in these times is to keep a watchful eye on fluid risk profiles of our counterparties in rapidly shifting situations, and remain within regulatory boundaries with ample safety margins while maintaining a balanced risk appetite that will enable the Bank to achieve its goals to remain one of the fastest growing Banks in Egypt.

II. Market risk

The Market Risk function works within the Bank's overall Risk Management framework by which the Risk Department currently identifies, analyses and monitors all market risk factors within the Bank. The function also conducts different scenarios, stress testing and correlates its findings to capital adequacy, liquidity and profitability to provide advice to senior management and the Board. The Bank is exposed to market risk, primarily arising from open positions related to currency, of which each position is exposed to market movements and foreign exchange rates. The Bank separates its exposure to market risk into trading and non-trading portfolios. The Bank's Market Risk management division overseas reports and advises management and its committees, (such as ALCO) and the lines of business on the market risks arising from these trading and non-trading activities. Regular reports are submitted to the Board of Directors and each business unit head. Foreign currency and interest rate risks arise out of the Bank's interest and currency exchange rate sensitive assets and liabilities. The mismatch in the re-pricing dates of these positions creates interest rate risk for the Bank, which is inherent to its Banking activities. The Bank sets appetite, tolerance and limits for its various market risks to ensure that they remain within acceptable bounds.

III.Operational Risk Management (ORM), Information security (InfoSec) and Business continuity management (BCM)

Operational risk is defined as; the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, which includes but is not limited to, legal risk; however, it does not cover reputational risk and strategic risk.
Effective management of enterprise operational risk is integral to the business of banking, sound integrated risk management, decision-making and priority setting. The governance structure has been formed to support effective management of the Operational Risk functions carried out across the Bank, as well as Business continuity, and information security that formed under integrated risk function

- **The operational risk management framework (ORMF)** supports the achievement of the Bank's financial and business goals. Each business unit is responsible for the identification, assessment, monitoring and reporting of operational risk, while ORM facilitates implementation of the Bank's ORMF and governance structure to support business managers through a suite of risk mitigating policies, the reporting of internal loss incidents, and qualitative and quantitative assessment of risk exposures.

- **The Information Security (InfoSec)** sets out the key roles, responsibilities, and processes for Information Security Management, adopting several measures to reduce the risk of cyber-attack and protecting the Information Assets from risks to its Confidentiality, Integrity and Availability while enabling the Bank's digitization objectives.

- **The Business Continuity Management (BCM)** constitutes an essential component of the Bank's risk management process by providing a controlled response to business disruption events that could have a significant impact on the Bank's critical processes and revenue streams. It includes responses to mitigate the impact of risk events or disasters and crisis management plans to respond to crisis events. BCM formulates plans to enable the Bank to recover its critical operations quickly in the event of disruption to normal business, while continually tests the preparedness and robustness of the Disaster recovery site through a series of exercises across all bank units in coordination with Information Technology dept.,

During 2020, ORM streamlined the Loss Data Management (LDM) process through; establishing and following consistent processes for loss capturing using a newly in house developed system, conducting Root Cause Analysis (RCA) to eliminate the recurrence of similar risk events in a timely manner; implementing Risk & Control Self-Assessment (RCSA) framework based on actual testing approach applying workshop technique, to identify and assess operational risks that may arise from new/changed systems, products and activities, and to evaluate the effectiveness of controls over those risks in conjunction with newly Issues and Management Action Plans (IMAPs) module, for issue identification, evaluation, investigation, and tracking, leading to the relevant corrective action in order to mitigate risks.

While effective training and communications is an integral part of the Risk Management framework, an e-Learning program has been developed for all the Bank's staff using a bank portal, phishing simulation and new SANS e-Learning tools that will cover 26 InfoSec topics assigned to all the Bank's staff dependent on their particular roles and responsibilities in the Bank.
Building qualified InfoSec and BCM teams including newly Cybersecurity and Security Operations Center (SOC) functions was a key focus during year 2020 to support the Bank's objectives of digital banking, as well as updating the policy and procedures, conducting regular reviews of new/changed systems in coordination with ORM and BCM team, User Access Management (UAM), internal/external Vulnerability, pen testing, enhancing incident response capability, logging and monitoring, conducting the Business Impact Assessment (BIA) of all the Bank's entities and testing the disaster recovery of our Core banking system.

IV. Retail Credit Risk

Retail Credit Risk department had a challenging year where all its resources have been put to the test.
Despite all the challenges imposed by the COVID-19 pandemic and a stressed economy threatening the lending industry on all fronts, we continued to service our customers, support the portfolio growth and preserve assets quality.
Results were driven by having the right platform in place, based on a solid infrastructure that had been built and improved over the years, and having agile analytics and procedures allowing surgical risk optimization.
During 2020 Retail Credit Risk department managed to play its role as a support and control function given the disturbed economy and market changes, in a way that achieved the Bank's strategic objectives in satisfying customers' needs and contributed to the Bank's growth with high quality standards.

C.Support & Control Performance

I.Support Functions
Operations

Trade Finance

Bank Audi Egypt launched successfully the new version of Trade Finance module FTI "Fusion Trade Innovation" during October 2020 . This is one of the most advanced software applications in banking trade finance operations with its powerful workflow orchestration. It is worth mentioning that this is a SWIFT certified application that will positively affect increasing productivity, reducing cost and improving client retention.

Checks Services, Centralized Cash, SI and Internal Transfer

Check services department has improved the process of Fast Collection service to maximize the level of customer satisfaction especially for the VIP customers. Checkbook printing unit has successfully implement checkbook designs for new VIP segments.

Payments, CD's & TD's

The team managed successfully to launch various projects during 2020 such as **IBAN** which is a mandatory request by the Central Bank of Egypt for all Egyptian Banks in order to set more control, increase accuracy, speed up the process of transfers and this will support the STP efficiency. Similarly, a New Payroll Tool which will speed up the payroll processing without human and manual intervention. Furthermore, a **New Outgoing Payment Workflow Tool** was launched for individual clients and non- borrowers (Local and foreign currency) which will minimize errors, avoid duplication and speed up the process with more accuracy. In addition, our **Swift 2018- 2020 Updates and SWIFT Tracker** fulfilled a mandatory request by SWIFT and this was launched successfully on 22/11/2020 and complied with the required rates (and we have now reached 99% compliance level). Currently the department is working on different projects and tools such as a new bulk payments system as well as a Workflow for borrower clients Local / Foreign payment, STP for incoming swift and automated workflow for CD's & TD's .

Treasury Back Office

The execution of all (FX, MM, Fixed Income) transactions related to Treasury Front Office with the related payments and confirmations were done on a timely manner and with high quality and full control. The team successfully managed the Bank's Foreign Currencies Cash flow management and control. Similarly, the handling of taxation for T-Bond and T-Bills transactions were executed on set due date with full abidance to the Central Bank of Egypt's regulations. Client satisfaction is always the first priority.

Centralized Account Opening

The total number of transactions increased massively in a timely manner, with high quality and full control in each unit. As for the Legal Seizures Operations Unit, it managed to execute all legal seizure requests in a timely manner, with high quality and full control which reduced the Bank's different risks including reputation risk and eliminated financial losses which might have occurred.

Capital Market Operations

Bank Audi's Capital Market department (CMO) provides multiple services such as Custody and book keeping of stocks, Margin Trading, Bank Audi Egypt's Money Market fund and Ezdehar balanced fund. During 2020, CMO significantly grew in numbers of performed transactions and revenue generated.

Organization and Re-Engineering

A new strategy has been set and followed in 2020. Unification and Standardization, where all the Bank's E-forms or any other document presented to the clients all follow the same harmony that reflects the image of the Bank .
A crucial main role behind the scenes towards the procedures, SOCs, Visio work flow charts that aims at speeding the process to launch them and also to cope with the exceptional pandemic circumstances and smoothen the daily work flow for all departments.

Finance

Finance division always improves methodologies and practices applied to ensure valuable decision making support, increased transparency, and sound compliance to standards and regulations. Enhancements introduced to managerial reports included new FTP methodology that is applied on account level, a more effective profitability analysis on the level of branch and client, and a more effective analysis concerning cost and income per Lines of Business.
Finance also played a major role on the level of implementation of new standards as the introduction of IFRS 9 required comprehensive preparations and coordination between several departments within the entity as well as external auditors.

Information Technology

The IT department had many achievements during the year 2020 which include the following :

Business Technology Team

- Completion of Omni Channel Project (New Bank Audi Egypt Internet Banking & Mobile App).
- Completion of COB Project (Customer On Boarding & Web-Portal).
- Initiation & Implementation of Bank Audi – Egypt Workflow & completion of Phase-I following WFs:
  - √ Workflow Core Functionality
  - √ Outgoing Payments for Corporate non-borrowing LCY
  - √ Outgoing Payments for Individuals/Corp non-borrowing FCY
  - √ Outgoing Payments for Corporate borrowing FCY-LCY
- Participating with application support team in implementing and completing TI+ upgrade.
- Development of IT Dashboard representing different IT areas activities statistics.

IT Applications Unit

- Completion of Trade Innovation upgrading project
- Completion of Margin Trading upgrading project
- Completion of Murex enhancement to meet Swift changes by adding UETR on outgoing Swift messages generated by Murex
- Completion of old core banking system (BankMate) data migration
- Participation in Central Bank of Egypt's initiative for 6 months postponement of loans' installments from I-Score point of view.

Network and Security Infrastructure Enhancements projects

- In progress for New Implementation of Cisco Contact Center and IVR to replace the outsourced One.
- DNS Security @ DR which protects the Bank from DNS exfiltration, DNS Tunneling and internal infections if they should occur or to communicate with dangerous websites outside the Bank and to control the Bank's network.
- Web and E-Mail Security to protect the Bank from malicious infections that can infiltrate the Bank's injected network through accessed websites or receiving any infected Emails, as well as carrying out other security related projects.
- New implementation of Fiber Technology @ the New branches to enhance the connectivity between those branches and HQ to get the maximum Connection quality and better performance.
- We adopted a Wireless Connectivity for New Branches over WI-MAX to act as a hot backup connectivity in case of any disconnection of the main connections

Application Development and Support

- Audi Payroll portal: Architect and build, develop in house secured portal to serve companies payroll securely.
- E-finance reconciliation App: Build an application

to reconcile between e-finance and Bank Audi.
- Audi Pay Portal: Architect and build, develop in house secured companies transfers integrated with VASCO.
- Special E-Statement: Build an application to generate statement with special requirement, secured and automatically sent by email every day.
- Account maintenance utility: Provide, create and close account tools for the Central Bank of Egypt project to postpone the loan payments by 6 months.

E- Channels & ATMs operation team

- Online Fraud Prevention for Issuer and Acquirer (Fraud Navigator).
- Cardless Credit Card Deposit on Bank Audi ATM Network.
- 3D secure for Debit and Credit Cards to secure all Bank Audi Cards for E-Commerce Transactions.
- Local Routing for Bank Audi Debit Cards through National Scheme (EBC) for ATM Transactions.
- ATM On-Us Receipt fees on Bank Audi ATM network.
- I-Score Service for Bank Audi Customers on Bank Audi ATM network.
- Direct connection of IST Switch with Areeba IST Switch through VPN Tunnel and Carve out from BASAL Connection.

Infrastructure System Administration and Support team

- Implemented and installed new Storage system on main and disaster recovery site.
- Migrated systems to new storage technology.
- Implemented and installed new backup system and backup storage platform to enhance backup process.
- Created and managed infrastructure for new projects (Omni Channels, Customer on Boarding, and Trade finance).

Human Resources

The Human Resources department in Bank Audi Egypt sustained its focus on maximizing the value of Human Capital through its alignment with the Bank's strategy and values, as well as through the design and implementation of up-to-date policies, systems and schemes. HR as a main part of Bank Audi – Egypt business continuity committee has taken a number of measures to warrant business continuity and prevent the spread of coronavirus (Covid-19) during the pandemic.
The Human Resources team hired 244 staff during 2020 focusing on screening efforts on over 970 Competency Based interviews while reducing the recruitment cycle through digital initiatives. In addition, the opportunity has been provided to 58 employees to move internally.
A Retail and Corporate Banking academy was launched, with the Retail Banking academy delivering over 19,729 training hours with 1,077 training opportunities including international and specialized programs for high performing and high potential employees. We also enhanced the payout and incentive scheme in order to lead the market. The Corporate Banking academy provided a Professional Certificates in addition to 3 Credit Courses.
Believing that Human Capital is one of Bank Audi's core values, Talent Management Programs has been launched using the 9-box methodology, aiming to create an ongoing competent pool of talents to develop an efficient second line of leaders so as to ensure Business Continuity and enhance Bank Audi – Egypt's overall performance. Human Resources allocated a special Development budget for high performing and high potential employees' fast track promotion and for better motivation and retention purposes.

Marketing, Communications & Corporate Social Responsibility

Marketing

2020 was the year for the digital communication to shine for everyone. The Bank has produced a bouquet of digital products that were very appealing to communicate through our digital communication channels, mainly our website, social media and our ATM's. The year witnessed so many campaigns promoting these products that in turn increased our sales and our fans and placed Bank Audi as one of the top players on social media amongst banks in Egypt
The year ended on a very positive note with our sponsorship to the 2020 ICT with a state of the art booth launching a state of the art Mobile Application, OMNI Channels, offering impeccable services for individuals and corporates. Not only that, but we also closed the year with our yearly CASA campaign offering the winner a brand new 2021 Mercedes car.

Communications

The Bank during the year 2020 continued to promote its products, services and achievements through multiple communication channels including online and print publications. It managed to engage Egyptian readers with the Bank's latest news. The competencies of the Bank were effectively communicated to reach targeted stakeholders capitalizing on the Bank's image, solid financial stance, and its vast array of products and services in the Egyptian Banking Sector.
Internal communication also played a vital role during 2020, whereby it was efficiently used to keep employees updated on the latest news.

Corporate Social Responsibility

For Bank Audi Egypt, Corporate Social Responsibility is the way the Bank integrates social, environmental and economic concerns into its values, culture, decision-making, strategy and operations with a view to establishing better practices within the Bank, helping improve society, and ensuring long-term superior value to all stakeholders (employees, customers, community, shareholders and third parties).
In 2020, the Bank continued to positively affect the Egyptian community by maintaining its vital role in advancing the United Nations' Sustainable Development Goals – «SDGs». This comes in line with Egypt's commitment to achieve the SDGs «Egypt's Vision 2030», whereby the country's three-dimensional strategic plan (economic, social and environmental) is based on ten pillars; which broadly cover SDGs.
The activities of Bank Audi Egypt during 2020 focused on a number of defined goals including SDG3 "Ensure healthy lives and promote well-being", and SDG 9 "Industry, Innovation and Infrastructure". In addition to that, the Bank continued to support the Central Bank of Egypt's initiatives to boost financial inclusion in the country.

Corporate Social Responsibility activities held in 2020 included:

SDG3 Good Health and Well-being:
As the year 2020 witnessed the spread of the COVID 19 pandemic, Bank Audi- Egypt took a number of precautionary measures to ensure business continuity and guarantee the wellbeing and the safety of employees and customers. Some of these measures were as follows:

1. Dedicating a VIP entrance for employees who aspire to take the COVID 19 test in Ein Shams specialized hospital for free.
2. Bank Audi – Egypt extended working from home guidance to all employees whose jobs allow them to do so. Each department head had to choose a number of employees to work from home. Working from home employees are granted a VPN/ Email access.
3. Colleagues who suffer from some chronic diseases such as (heart, kidney, liver, respiratory system, tumors, or any disease that affects the immune system), and female employees caring for a child younger than 12 years were given a top priority to be among the 50% of the working from home workforce.
4. Detergents and Paper cups were provided in all HQ and branches to avoid the spread of the COVID 19.
5. Customers and employees were requested to wear face masks prior to entering to Bank's branches.
6. The Bank underwent a comprehensive sterilization procedure of all Bank's premises (HQ & Branches). This sterilization was implemented to ensure the health and safety of our staff. A specialized company conducted the sterilization with products that ensure effective disinfection without causing any harm to staff health.
7. Employees' fingerprint scans were suspended and replaced by a newly developed system available on all computers. Employees just needed to sign in to the system to record their daily attendance and leave.

SDG9 Industry, Innovation and Infrastructure:

- During the year 2020, the Bank focused on developing and initiating a number of digital services. This was in line with the Bank's efforts to offer the most innovative electronic payment solutions in Egypt and to embrace the country's unbanked population in the formal economy and assists in boosting Financial Inclusion in Egypt. These distinctive products and services include Audi Online, Audi2 Pay, and Customer On-Boarding mobile application.

- The Bank participated in the Cairo International Telecommunication Exhibition Cairo ICT 2020 between 22-25 November 2020. The Bank's participation came from its belief in the importance of supporting the Egyptian Government and Central Bank of Egypt's plan towards digital and technological transformation in all sectors in Egypt.

Civic Role and Community Development

- As Bank Audi Egypt has a strong belief in civic role and community development, which are among its core values, the Bank donated EGP 20Million to the Federation of Egyptian Banks in contribution to Egypt's anti corona virus efforts in 2020.

Market Research

The Market Research Department
played a vital role for all Bank departments including the non-business ones as it helped in:
1. Providing the Bank's various departments with valuable, accurate and up-to-date information, which helps in decision-making, and new business acquisition.
2. Running different types of structured surveys/studies to measure, assess and analyze the Bank's lines of business customers' satisfaction; and benchmark its products and services to the marketplace.
3. Running geo-marketing studies to assess the new locations where the Bank should expand its branches and ATMs network, which helps in deciding the best locations to have new branches and ATMs and reach the fastest return on investment.
4. Helping the various lines of business in building their new business models by running different types of structured surveys/studies to identify the market gap/ need and segment the targeted clients. The Bank values the importance of market research on both directions: launching new products/services, and assessing existing products' performance. In the case of a new launch, we helped defining, classifying and understanding both market and targeted customers' needs, defining the available gaps in the market to use it as business opportunities and assessing the peer competitors' performance which helps in the development of new banking products/services and the way they should be delivered and communicated to the market and targeted customers. We usually conduct market surveys and scanning for selected peers/ features / edges / customer preferences in order to assess our products versus peers and always be ahead of others with a competitive advantage in order to be able to satisfy and retain our existing customers, and attract new ones.

Service Excellence

Service Excellence Department mirrors Bank Audi Egypt's core values and strategic business directions. We paid special attention to aligning our own Department's business plan to the Bank-wide objectives that can be briefly expressed in achieving the organizational efficiency and a delighted customer experience through an efficient journey end-to-end. As Bank Audi Egypt further grows and focuses on our identity of being a customer-centric organization driven by customer needs aligned with our Department's objective to reach the customer delight, the Service Excellence team are continuing with full devotion to the improvement of customer service as the main driver for business acquisition, customer approach and retention and competitive edge by focusing on service level through all our channels and front liners. The Service Excellence department played a pivotal role in ensuring the effective implementation of such service level on the ground through stating the benchmarks, and Key Quality Indicators in order to always self-assess the non-financial performance levels and, work on the gaps to be improved.
Synergy among all the Bank's departments is a key success factor that gathers all the Bank staff as one unit with one goal, while providing any kind of service for the customer in a homogeneous environment. The essence of our service excellence approach is based on three main pillars:

1. Continually having effective communication channels with our customers through conducting multiple surveys and satisfaction measurements and in parallel, conducting surveys for the staff to check their satisfaction about the services provided from other departments in order to check the if there are any gaps.

2. Gathering all these voices and feedback to analyze trends and gaps which are then transformed into improvement plans. These are worked upon by using many different in-house tools and approaches with the aim of achieving an efficient, synchronized work environment capable of delivering the aspired level of service for our customers and staff equally.

3. Perpetuating a dynamic environment of continual self-assessment and improvement The Bank received the award of the Best Data-Centric Transformation & Managing Customer Journey in the MENA region for the year 2020 from the Trusted Advisors, where the award ceremony was held in Morocco.

ii. Control Functions
Legal

During the past years, the Legal Department has been working on different levels to give all possible legal support to the Banks's business and to boost its growth plans.
Human Capital
Building the Legal Department's human capital has been a key focus throughout the past years; starting from a small team consisting only of 3 lawyers and reaching a team of 17 experienced and young qualified lawyers who enjoy diverse experiences and great understanding of the business. All the Legal team have a main focus which is to provide efficient and timely services to our business lines and clients and to support the Bank's image and reputation. We have successfully built an institutional structure within the Legal team by creating second and third lines of management to ensure a sustainable level of efficiency and support.

Litigation

The professional management of the Legal Department of lawsuits resulted in the Bank being awarded favorable judgments in a number of major lawsuits, where the relevant court(s) issued their verdicts obliging the defendant(s) to settle unpaid debt(s) to the Bank plus accrued interest. More than 34 court verdicts were issued in favor of the Bank in civil and criminal cases. We also participated in negotiation and preparation of rescheduling of debt and amicable settlement arrangements for one corporate client with substantially large exposure.

Legislative

The Legal Department keeps track of the new legislations and updates the relevant departments within the Bank of the same in case they have relevance to the roles and competencies of those departments.

Products & Services

The Legal Department has always been a key participant in the Bank establishing and providing new products and services to its clients, working side by side with the business lines to create and develop the necessary legal platform and documentation. We actively support all business lines to provide efficient legal advice and support striving to find legal solutions to cater for the clients' needs and facilitate transactions while safeguarding the Bank's best interests. We also provide support to Bank Audi SAL Legal Department, and to other entities within the Bank Audi Group, on matters related to Egyptian law issues. The Legal Department provides all necessary support to the Bank's business lines for successful execution of numerous loans, syndicated facilities, Islamic finance transaction, structured finance deals, acquisition finance, mortgage finance, real estate and commercial mortgages and various types of securities. Moreover, the Legal Department launched a new platform for branches, entitled OLMS system (Ofoq Legal Management System) in order to serve as an electronic platform for requesting legal advice and keeping track of the archive of the provided legal advice on an annual basis to the branches

Audit

The Bank's Internal Audit Department consists of a team who believes they have crucial responsibility to reinforce the control environment within the Bank in order to create a solid professional culture whereby risk exposure is properly and timely mitigated within the Bank's risk tolerance. Consequently, the team went an extra mile, reflecting such a belief and direction into the department's KPIs in 2020, and imposed a positive participation and meaningful contribution, by seeking to add value to the organizations' objectives and strategies. With this regard, the audit team updated on a regular basis the internal audit charter, policies and procedures, and their related audit work programs across different types of business and banking operations to assure their quality and consistency and timely reflect the rapid changes occurring inside the Bank and the market. Throughout the fiscal year 2020, the Internal Audit Department successfully accomplished comprehensive risk based audit plans across Bank Audi Egypt's Head Office departments, its operative branches, centralized operations along with IT, so that high-risk areas were all tackled and controls tested. The Internal Audit team then properly applied the latest professional standards, risk based methodologies and best practices in order to achieve the Bank's internal audit KPIs. It is worth mentioning that 2020 witnessed 43 branches audit assignments and several audit missions of the head office departments and the centralized operations in addition to an audit mission on IT modules and systems accomplished in collaboration with Bank Audi SAL's IT Group Audit.

Compliance

Reference to the increasing importance of the control role inside banks, the Compliance function of Bank Audi Egypt remained complementary in its role in supporting the Bank's different line of businesses in achieving the Banks' strategy and goals in a safe way. In this regard, the Compliance Department performed enhancements on the internal applied policies and procedures to cope with the Group policy which is in turn aligned with the international standards, and in order to standardize and automate manual procedures to easily integrate regulatory requirements and required due diligence within the daily work. On the other hand, and worth mentioning that the Compliance Department was continuously supporting the different business sectors such as operations, branches, retail, etc. That comes in addition to their significant role in keeping robust and efficient regulatory compliance and corporate governance programs coordinated with the Board of Directors and the Group as well.

04

FINANCIAL STATEMENTS

Independent Auditors' Report

To: The Shareholders of Bank Audi "S.A.E."

Report on the financial statements

We have audited the accompanying financial statements of Bank Audi "S.A.E." (the "Bank"), which comprise the financial position as at 31 December 2020 and the related statements of income, changes in equity, comprehensive income 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 Financial Statements

These financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Central Bank of Egypt's rules, pertaining to the preparation and the presentation of the bank's financial statements issued on December 16, 2008 as amended by the regulations issued on 26th of February 2020 and in light of the prevailing Egyptian laws.The management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bank Audi "S.A.E." as of 31 December 2020 and of its financial performance and its cash flows for the year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the bank's financial statements, issued on December 16, 2008 as amended by the regulations issued on 26 February 2020 and in the light of the Egyptian laws and regulations relating to the preparation of these financial statements.

Report on other legal and regulatory requirements

No contravention of the Central Bank, Banking and Monetary Institution law Institution No.194 of 2020 – Considering the grace period - were noted during the year ended 31 December 2020.

The Bank maintains proper financial records, which includes all that is required by the law and by the statutes of the bank, and the financial statements are in agreement therewith.

The financial information included in the Board of Directors' report, is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Auditors

Dr. Ahmed Rashwan
Member of Egyptian Society of Accountants & Auditors
R.A.A. 15145
F.R.A. 453
PricewaterhouseCoopers Ezz Eldin & Diab & Co.
Public Accountants

Sayed Khalil El-Deeb
Member of the Egyptian Society of Accountants & Auditors
Member of the Egyptian Tax Society
R.A.A. No. 8334
F.R.A. No. 464
Public Accountants & Consultants

Cairo on January 27, 2021

(All amounts are shown in Egyptian Pounds)

	Note	2020	2019
Assets:			
Cash and due from the Central Bank of Egypt	14	5,487,611,454	6,877,459,286
Due from banks	15	13,381,073,103	22,215,133,782
Loans and advances to banks	16	-	143,838,631
Loans and advances to customers	17	30,332,974,661	25,938,164,475
Financial derivatives	18	1,100,598	548,676
Financial investments	19	33,713,362,659	17,557,780,883
Intangible assets	20	240,992,687	270,185,968
Other assets	21	1,688,860,305	1,505,500,675
Fixed assets	22	754,055,937	760,800,742
Total assets		**85,600,031,404**	**75,269,413,118**
liabilities and shareholders' equity			
liabilities:			
Due to banks	23	130,328,531	185,597,913
Customers' deposits	24	75,314,670,855	65,504,269,144
Financial derivatives	18	786,356	965,840
Other loans	25	943,926,000	1,283,320,000
Other liabilities	26	576,862,290	621,136,375
Other provisions	27	181,835,804	244,566,722
Current income tax liabilities	28	301,657,932	100,592,265
Deferred tax liabilities	28	160,726,647	179,742,715
Total liabilities		**77,610,794,415**	**68,120,190,974**
Shareholders' Equity:			
Issued and paid-up capital	29	2,152,447,065	2,152,447,065
Retained earnings	30-2	4,811,932,321	4,251,380,410
Reserves	30-1	1,024,857,603	745,394,669
Total equity		**7,989,236,989**	**7,149,222,144**
Total liabilities and shareholders' equity		**85,600,031,404**	**75,269,413,118**

Mohamed Bedeir
Managing Director
Cairo 26 January,2021

Hatem Sadek
Chairman of the Board of Directors

Statement of income - For the year ended 31 December 2020

(All amounts in Egyptian Pounds)	**Note**	**2020**	**2019**
Loans interest and similar income	6	8,268,136,172	8,800,755,352
Deposits interest and similar expenses	6	(5,180,918,975)	(6,018,447,345)
Net interest income		**3,087,217,197**	**2,782,308,007**
Fees and commission income	7	516,874,300	581,185,779
Fees and commission expenses	7	(45,203,085)	(33,232,800)
Net income from fees and commissions		**471,671,215**	**547,952,979**
Dividends		3,858,436	68,772
Net trading income	8	67,094,538	54,425,084
Profits from financial investments	19	49,467,806	9,437,556
Impairment charges on credit losses	11	(403,007,165)	(267,558,696)
Administrative expenses	9	(1,123,863,061)	(1,004,775,646)
Other operating expenses	10	(66,620,915)	(276,936,090)
Profit before income tax		**2,085,818,051**	**1,844,921,966**
Income tax expenses	12	(722,878,311)	(442,017,237)
Net profit for the year		**1,362,939,740**	**1,402,904,729**
Net profit for the year per share	**13**	**39.28**	**40.43**

Statement of comprehensive income - For the year ended 31 December 2020

(All amounts are shown in Egyptian Pounds)	**2020**	**2019**
Net profit for the year	**1,362,939,740**	**1,402,904,729**
Debt instruments at fair value through other comprehensive income		
Change in the fair value of debt instruments at fair value through comprehensive income	104,371,632	170,408,458
Deferred taxes on Debt instruments at fair value through other com .prehensive income	(12,353,361)	(23,185,413)
Net change in fair value	**92,018,271**	**147,223,045**
Transferred to the income statement	(49,467,806)	(9,437,556)
Total comprehensive income for the financial year	**1,405,490,205**	**1,540,690,218**

BANK AUDI ANNUAL REPORT 2020

Statement of changes in equity - For the year ended 31 December 2020

All amounts are shown in Egyptian Pounds

	Issued and paid up capital	Legal reserve	General risk reserve	Capital reserve	Special reserve	Fair value reserve- financial Investments through other comprehensive income	Bank risks reserve	IFRS9 reserve	Retained earnings	Total
31 December 2019										
Balance at the beginning of the year	2,152,447,065	247,015,371	-	667,436	81,099,789	(127,117,443)	123,688,632	336,022,770	3,916,350,211	**6,730,173,831**
Impact of first applying IFRS 9	-	-	538,223,157	-	(81,099,789)	70,135,119	(121,100,598)	(336,022,770)	-	**70,135,119**
Used from the general risk reserve to support Credit loss provisions	-	-	(187,647,727)	-	-	-	-	-	-	**(187,647,727)**
Transferred to reserves	-	63,364,673	-	93,000	-	-	287,560	-	(63,745,233)	**-**
Employees' share of profit for 2018	-	-	-	-	-	-	-	-	(123,634,297)	**(123,634,297)**
Shareholders' share of profit for 2018	-	-	-	-	-	-	-	-	(880,495,000)	**(880,495,000)**
Net profit for the year	-	-	-	-	-	-	-	-	1,402,904,729	**1,402,904,729**
Net change in fair value of financial investments through other comprehensive income	-	-	-	-	-	170,408,458	-	-	-	**170,408,458**
Deferred tax on other comprehensive income	-	-	-	-	-	(23,185,413)	-	-	-	**(23,185,413)**
Profits on sale of financial investments at fair value through other comprehensive income	-	-	-	-	-	(9,437,556)	-	-	-	**(9,437,556)**
Balance at the end of the year	**2,152,447,065**	**310,380,044**	**350,575,430**	**760,436**	-	**80,803,165**	**2,875,594**	-	**4,251,380,410**	**7,149,222,144**

	Issued and paid up capital	Legal reserve	General risk reserve	Capital reserve	Fair value reserve for financial Investments through other comprehensive income	Bank risks reserve	IFRS9 reserve	Retained earnings	Total
31 December 20									
Balance at the beginning of the year	2,152,447,065	310,380,044	350,575,430	760,436	80,803,165	2,875,594		4,251,380,410	**7,149,222,144**
Transferred to reserves	-	70,080,537	-	1,293,992	-	165,537,940		(236,912,469)	**-**
Employees' share of profit for 2019	-	-	-	-	-	-		(133,282,420)	**(133,282,420)**
Shareholders' share of profit for 2019	-	-	-	-	-	-		(432,192,940)	**(432,192,940)**
Net profit for the year	-	-	-	-	-	-		1,362,939,740	**1,362,939,740**
Net change in fair value of financial investments through other comprehensive income	-	-	-	-	104,371,632	-		-	**104,371,632**
Deferred tax on other comprehensive income	-	-	-	-	(12,353,361)	-		-	**(12,353,361)**
Profits on sale of financial investments at fair value through other comprehensive income	-	-	-	-	(49,467,806)	-		-	**(49,467,806)**
Balance at the end of the year	**2,152,447,065**	**380,460,581**	**350,575,430**	**2,054,428**	**123,353,630**	**168,413,534**	-	**4,811,932,321**	**7,989,236,989**

Statement of cash flows - For the year ended 31 December 2020

All amounts in the notes are shown in Egyptian Pounds unless otherwise stated

(All amounts are shown in Egyptian Pounds)	**Note**	**2020**	**2019**
Cash flows from operating activities			
Net profit for the year before tax		2,085,818,051	1,844,921,966
Adjustments to reconcile net profit to cash flows from operating activities			
Depreciation and amortization		127,081,559	113,183,420
Impairment charges for credit losses	11	419,936,935	208,098,725
Impairment charges for due to banks and other loans		(1,625,339)	(716,060)
Impairment charges for financial investments		(15,304,431)	60,176,031
Net differences of revaluation investment at fair value through profit and loss		(2,085,167)	(16,944,937)
Charges of other provisions	10	(10,535,481)	94,758,174
Provisions utilised (no longer required) excluding loans' provision		(52,342,144)	(8,125,833)
Differences of revaluation of balances of other provisions in foreign currencies		146,706	(1,008,510)
Differences of revaluation of balances of other provisions due to banks and other loans		(202,846)	(1,356,402)
Net differences of investment revaluation through other comprehensive income		10,117,305	119,485,692
Amortization of share premium revaluation differences of financial investments at fair value through other comprehensive income		6,436,050	44,833
Dividends of investments other than financial assets held for trading		(3,858,435)	(68,772)
Gains on sale of fixed assets		(1,619,894)	(1,293,992)
Differences of revaluation of other loans' balances		(18,564,000)	(112,326,000)
Gains on sale of other financial investments		(49,467,806)	9,437,556
Amortisation of held to collect investments		16,001,919	496,694
Operating profit before changes in assets and liabilities for operating activities		**2,509,932,982**	**2,289,887,473**
Net decrease in assets			
Due from the Central Bank within the mandatory reserve ratio		1,442,724,546	(4,021,016,363)
Due from banks		8,021,109,881	(5,473,045,786)
Treasury bills and other government notes (Net).		(12,526,770,594)	6,501,342,396
Financial derivatives (Net)		(731,406)	664,292
Loans and advances to banks		144,129,600	(144,129,600)
Loans and advances to customers		(4,814,747,121)	4,850,236,333
Other assets		(183,359,630)	(121,421,461)
Due to banks		(55,269,382)	149,033,158
Customers' deposits		9,810,401,711	6,344,534,741
Other liabilities		(44,274,085)	(17,913,083)
Taxes paid		(553,182,072)	(623,526,441)
Net cash generated from operating activities		**3,763,950,196**	**9,734,645,659**

Cash flows from investing activities			
Proceeds from sale of fixed assets		1,815,055	2,121,469
Payments for purchase of fixed assets and preparation of branches		(69,972,871)	(138,992,535)
Payments for purchase of intangible assets		(21,365,763)	(52,799,758)
Proceeds from Treasury bills with repurchase agreement		20,050,000	21,075,000
Payments of financial investments excluding financial assets held for trading		(8,568,145,095)	(4,819,469,234)
Proceeds from sale of financial investments excluding financial assets held for trading		5,112,910,747	695,190,671
Dividends on investments other than financial assets held for trading		3,858,435	68,772
Net cash flows used in (generated from) investing activities		**(3,520,849,491)**	**(4,292,805,615)**
Cash flows generated from financing activities			
Paid from other loans		(320,830,000)	(149,280,000)
Dividends paid		(565,475,360)	(1,004,129,297)
Proceeds from other loans		-	320,830,000
Net cash flows used in financing activities		**(886,305,360)**	**(832,579,297)**
Net change in cash and cash equivalents during the year		(657,190,422)	4,609,260,747
Cash and cash equivalents' balance at the beginning of the year		**14,687,013,503**	**10,077,752,756**
Cash and cash equivalents' balance at the end of the year		**14,029,823,081**	**14,687,013,503**
Cash and cash equivalents comprise:			
Cash and due from the Central Bank of Egypt	14	5,487,611,454	6,877,459,286
Due from banks		13,389,950,638	22,225,548,533
Treasury bills and other government notes		18,401,640,406	5,756,463,167
Due from the Central Bank within the mandatory reserve ratio		(4,876,649,452)	(6,319,373,998)
Due from banks with maturities of more than three months from the date of acquisition		(77,135,119)	(8,098,245,000)
Treasury bills (net) with maturities of more than three months from the date of acquisition		(18,295,594,846)	(5,754,838,485)
Cash and cash equivalents	31	**14,029,823,081**	**14,687,013,503**

Statement of proposed dividends - For the year ended 31 December 2020

(All amounts are shown in Egyptian Pounds)	**2020**	**2019**
Net profit for the year	1,362,939,740	1,402,904,729
Less:		
Gain on sale of fixed assets transferred to capital reserve in accordance with the provisions of the law	(1,619,894)	(1,293,992)
General banking risk reserve	60,685,507	-
Net distributable profit for the year	**1,422,005,353**	**1,401,610,737**
Add:		
Retained earnings at the beginning of the year	3,881,185,521	2,848,763,241
Shareholders dividends paid during 2020	(432,192,940)	-
Total	**4,870,997,934**	**4,250,373,978**
Distributed as follows:		
Legal reserve	68,065,992	70,080,537
Strengthen and developing banks reserve	14,220,054	-
General banking risk reserve	-	165,825,500
Retained earnings	4,646,511,353	3,881,185,521
Employees' share	142,200,535	133,282,420
	4,870,997,934	**4,250,373,978**

The accompanying notes on pages 9 to 47 form an integral part of these financial statements.

BANK AUDI ANNUAL REPORT 2020

1 General Information

Bank Audi "S.A.E." provides corporate and retail banking services and investment in the Arab Republic of Egypt and abroad through 53 branches and employs 1605 employees at the balance sheet date.

The Bank was established as an Egyptian Shareholding Company under Law No. 43 of 1974 and its executive regulations in the Arab Republic of Egypt; the Head office of the Bank is located in in Giza governorate.

These financial statements have been approved for issuance by the Board of Directors on January 26, 2021.

1 Summary of accounting policies

The principal accounting policies used in the preparation of these financial statements are set out below. These policies are adopted consistently for the periods presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements are prepared in accordance with the rules of preparation and presentation of the Banks' financial statements and basis of recognition and measurement approved by the Board of Directors of the Central Bank of Egypt on 16 December 2008 and on the historical cost basis modified by the revaluation of financial assets and liabilities held for trading, financial assets and liabilities classified at fair value through profit and loss at initial recognition, available for sale investments and all derivative contacts.

The Central Bank of Egypt has decided to compel the banks to prepare the financial statements in accordance with the IFRS9 standard and has also been applied in accordance with the Central Bank letter on 26 February 2019, which will be referred to later as (IFRS9) or International Accounting Standard No. (9) as of 1 January 2019. This standard includes both rating and measurement as well as expected credit losses.

First: Classification and measurement:

The classification and measurement of financial assets and liabilities as well as the coverage of financial derivatives (IFRS 9) includes the scope of the international standard

Second: Expected credit losses:

The IFRS9 includes the requirements for measuring the expected credit loss of all credit exposures.

2.2 Segment reporting

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

2.3 Foreign currency translation

• Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Bank operates ('the functional currency'). The financial statements are presented in Egyptian pounds, which is the Bank's functional and presentation currency.

• Transaction and balances in foreign currency

The Bank maintain its accounting records in Egyptian pounds. Foreign currency transactions during the financial year are recognised using the exchange rates prevailing at the date of the transaction. Balances of monetary assets and liabilities in foreign currencies are reassessed at the end of the financial year based on the exchange rates then. Foreign exchange gains and losses resulting from settlement of such transactions and valuation differences are recognised in the statement of income under the following items:

- Net trading income or net income from financial instruments initially recognised at fair value through profit and loss for held-for-trading assets and liabilities of instruments initially recognise at fair value through profit and loss according to its type.
- Other operating income (expenses) for the remaining items.
- Equity of financial derivatives as qualifying hedge for cash flows, or as qualifying hedge for net investment.

2.4 Financial assets

- Financial policy applied until 31 December 2018
  The Bank classifies its financial assets in the following categories:
  Financial assets at fair value through profit and loss, loans and receivables, held-to-maturity financial investments, and available-for-sale financial investments. Management determines the classification of its investments at initial recognition.

2.4.1.1 Financial assets at fair value through profit and loss

This group includes financial assets held for trading and financial assets recognised at fair value through profit or loss as they arise.

- A financial instrument is classified as held for trading if it is acquired principally for the purpose of selling in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are classified as trading unless it is recognised as a hedge instrument.
- Financial assets are recognised initially at fair value through profit or loss when:
- Doing so reduces measurement inconsistencies that would arise if the related derivative was treated as held for trading and the underlying financial instruments were carried at amortised cost for such loans and facilities to banks and customers, and issued debt instruments.
- Certain investments, such as equity investments that are managed and evaluated at fair value in accordance with a risk management or investment strategy, and reported to key management on that basis are recognised at fair value through profit and loss.
- Financial instruments, such as held debt instruments which contain one or more embedded derivatives which significantly affect the cash flows are recognised at fair value through profit or loss.
- Gains and losses arising from changes in the fair value of derivatives that are managed in conjunction with designated financial assets and liabilities are initially recorded at fair value through profit and loss in the statement of income under «net income on financial instruments designated initially at fair value through profits and loss».
- Derivatives may not be reclassified out of group of the fair value through profit or loss, at the period they are retained or valid. Further, financial instruments may not be reclassified by transfer from the group of the fair value through profit and loss if it was initially designated by the Bank as an instrument measured at fair value through profit and loss.
- In all cases, the Bank does not re-classify any financial instrument, by transfer to a group of financial instruments at fair value through profit or loss or any group of financial assets held for trading.

2.4.1.2 Loans and receivables

Loans and receivables are non-derivative financial assets with a fixed or determinable amount that are not quoted in an active market, except:

- Assets that the Bank intends to sell immediately or in the short term are classified as held for trading, and those that the Bank upon initial recognition designates as at fair value through profit or loss.
- Assets that the Bank classified upon initial recognition as available-for-sale.
- Assets from which the Bank may not recover substantially its initial investment amount, for reasons other than credit deterioration
- 4-1-3 Financial investments held-to-maturity.

2.4.1.3 Held-to-maturity financial investments

are non-derivative financial assets with fixed or determinable amounts and fixed maturities that the Bank has positive intention and ability to hold till maturity.
If the Bank were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be re-classified as available for sale, except in emergency cases.

2.4.1.4 Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.
The following applies to financial assets:

- Purchases and sales of financial assets, which are recognised at fair value through profit and loss, held to maturity and available for sale investments, are recognised on trade-date; the date on which the Bank commits to purchase or sell the asset.
- Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the statement of income in net trading income.
- Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Bank has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished – either, when the obligation is discharged, cancelled or expired.
- Available-for-sale, held–for-trading and financial assets designated as at fair value through profit or loss are subsequently measured at fair value. Loans and receivables and held-to-maturity investments are subsequently measured at amortized cost.
- Gains and losses arising from changes in the fair value of financial assets carried at fair value through profit and loss are included in the statement of income in the year in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial investments are recognised directly in equity until the financial asset is derecognised or impaired. At this time. the cumulative gains and losses previously recognised in equity are recognised in the statement of income
- Interest calculated using the amortised cost and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the statement of income. Dividends from available for sale equity instruments are recognised in the statement of income when the Bank’s right to receive the payment is established.
- The fair values of quoted investments in active markets are based on current bid price. If there is no active market or a current bid price for a financial asset, the Bank establishes fair value using valuation techniques. These include the use of recent arm’s length transactions, discounted cash flow analysis, option pricing models and other valuation techniques, and if the Bank could not assess the fair value of the equity instruments classified as available for sale, these instruments are measured at cost less impairment.
- Profits and losses related to reclassified financial assets with fixed maturity are amortised using the effective interest method over the remaining life of the held to maturity investment. Any difference between the value on the basis of amortised cost and the value on the basis of maturity date is amortised over the remaining life of the financial asset using the effective interest rate method. In case of financial asset’s impairment, any profits or losses previously recognised in equity are recognised in profit and loss.

- **Financial policy applied starting from 1 January 2019**

  Starting from 1 January 2020, the Central Bank of Egypt issued its instructions to apply the (IFRS 9), which classifies financial assets according to the business models prepared and that reflect the bank's strategy in managing financial assets and cash flows as follows:

- **Financial assets at amortized cost,**
  which are held to collect contractual cash flows, which are the principal of the investment amount and the returns
  The objective of the business model when acquiring should not be to dispose of these instruments except to the extent permitted by the standard. This classification is not subject to the requirements for measuring fair value. Rather, it is subject to the requirements for measuring expected credit losses. The revenue on these instruments is recognised in the statement of profit and loss.

- **Financial assets at fair value through other comprehensive income,**
  which are the assets of the business model of which is the collection of contractual cash flows and sales.
  These instruments are measured at fair value, and subsequent changes in fair value are recognised in the statement of other comprehensive income.The revenue on these instruments is recognised in the statement of profit and loss.
  In the event that the fair value of one of the debt instruments falls below its cost, this instrument is subject to the calculation of expected credit losses, as expected credit losses are recognised in the statement of profit and loss and the rest of the changes are recognised in the other comprehensive income statement.When disposing of these assets or canceling recognition of them, the accumulated balance of the difference in the change in the fair value recognised in the other comprehensive income is transferred to the statement of profits and losses if they are debt instruments, but in the case of Shareholders' equity instruments, the differences in the change in the fair value are transferred to retained earnings directly within shareholders' equity.

- **Financial assets at fair value through profit or loss,**
  which are not included in the previous two portfolios.
  Subsequent changes in the fair value are recognised in the statement of profit and loss.
  The revenue on these instruments is recognised in the statement of profit and loss.

  These assets are not subject to a measure of expected credit losses.
  On initial recognition, the enterprise must measure the financial asset at its fair value in any case of classification in addition to transaction costs, except in the case of classification as assets at fair value through profit and loss.

2.5 Financial liabilities

Financial liabilities are generally recognised and measured at amortised cost.
If the objective of the business model is to recognize financial obligations at fair value through profit and loss, then in this case these types of financial obligations are measured at fair value and subsequent changes in fair value are recognised in the statement of profit and losses, as for the changes resulting from the credit risks associated with the same bank with these liabilities, they are recognized in the other comprehensive income and are not carried over back to the statement of profits and losses even if these amounts are realized or these liabilities are eliminated.

2.6 Offsetting financial instruments

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously

2.7 Derivative financial instruments

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

- Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement under net trading income.

Embedded derivatives are not separated if the Bank chooses to classify the entire complex contract at fair value through profit or loss.

2.8 Fair value hedge

Changes in fair value of financial derivatives that are designated and qualify as hedging instrument at fair value are recorded in the income statement, together with any changes in the fair value of the hedge asset or liability that are attributed in the hedged risk. Effective changes in fair value of interest rate swaps and related hedged items are reflected in 'net interest income' and effective changes in fair value of currency future contracts are reflected in 'net trading income'. Any ineffective changed in contracts are related hedged items mentioned in the previous paragraph are recorded in 'net trading income'. If the coverage no longer meets the conditions for coverage accounting, amendment made to the book value of the covered item that is accounted for using the amortized cost method is consumed by charging it to the profit and loss over the period to maturity. Adjustments made to the book value of the hedged equity instrument are included within equity until they are disposed of.

2.9 Cash flow hedge

For designated and qualifying cash flow hedges, the effective portion of the fair value of the hedging instrument initially recognized directly in equity. The ineffective portion of the gain or loss on the hedging instrument is recognized immediately in the 'net trading income'. Amounts accumulated in equity are carried to the statement of income in the same periods in which the hedged item has an impact on profit or loss, and gains or losses relating to the effective portion of the currency swaps and options are taken to the "net trading income". When a hedging instrument is mature or sold, or if hedge no longer meets the conditions for hedge accounting, the cumulative gain or loss in equity at that time is retained in equity and recognized in the statement of income when the forecast transaction is finally recognized. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in the equity is immediately transferred to the income statement.

2.10 Financial derivatives that do not meet the requirements for hedge accounting

Financial derivatives to which hedge accounting does not apply - are recognized within the financial assets at fair value through profit or loss and subsequent changes in fair value are recognized in the statement of profit and loss in accordance with the requirements of the IFRS.

2.11 Interest income and expenses

Interest income and expenses are recognised in the statement of income under "loan interest and similar income" or "deposits interest and similar expenses" using the effective interest rate method for all interest-bearing financial instruments except for the held-for-trading instruments or instruments that were classified at fair value through profit and loss.

- The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter Period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, in addition to any transaction costs and all other premiums or discounts. When loans or debts are classified as non-performing loans, proceeds are credited to marginally classified loans, ie, they are added to a marginal account outside the financial statements (which do not affect the Bank's income) and are recognized under income according to the cash basis as follows: When collected and after the recovery of all arrears for consumer and real estate loans for personal housing and small loans for economic activities.

For corporate loans, cash basis is also applied, where the interest subsequently calculated is given in accordance with the loan scheduling contract, until 25% of the scheduling instalments are repaid and with a minimum of one year of regular repayment. In case the customer continues to make payments on a regular basis, the interest calculated on the loan outstanding is recognised in revenues (interest on regular scheduling balance) without marginal interest before scheduling which is not recognised as revenues except after paying all the loan balance in the balance sheet before scheduling.

Fees that are due for a loan service or facilities are recognised as income when the service is rendered. Fees and commissions income related to non-performing loans or debts are suspended and are carried off balance sheet and are recognised under income according to the cash basis when interest income is recognised in accordance with note (2-12) above.

Fees that represent a complementing part of the financial asset effective rate are recognised as adjustment to the effective interest rate.

The loan commitment fee is deferred when the loan is granted. The extent of the customer's use of the loan is reviewed at agreed intervals with the customer. In the case of the end of the period without the customer's use of the loan or part thereof, the fees are recognized as income. Fees related to debt instruments measured at fair value are recognised as income at initial recognition. Fees related to marketing of a syndicated loan are recognised as income when the marketing process is completed and the loan is fully used or if the Bank kept its share of the syndicated loan using the effective interest rate as used by the other participants.

Commissions and fees arising from negotiation or participating in a negotiation of a transaction in favour of a third party - such as shares or other financial instruments purchase arrangements or acquisition or sale of entities - are recognised in the statement of income when the related transaction is completed. Fees related to management advisory and other services are recognised on a time proportion basis over the period in which the service is provided. Financial planning and custody services fees provided on long periods are recognised over the year in which the service is provided.

2.12 Expected credit loss

Financial policy applied on 1 January 2019
Expected credit losses

One of the requirements of IFRS 9 is the calculation of expected credit losses (ECL) within the following framework, except for those measured in the fair value assets through profit and loss:

Borrowings and credit facilities (direct and indirect)

- Debt instruments at amortized cost measured
- Debt instruments recognised at fair value through other comprehensive income measured
- Financial guarantee contracts
- Borrows commitments
- Loans and credit facilities on banks and financial institutions
  Receivables from sales with a pledge to repurchase
- Revenues due on Borrowings and credit facilities and bank balances
- Other receivables that are not measured at fair value
- Enhanced bills of acceptance and import credits included in contingent liabilities
- In order to calculate the expected credit losses, all exposures are classified into one of the following three stages:

Stage 1

- Regular debt instruments
- The expected credit loss for the debt instrument is calculated in the next 12 months.
- The revenue is calculated on the basis of the total value of the asset or financial instrument.

Stage 2

- Regular debt instruments, with a significant increase in credit risk since the initial recognition. However, it did not reach the stage of default
- The expected credit loss is calculated for the entire life of the Borrowings and credit facilities.

Significant Increase in Credit Risk and movement from the first stage to the second stage.

The significant increase in credit risk (SICR) is evaluated at the facilitation level, and the stage rating is applied at the borrower's level (threshold 10%).

Movement from the first stage to the second stage (SICR). The significant increase in credit risk (SICR) that leads to the borrower's transition from stage 1 to stage 2 is based on qualitative and quantitative criteria. These criteria are defined by a set of indicators / events:

- The deterioration of the customer's credit rating: This is determined according to an internal matrix of the bank through which the current classification is compared to the classification upon grant
- Default of the payment / arrears: (Days Past Dues/ back-stop) The non-payment period exceeds 60 days, which will gradually decrease by 10 days every year to reach 30 days within 3 years.
- Watch list customers.

- Clients whose facilities have been restructured due to deterioration, resulting in difficulties in meeting their financial obligations watch list
- Clients whose facilities have been restructured due to deterioration, resulting in difficulties in meeting their financial obligations
- The revenue is calculated on the basis of the total value of the asset or financial instrument.

Stage 3

- Substandard debt clients (eligibility 8), doubtful debt clients (eligibility 9) and bad debt clients (eligibility 10)
- The expected credit loss is calculated for the entire life of the Borrowings and credit facilities.
- The revenue is suspended.

- General provisions for calculating provisions for credit losses
- As a general framework, the expected credit losses are calculated as follows:
- Expected credit loss (ECL) = Probability of Default (PD) X Exposure At Default (EAD) X Loss default (LGD)

- Probability of Default: (PD):
- The probability of default (Though The Cycle TTC-PD) for each eligibility level is calculated based on historical data for the past three years as follows:
- At the beginning of the year, the number of regular clients, that is, non-performing clients with no defaults more than 90 days, is determined for each level of eligibility (ORR).
- During the year, these clients (regular clients at the beginning of the year are monitored with the exclusion of new facilities during the year i.e. those that were not present at the beginning of the year) and the number of these regular clients who have turned to the required level is excluded "irregular or defaulters of more than 90 day"

- Based on the previous information, the average historical default rates for the three years is calculated (Observed TTC PD) and then the results are statistically processed, provided that the average historical default rates (Estimated TTC PD) agree.

- The Vasicek equation is used to convert the probability of default (Though The Cycle TTC-PD) to (Point in Time PIT-PD).
- The PD is calculated according to 3 scenarios: Basic, Downside and upside (Forward Looking Approach Expected future information scenarios)

- Loss Given Default (LGD):
- Loss Given Default is calculated according to two basic aspects of the Loss Given Loss and Cure Rate
- The Loss Given Default (LGD) = LGL x (1- Cure Rate)
- LGL =1 – Recovery rate
- Cure Rate

- Exposure At Default (EAD):
- Value at default equals current balance plus unused value of the authorised limits (cancellable and noncancellable) weighted with Credit Conversion Factor (CCF) according to Basel's instructions plus the amount of accrued interest as per the payment schedule and applicable interest rate.

- Significant Increase in Credit Risk
- Reducing the actual or expected internal credit rating of the borrower or credit exposures
- A substantial or actual decrease in the borrower's external credit rating or credit exposures
- Substantial negative changes in the performance and behavior of the borrower
- The need to restructure the obligations of the debtor party
- Availability of information for the bank regarding the existence of dues on the debtor party, which affects its ability to pay.

- An increase in the rates of revenue of assets as a reflection of the increase in credit risk for the debtor
- Substantial negative changes in actual or expected operating results that affect the borrower's ability to repay
- Change in the bank's credit management methodology of borrows, credit facilities or financial instruments due to the emergence of negative indicators and changes in risks
- Negative changes in the quality of the guarantees and warranties offered against the credit exposure
- Actual or expected negative changes in the business environment
- In addition to any other factors the bank deems fit when studying the case resulting in significant increase in credit risk.

- BackStaging
- BackStaging from Stage 2 to Stage 1 is only after the following conditions have been met:
- All quantitative and qualitative elements of Stage
- Payment of all defaults from financial assets and interest
- 3 months have passed since the regularity of payments and the first stage conditions were met
-
- BackStaging from Stage 3 to Stage 2 is only after the following conditions have been met:
- Fulfilling all quantitative and qualitative elements of Stage 2
- Repayment of 25% of the balances of the outstanding financial assets, including the set aside/ marginalised interest, as the case may be.
- Regularity of payment for at least 12 months

- Claims on political entities and central banks, claims on banks and financial institutions, and claims on debt instruments and securities

- The category / stage is determined based on the deterioration in the credit rating, noting that the unrated banks are included in the second stage.
- Loss Given Default: 45%
- The determination of the PD is based on data from the three major rating agencies (Moody, S&P and Fitch). In the case of multiple PD from the three major rating agencies (S&P, Moody's and Fitch), the median is used with a minimum of 0.03%
- Claims of the Egyptian pound against the Egyptian government and the central bank, as well as deposits with banks with a maturity of one month and less, and current accounts are not subject to the calculation of the expected credit loss (ECL)

- The Valuation stages and the method of calculating the expected credit losses

Stage 1

- Includes Borrowings and credit facilities that are less than 60 days.
- The expected credit loss is calculated for the next 12 months.

Stage 2

- Borrowings and credit facilities includes a significant increase in credit risk. Retail Borrowings and bank facilities are included in the second stage if the non-payment period exceeds 60 days and not more than 90 days.
- The expected credit loss is calculated for the entire lifetime of the Borrowing.

Stage 3

- Includes irregular Borrowing and credit facilities over 90 days.
- The expected credit loss is calculated for the entire lifetime of the Borrowing.

Possibility of default

- When the risk of failure increases during the remaining life of the financial asset from the date of the financial position compared to the probability of failure during the expected remaining life at initial recognition, according to the structure of risks accepted by the bank

Backstaging between Credit Rating Stages:

First: Backstaging from Stage 2 to Stage 1

- The financial asset is not transferred from the second stage to the first stage until Fulfilling all quantitative and
- qualitative elements of Stage 1 and the defaults are paid for a period of three consecutive months.

Second: Backstaging from Stage 3 to Stage 2

- The financial asset is not transferred from the second stage to the first stage until Fulfilling all quantitative and qualitative elements of the stage 2 are met and the defaults are paid for a period of three consecutive months.

The Impact forward looking of future looking for economic factors upon Probability of Default Loss Given Default:

The economic indicators that were issued are depending on several economic indicators that have historical compatibility with the growth rate of the Arab Republic of Egypt have been relied on. GDP
The effect of these indicators on the probability of default is calculated according to three different scenarios, namely the base scenario, the optimistic scenario, and the conservative scenario.
The probability of each of these scenarios is taken into consideration, and the effect of each of them on the probability of default by the ratio of each of them.

Second: Financial Assets of Retail Portfolio: Loss Given Default (LGD):

LGD is calculated based on default data and then aligning the default rates according to each product.

Exposure At Default (EAD):

The value upon failure is equal to the value of the current balance in addition to the unused value from the stated limit weighted by this CCF conversion factor. In addition to the above, the bank calculates the provisions required for the impairment of assets exposed to credit risk.

2.13 Tangible and intangible assets

- **Fixed assets**

The Bank's fixed assets of lands and buildings basically comprise the head office premises and branches and offices. All fixed assets are carried at historical cost net of accumulated depreciation and impairment losses. The historical cost includes the charges directly related to acquisition of fixed assets items.
Subsequent costs are recognised in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Bank and the cost can be measured reliably. Maintenance and repair expenses are charged to other operating expenses during the period in which they are incurred.

Lands are not depreciated. Depreciation of fixed assets is calculated using the straight line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and construction	40 - 50 years
Leasehold improvements	10 years or over the lease period if less
Office furniture and safes	4 - 20 years
Vehicles	5 – 7 year
Computers/ integrated systems	4 – 5 year
Typewriters, calculators, and air conditioners	4 – 5 years
Fittings and fixtures	From 5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciable Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to "other operating expenses" in the income statement

2.13.2 Computer hardware/ software

Expenditure on upgrade and maintenance of computer programs is recognized as an expense in the income statement in the period in which it is incurred. Expenditures directly incurred in connection with specific software are recognized as intangible assets if they are controlled by the bank and when it is probable that they will generate future economic benefits that exceed its cost within more than one year. Direct costs include the cost of the staff involved in upgrading the software in addition to a reasonable portion of relative overheads.
The expenses which lead to the increase or expansion in the performance of computer software beyond their original specifications are recognised as a development cost and are added to the original software cost.
Depreciation is calculated using the straight-line method to allocate the cost to reach the residual value over the useful life of the software from 5 to 10 years.

2.14 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization-except for goodwill- and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.
An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable value represents the higher of the net realisable value of the asset or the value in use.
For the purpose of estimating the impairment, the asset is grouped with the smallest cash generating unit. At each financial statement date, non-financial assets with impairment have to be reviewed to determine if there is impairment reversal made to the statement of income.

2.15 Leases

The leases entered into by the Bank are primarily operating leases. Operating lease payments less any discounts granted from the lessor are recognised as expenses in the statement of income using the straight line method over the contract term. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.16 Cash and cash equivalents

For the purposes of the cash flow statement prepared using the indirect method, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, due from other banks and treasury bills and other governmental notes.

2.17 Other provisions

Provision of restructuring costs and legal claims is recognised when there is a present legal or constructive obligation as a result of past events, and it is probable that the Bank's resources will be required to settle the obligation; and the amount of the obligation can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determined, taking into consideration the group of obligations as a whole. The provision is recognised even if the likelihood of an outflow with respect to an item in the group is minimal.

Provisions no longer required fully or partially are reversed in other operating income (expenses).
The current value of payments to settle the obligations that must be settled after one year from the balance sheet date using an appropriate rate in accordance with the terms of settlement, without being affected by the prevailing tax

rate, which reflects the time value of money. If the settlement term is less than one year, the estimated value of the obligation is calculated unless it has a material impact; otherwise, it is calculated at the current value.

2.18 Financial guarantee contracts

The financial guarantees contracts are the contracts that the Bank issues as a guarantee for loans or receivables provided to its customers from other entities, which require the Bank to make certain payments to compensate the beneficiary for a loss incurred due to default of the debtor on the maturity date and in accordance with debt instrument conditions These financial guarantees are presented to banks and other financial institutions instead of the banks' customers.

It is initially recognised in the financial statements at fair value at the date of the granting the guarantee which could reflect the guarantee fees. Subsequently, the Bank's obligation shall be measured under the guarantee by the value initially recognised, less guarantee fees amortisation, which is recognised in the income statement on a straight-line basis over the higher of the guarantee life term or over the best payment estimates required to settle any financial obligation resulting from the financial guarantee at the balance sheet date. These estimates are mainly based on the experience with similar transactions and historical losses, consolidated by the management's judgment.

Any increase in the obligations resulting from the financial guarantee is recognised in the statement of income under the 'other operating income (expenses)' item.

2.19 Employees' benefits

Employees' saving program
The Bank manages its saving program for employees and the Human Resources Department manages this program by identifying participation rates for both the employee and the Bank and determine the percentage of the annual return on investment, and this is an optional program according to the employee's request.

In case of the clearance of the program, the Bank is committed to settle the total savings program balances additional to the accrued interest for each employee who registered on the program at the clearance decision date. All calculated portions and interest are included in liabilities which represents the maximum claims to the Bank at this date.

2.20 Taxation

Income tax on the net income of the year includes current tax (calculated based on the laws and regulations and the instructions related to the subject matter using the applicable tax rate as of the Balance Sheet date and deferred tax). Income tax liability is recognized directly except for income tax relating to items of equity which are recognized directly in equity.

Current tax

Current tax due on the Bank is calculated according to laws and regulations applicable in Egypt.
Provision is built for taxes liabilities of previous years after conducting the required tax studies in light of the tax claims.

Deferred tax

Deferred tax is the tax arising from temporary differences resulting from difference in financial year in which some assets and liabilities are recognized based on the various tax rules applied and the accounting rules used for the preparation of the financial statements. Deferred tax is identified based on the expected measurement to settle or achieve the current values for the assets and liabilities referred to above using the tax rates applicable as of the balance sheet date.
Deferred tax assets are generally recognized as assets for the Bank when it is probable that this asset can be used to reduce the taxes due from the Bank in future years. Deferred tax asset recognised as an asset to the Bank is reduced with the value that will not generate future tax benefits to the Bank in the following years based on the fact that in case that the future expected future tax benefit is increased the deferred tax asset shall is increase within the limit of the previous reduction.

2.21 Borrowings

Borrowings are recognised initially at fair value less the cost of obtaining the loan. Borrowings are subsequently stated at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.22 Capital cost

Issuance cost directly related to issuing new shares or issuing shares in return for acquisition of an entity or issuing options is charged to shareholders' equity of total proceeds net of tax.

2.23 Dividend distribution

Dividends are recognised in shareholders' equity in the period in which the General Assembly of shareholders declares the dividends. Those dividends include employees' share in the profits and the Board of Directors' remuneration as prescribed by the Articles of Association and Law.

2.24 Dividend income

Dividends are recognised in the statement of income when the Bank's right to receive those dividends is established.

2.25 Purchase and resale agreements and sale and repurchase agreements

Financial instruments purchased under resale agreements are presented as assets and added to the treasury bills balance and other governmental notes' item in the balance sheet. On the other hand, liabilities (purchase and resale agreements) are presented as a deduction from the 'Treasury bills and other governmental notes' line item in the balance sheet. Differences between the sale and repurchase price are recognised as due interest throughout the period of the agreements using the effective interest rate method.

3. Financial risk management

The Bank, as a result of the activities it exercises, is exposed to various financial risks. Since the basis of financial activity is to accept risks, some risks or group of risks are analysed, evaluated and managed altogether. The Bank intends to strike a balance between the risk and return 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. Market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.
The risk management policies have been laid down to determine and analyse the risks, set limits to the risks and control them through reliable methods and up-to-date IT systems. The Bank regularly reviews the risk management policies and systems and amends them to reflect the changes in the markets, products and services, and the best updated applications.
Risks are managed by the Risk Management Department in light of policies approved by the Board of Directors. The Risk Management determines, evaluates and covers the financial risks, in collaboration with the Bank's various operating units, and the Board provides written principles to manage risks as a whole, in addition to written policies covering specific risk areas like credit risk, foreign exchange rate risk, interest rate risk and using derivative and non-derivative financial instruments. Moreover, the Risk Management is independently responsible for periodic review of risk management and control environment.

3.1. Credit Risk

The Bank is exposed to the credit risk, which is the risk resulting from failure of one party to meet its contractual obligations towards the Bank. The credit risk is considered to be the most significant risk for the Bank and hence, the management sets specific procedures to manage that risk. The credit risk is represented in the lending activities from which loans, facilities, and investment activities arise, which necessitates that the Bank assets must contain debt instruments. The credit risk is also found in off-balance sheet financial instruments such as loan commitment. The managing and monitoring process of credit risk is centralised at the credit risk management team at the risk department, which prepares reports for the Board of Directors, top management, and heads of units on a regular basis.

3.1.1 Measurement of credit risk

Loans and Advances to banks and customers
In measuring credit risk of loans and facilities to banks and customers at a counterparty level, the bank reflects three components (i) the 'probability of defualt' by the client or counterparty on its contractual obligations (ii) current exposure to the counterparty and its likely future development, from which the Bank derive the 'exposure at default'; and (iii) the likely recovery ration on the defaulted obligations (the 'loss given default')
These credit risk measurement, which reflect expected loss (the 'expected loss model') are required by the basel committee on banking regulations and the supervisory practices (the Basel committee), and are embedded in the bank's daily operational management. The operational measurements can be contrasted with impairment allowances required, which are based on losses that have been incurred on the balance sheet date (the 'incurred loss model') rather than expected losses.

The Bank assesses the probability of default of individual counterparties using internal ratings tools tailored to the various categories of counterparty. The have been developed internally and combine statistical analysis with credit officer judgment and are validated where appropriate. Clients of the bank are segmented into four rating classes. The Bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposure migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The Bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's Rating	Description of the grade
1	Performing loans
2	Regular watching
3	Watchlist
4	Non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit migration.

Debt instruments, treasury bills and other bills
For debt securities and treasury bills external rating such as (Standard & Poor's) rating or their equivalents are used for managing the credit risk exposures. In case such ratings are unavailable, internal rating methods are used that are similar to those used for credit customers. Investments in securities and bills are considered a method to obtain a better credit quality. Such investments also provide an available source to meet the funding requirements.

3.1.2 Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties, groups and to industries and countries The Bank manages the credit risk it undertakes by placing limits on the amount of risk accepted in relation to each borrower or groups of borrowers and to the geographical and industry segments. Such risks are monitored on a regular basis and are subject to an annual or more frequent review when necessary. Limits on the level of credit risk by product/ group, industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the existing and potential borrowers' ability to meet their obligations and through changing the lending limits where appropriate. Some other specific control and mitigation measures are outlined below:

Collaterals

The Bank employs a range of policies and practices to mitigate credit risk. One of these methods is accepting collaterals against funds granted by the Bank. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and facilities are:

- Real estate mortgage.
- Business assets mortgage, such as machines and goods.
- Financial instruments mortgage, such as debt and equity instruments.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, to minimise the credit loss, the Bank seeks additional collaterals from the concerned parties as soon as impairment indicators are noticed for any loans or facilities.

The Bank determines the collaterals held to secure assets other than loans and facilities according to the nature of the instrument. Generally, debt instruments and Treasury bills are unsecured except for asset-backed securities and similar instruments that are secured by a financial instruments portfolio.

Derivatives

The Bank maintains prudent control procedures over amounts and terms for the net value of opened derivative positions, i.e. the difference between purchase and sale contracts at both the value and duration levels. In all cases, the amount subject to credit risk is limited to the current fair value of instruments in from which the Bank could gain benefits, i.e. assets that have positive fair value which represent a small value of the contractual amount or the notional value used to express outstanding instruments. The Bank manages this credit risk, which is considered part of the total lending limit granted to customers with expected market changes risk all together. Generally, no collateral is obtained for credit risk related to these instruments, except for marginal deposits required by the Bank from other parties. Settlement risk arises when cash, equity instruments or other securities are used in the settlement process or if there is expectation to receive cash, equity instruments or other securities. Daily settlement limits are established for each counterparty to cover the aggregate settlement risk arising from the daily transactions of the Bank .

Master netting arrangements

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with parties that represent a significant volume of transactions. Generally, no netting is made between assets and liabilities at the balance sheet date relating to the master netting arrangements as aggregate settlements are made. However, the credit risk related to contracts in favour of the Bank is reduced by master netting arrangements as netting will be made for all amounts with the counterparty to settle all transactions. The Bank's exposure to credit risk resulting from derivative instruments under the main liquidation agreements during a short period as it is affected by each transaction under these agreements.

Credit-related commitments

The primary purpose of credit-related commitments is to ensure that funds are available to customers when required. Guarantees and standby letters of credit are of the same credit risks as loans. Documentary and commercial letters of credit, which are issued by the Bank on behalf of customers to authorise a third-party to draw within a certain limit in accordance with specific terms and conditions and guaranteed by the goods under shipment, therefore carries a lower risk of the direct loan.

Credit-related commitments represent the unused portion of credit limit authorised to grant loans, guarantees or letters of credit. The Bank is exposed to a possible loss of an amount that equals the total unused commitments as for the credit risk resulting from credit-related commitments. However, the probable amount of loss is less than the unused commitments as most commitments related to granting credit represent contingent liabilities to customers maintaining certain credit standards. The Bank monitors the maturity term of the credit commitments because long-term commitments are of a higher credit risk than short-term commitments.

Bank's rating	31 December 2020		31 December 2019	
	Loans and facilities	Provisions for credit losses	Loans and facilities	Provisions for credit losses
Good debts	73%	9%	78%	7%
Standard monitoring	20%	15%	15%	14%
Special monitoring	2%	9%	2%	7%
Non-performing loans	5%	67%	5%	72%
	100%	100%	100%	100%

3.1.4 General banking risk measurement model

In addition to the four credit rating levels (note 3-1-1), management classifies sub-categories that are more detailed so as to agree with the requirements of the Central Bank of Egypt (CBE). Assets subject to credit risk are classified in these categories in accordance with regulations and detailed conditions that largely depend on information related to the client, his/her activity, financial position, and regularity of repayment.

The Bank calculates the required provisions for the impairment of the assets subject to credit risk, including commitments related to credit, on the basis of ratios specified by the Central Bank of Egypt. In case the impairment loss provision required by the Central Bank of Egypt exceeds that required for the purpose of financial statement preparation in accordance with the Egyptian accounting standards, the reserve for general banking risk is charged to equity over retained earnings by that increase. This reserve is periodically adjusted with this increase and decrease so that the amount of the increase between the two provisions is always equal. This reserve is not distributable. Note (31 - b) shows the 'general banking risk reserve' movement during the financial year.

Following is a table of the worthiness levels for institutions in accordance with the internal assessment bases compared to the Central Bank of Egypt and the provision ratios required for the impairment of the assets exposed to credit risk:

CBE Rating Categorisation	Rating description	Provision %	Internal rating	Integral rating description
1	Low risk	–	1	Performing loans
2	Average Risk	1%	1	Performing loans
3	Satisfactory Risk	1%	1	Performing loans
4	Reasonable Risk	2%	1	Performing loans
5	Acceptable Risk	2%	1	Performing loans
6	Marginally Acceptable Risk	3%	2	Regular watch list
7	Risks that require special treatment	5%	3	Special watch list
8	Below levels	20%	4	Non-performing loans
9	Doubtful loans	50%	4	Non-performing loans
10	Bad debt	100%	4	Non-performing loans

3.1.5 Maximum limit for credit risk before collateralst

	2020	2019
Balance sheet items exposed to credit risks		
Due from the central bank limited to the statutory reserve ratio	5,487,611,454	6,877,459,286
Due from banks	13,381,073,103	22,215,133,782
Loans to banks	-	143,838,631
Loans and facilities to customers (net)		
Retail loans		
- Credit cards	656,864,226	636,985,958
- Personal loans	8,397,049,156	5,863,120,199
- Overdrafts	1,190,733,863	991,681,394
- Real estate loans	158,162,867	177,673,801
Corporates loans		
- Overdrafts	11,774,185,080	9,340,758,695
- Direct loans	3,634,842,901	3,844,403,870
- Syndicated loans	4,012,114,487	4,867,647,577
- Other loans	670,302,688	301,184,821
Total customer loans and advances to customers	**30,494,255,268**	**26,023,456,315**
Financial investments:		
- Debt instruments	33,524,587,470	17,520,319,700
Total	**82,887,527,295**	**72,780,207,714**
Off-balance sheet items exposed to credit risk *		
Letters of credit - import	190,284,764	139,903,676
Letters of guarantee	3,839,923,430	4,322,965,180
Acceptances	189,811,181	305,388,231
Letters of credit - export	47,555,112	523,485,090
Total	**4,267,574,487**	**5,291,742,177**

The previous table represents the maximum limit for credit risk as of 31 December 2020 and 31 December 2019, without taking any collaterals into consideration. for on-balance-sheet items, amounts stated depend on net carrying amounts shown in the balance sheet. as shown in the preceding table 37% of the total maximum limit exposed to credit risk resulted from loans and facilities to customers and banks at 31 December 2020 against 36% at 31 December 2019, while investments in debt instruments represents 40% against 24% at 31 December 2019.
The management is confident of its ability to maintain control on an ongoing basis and maintain the minimum credit risk resulting from the loans and facilities portfolio and debt instruments based on the following:
93% of the loans and facilities portfolio is classified at the highest two ratings in the internal rating as at 31 December 2020 against 92% as at 31 December 2019.
Loans and facilities, which are assessed on individual basis, amounted to EGP 1,652,299,269 at 31 December 2020 against EGP 1,477,180,845 at 31 December 2019, there are credit losses less than 64% against 58% at 31 December 2019.
Decrease in credit losses, which is charged to the statement of income at 31 December 2020 by EGP (196,497,892) on an individual basis against an increase of EGP 197,325,452 at 31 December 2019.

Borrowings, facilities and other credit exposure at 31 December 2020

1- Loans and advance to Retail

Stage 1 - 12 months

Credit score	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Good debts	595,823,382	7,682,549,718	1,189,991,984	136,250,929	**9,604,616,013**
Standard monitoring	180,853	-	-	-	**180,853**
Total	**596,004,235**	**7,682,549,718**	**1,189,991,984**	**136,250,929**	**9,604,796,866**
Expected credit losses	**(11,857,066)**	**(18,302,662)**	**(996,033)**	**(1,623,880)**	**(32,779,641)**
Book value	**584,147,169**	**7,664,247,056**	**1,188,995,951**	**134,627,049**	**9,572,017,225**

Stage 2 - lifetime

Credit score	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Good debts	16,858,535	140,603,903	3,232,483	1,891,063	**162,585,984**
Standard monitoring	52,748,195	443,425,600	-	3,701,716	**499,875,511**
Total	**69,606,730**	**584,029,503**	**3,232,483**	**5,592,779**	**662,461,495**
Expected credit losses	**(10,108,712)**	**(13,646,565)**	**(3,107,846)**	**(218,565)**	**(27,081,688)**
Book value	**59,498,018**	**570,382,938**	**124,637**	**5,374,214**	**635,379,807**

Stage 3 - lifetime

Credit score	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Non-performing loans	27,881,278	228,753,430	5,678,349	20,527,299	282,840,356
Total	27,881,278	228,753,430	5,678,349	20,527,299	282,840,356
Expected credit losses	**(14,662,239)**	**(66,334,268)**	**(4,065,074)**	**(2,365,695)**	**(87,427,276)**
Book value	**13,219,039**	**162,419,162**	**1,613,275**	**18,161,604**	**195,413,080**

2- Loans and advances to Corporate

Stage 1 - 12 months

Credit score	Overdrafts	Direct loans	Syndicated loans	Others	Total
Good debts	7,969,319,691	1,950,264,854	2,868,696,392	314,190,075	13,102,471,012
Standard monitoring	2,582,926,934	285,052,603	803,276,199	353,642,978	4,024,898,714
Total	**10,552,246,625**	**2,235,317,457**	**3,671,972,591**	**667,833,053**	**17,127,369,726**
Expected credit losses	**(85,503,611)**	**(21,686,880)**	**(45,917,916)**	**(5,205,339)**	**(158,313,746)**
Book value	**10,466,743,014**	**2,213,630,577**	**3,626,054,675**	**662,627,714**	**16,969,055,980**

Stage 2 - lifetime

Credit score	Overdrafts	Direct loans	Syndicated loans	Others	Total
Good debts	320,308,923	201,240,001	-	-	521,548,924
Standard monitoring	547,237,965	775,006,183	448,310,225	7,790,280	1,778,344,653
Special monitoring	545,129,141	176,581,149	-	-	721,710,290
Total	**1,412,676,029**	**1,152,827,333**	**448,310,225**	**7,790,280**	**3,021,603,867**
Expected credit losses	**(129,680,026)**	**(108,980,868)**	**(62,250,413)**	**(115,306)**	**(301,026,613)**
Book value	**1,282,996,003**	**1,043,846,465**	**386,059,812**	**7,674,974**	**2,720,577,254**

Stage 3 - lifetime

Credit score	Overdrafts	Direct loans	Syndicated loans	Others	Total
Non-performing loans	271,284,909	1,098,174,004	-	-	1,369,458,913
Total	**271,284,909**	**1,098,174,004**	-	-	**1,369,458,913**
Expected credit losses	**(246,838,846)**	**(720,808,145)**	-	-	**(967,646,991)**
Book value	**24,446,063**	**377,365,859**	**-**	**-**	**401,811,922**

3- Due from banks

Credit score	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	1,643,756,773	-	-	**1,643,756,773**
Standard monitoring	10,273,746,341	400,938,948	-	**10,674,685,289**
Special monitoring	-	1,071,508,576	-	**1,071,508,576**
Total	11,917,503,114	1,472,447,524	-	**13,389,950,638**
Expected credit losses	**(8,875,018)**	**(2,517)**	**-**	**(8,877,535)**
Book value	**11,908,628,096**	**1,472,445,007**	**-**	**13,381,073,103**

4- Financial investments - debt instruments at fair value through other comprehensive income

Credit score	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	27,296,844,531	-	-	**27,296,844,531**
Total	27,296,844,531	-	-	**27,296,844,531**
Expected credit losses	**-**	**-**	**-**	**-**
Book value	**27,296,844,531**		**-**	**27,296,844,531**

5- Financial investments - debt instruments at amortized cost

Credit score	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	552,348,646	-	-	**552,348,646**
Standard monitoring	5,844,816,512	-	-	**5,844,816,512**
Total	**6,397,165,158**	-	-	**6,397,165,158**
Expected credit losses	**(72,219)**	**-**	**-**	**(72,219)**
Book value	**6,397,092,939**	**-**	**-**	**6,397,092,939**

Loans and facilities to customers at 31 December 2019
Stage 1 - 12 months

1- Loans and advance to Retail

Credit score	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Good debts	608,907,800	5,469,579,229	627,635,805	149,542,665	**6,855,665,499**
Total	**608,907,800**	**5,469,579,229**	**627,635,805**	**149,542,665**	**6,855,665,499**
Expected credit losses	**(12,134,048)**	**(6,994,874)**	**-**	**(1,934,263)**	**(21,063,185)**
Book value	**596,773,752**	**5,462,584,355**	**627,635,805**	**147,608,402**	**6,834,602,314**

Stage 2 - lifetime

Credit score	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Good debts	15,981,591	128,375,662	366,133,396	10,404,334	**520,894,983**
Standard monitoring	19,828,855	204,356,087	-		**224,184,942**
Total	**35,810,446**	**332,731,749**	**366,133,396**	**10,404,334**	**745,079,925**
Expected credit losses	**(4,456,261)**	**(8,816,234)**	**(3,220,670)**	**(397,176)**	**(16,890,341)**
Book value	**31,354,185**	**323,915,515**	**362,912,726**	**10,007,158**	**728,189,584**

Stage 3 - lifetime

Credit score	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Non-performing loans					
Total	**14,700,828**	**119,523,567**	**4,838,653**	**33,926,460**	**172,989,508**
Expected credit losses	**(5,842,807)**	**(42,903,238)**	**(3,705,790)**	**(13,868,219)**	**(66,320,054)**
Book value	**8,858,021**	**76,620,329**	**1,132,863**	**20,058,241**	**106,669,454**

Stage 1 - 12 months

2- Loans and facilities to Corporate

Credit score	Overdrafts	Direct loans	Syndicated loans	Others	Total
Good debts	6,449,663,959	2,048,440,540	4,189,661,243	199,346,681	**12,887,112,423**
Standard monitoring	1.351,821,601	344,916,710	-	47,412,724	**1,744,151,035**
Total	**7,801,485,560**	**2,393,357,250**	**4,189,661,243**	**246,759,405**	**14,631,263,458**
Expected credit losses	**(45,588,037)**	**(14,012,710)**	**(40,224,355)**	**(634,350)**	**(100,459,452)**
Book value	**7,755,897,523**	**2,379,344,540**	**4,149,436,888**	**246,125,055**	**14,530.804,006**

Stage 2 - lifetime

Credit score	Overdrafts	Direct loans	Syndicated loans	Others	Total
Good debts	525,114,536	263,754,113	-	-	**788,868,649**
Standard monitoring	690,615,061	552,118,526	779,379,874	40,348,120	**2,062,461,581**
Special monitoring	376,540,719	270,995,179	-	15,576,375	**663,112,273**
Total	**1,592,270,316**	**1,086,867,818**	**779,379,874**	**55,924,495**	**3,514,442,503**
Expected credit losses	**(70,893,157)**	**(68,239,192)**	**(61,169,185)**	**(864,729)**	**(201,166,263)**
Book value	**1,521,377,159**	**1,018,628,626**	**718,210,689**	**55,059,766**	**3,313,276,240**

Stage 3 - lifetime

Credit score	Overdrafts	Direct loans	Syndicated loans	Others	Total
Non-performing loans	240,020,213	1,064,171,124	-	-	**1,304,191,337**
Total	**240,020,213**	**1,064,171,124**	**-**	**-**	**1,304,191,337**
Expected credit losses	**(176,536,200)**	**(617,740,420)**	**-**	**-**	**(794,276,620)**
Book value	**63,484,013**	**446,430,704**	**-**	**-**	**509,914,717**

3- Due from banks

Credit score	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Good debts	17,897,409,074	2,459,352,453	-	**20,356,761,527**
Standard monitoring		367,937,486	-	**367,937,486**
Special monitoring		1,500,849,520	-	**1,500,849,520**
Total	17,897,409,074	4,328,139,459	-	**22,225,548,533**
Expected credit losses	(9,198,685)	(1,216,066)	-	**(10,414,751)**
Book value	**17,888,210,389**	**4,326,923,393**	**-**	**22,215,133,782**

4- Loans and facilities to banks

Credit score	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	-	144,129,600	-	**144,129,600**
Total	-	144,129,600	-	**144,129,600**
Expected credit losses	**-**	**(290,969)**	**-**	**(290,969)**
Book value	**-**	**143,838,631**	**-**	**143,838,631**

5- Financial investments - debt instruments at fair value through other comprehensive income

Credit score	Stage 1 12 months	Stage 2 Lifetime	Stage 3 Lifetime	Total
Standard monitoring	8,424,673,248	-	-	**8,424,673,248**
Total	8,424,673,248	-	-	**8,424,673,248**
Expected credit losses	**-**	**-**	**-**	**-**
Book value	**8,424,673,248**	**-**	**-**	**8,424,673,248**

6 - Financial investments - debt instruments at amortized cost				
Credit score	**Stage 1 12 months**	**Stage 2 Lifetime**	**Stage 3 Lifetime**	**Total**
Good debts	568,042,256	-	-	**568,042,256**
Standard monitoring	8,440,223,349	-	-	**8,440,223,349**
Special monitoring	-	170,540,683	**-**	**170,540,683**
Total	**9,008,265,605**	**170,540,683**	**-**	**9,178,806,288**
Expected credit losses	**(75,674)**	**(62,009,162)**	**-**	**(62,084,836)**
Book value	**9,008,189,931**	**108,531,521**	**-**	**9,116,721,452**

Loans and advances to customers				
Corporate loans	**Stage one**	**Stage two**	**Stage three**	**Total**
Beginning balance.	**14,631,264,000**	**3,514,443,000**	**1,304,191,00**	**19,449,898,000**
Re class from 1st and 3rd stage to 2nd stage	(833,563,352)	743,992,183	(26,376,077)	**(115,947,247)**
Re class from 1st and 2nd stage to 3rd stage	(35,093,864)	(80,541,570)	125,782,250	**10,146,816**
Re class from 2nd and 3rd stage to 1st stage	704,882,123	(591,920,674)	(5,577,559)	**107,383,890**
Increase (decrease) in loans	2,659,880,821	(564,369,075)	(19,996,336)	**2,075,515,410**
Written off loans	-	-	(8,564,363)	**(8,564,363)**
EOY balance	**17,127,369,728**	**3,021,603,866**	**1,369,458,915**	**21,518,432,506**

Expected credit loss				
Corporate loans	**Stage one**	**Stage two**	**Stage three**	**Total**
Beginning balance.	100,459,452	201,166,263	794,276,620	**1,095,902,335**
Re class from 1st and 3rd stage to 2nd stage	(4,988,812))	46,177,759	(523,700)	**40,665,247**
Re class from 1st and 2nd stage to 3rd stage	(52,714)	(1,991,955)	63,474,521	**61,429,852**
Re class from 2nd and 3rd stage to 1st stage	6,327,520	(591,920,674)	(149,001)	**(12,184,163)**
Increase(decrease)in loans	56,568,302	(740,37,229)	119,132,917	**249,738,448**
Written off loans	-	-	(8,564,363)	**(8,564,363)**
EOY balance	**158, 313,748**	**301,026,614**	**967,646,994**	**1,426,987,356**

Loans and advances to customers				
Retail loans	**Stage one**	**Stage two**	**Stage three**	**Total**
Beginning balance.	**6,855,665,499**	**745,079,925**	**172,989,508**	**7,773,734,932**
Re class from 1st and 3rd stage to 2nd stage	(362,860,079)	384,535,934	(16,906,239)	**4,769,616**
Re class from 1st and 2nd stage to 3rd stage	(93,111,292)	(77,208,323)	156,514,511	**(13,805,104)**
Re class from 2nd and 3rd stage to 1st stage	390,954,631	(430,433,363)	(6,763,662)	**(46,242,394)**
Increase(decrease)in loans	2,814,148,111	40,487,318	26,487,369	**2,881,122,798**
Written off loans	-	-	(49,481,131)	**(49,481,131)**
EOY balance	**9,604,796,870**	**662,461,493**	**282,840,356**	**10,550,098,717**

Expected credit loss				
Retail loans	**Stage one**	**Stage two**	**Stage three**	**Total**
Beginning balance.	**21,063,185**	**16,890,341**	**66,320,054**	**104,273,580**
Re class from 1st and 3rd stage to 2nd stage	(2,097,401)	16,531,133	(6,831,752)	**7,601,980**
Re class from 1st and 2nd stage to 3rd stage	(543,368)	(4,523,159)	43,801,223	**38,734,696**
Re class from 2nd and 3rd stage to 1st stage	2,564,471	(4,712,798)	(1,078,016)	**(3,226,343)**
Increase (decrease)in loans	11,792,791	2,896,172	34,696,897	**49,385,860**
Written off loans	-	-	(49,481,131)	**(49,481,131)**
EOY balance	**32,779,678**	**27,081,689**	**87,427,275**	**147,288,642**

Restructured loans and facilities

Restructuring activities include extension of payment terms, execution of mandatory management programs, and amendment and postponement of payment. Application of restructuring policies depend on indicators or standards referring to high probabilities of payment continuation based on the management's judgment. These policies are reviewed regularly. Restructuring is usually applied to long-term loans, especially loans for financing customers. The renegotiated loans amounted to EGP 1,405,145,684 as at 31 December 2020 compared to EGP 1,110,969,996 at 31 December 2019.

	2020	**2019**
Overdrafts and direct loans	1,405,145,684	1,110,969,996
Total	1,405,145,684	1,110,969,996

3.1.7 Debt instruments - treasury bills

The table below shows an analysis of debt instruments, treasury bills and other governmental notes according to the rating agencies Standard & Poor's and similar at 31 December 2020.

	Treasury bills other government notes	**Investments in securities**	**Total**
AAA to AA-	-	318,111,130	318,111,130
A- to A+	-	234,165,297	234,165,297
Less than -A	18,401,640,406	14,719,970,637	33,121,611,043
Not rated	-	-	-
Total	**18,401,640,406**	**15,272,247,064**	**33,673,887,470**

3.1.8 Concentration of risks of financial assets with credit risk exposure

Geographical sectors

The following table represents a breakdown of the most significant credit risk limits at their carrying amounts distributed according to the geographical segment at 31 December 2020. When this table was prepared, risks have been distributed over the geographical sectors according to the areas related to customers.

	Egypt						
31 December 2019	Cairo	Alexandria Delta and Sinai	**Total**	Arab Gulf Countries	Other countries	**Total**	**Total**
Loans and advances to customers							
Retail loans							
Credit cards	570,474,809	123,017,434	**693,492,243**	-	-	-	**693,492,243**
Personal loans	6,574,013,521	1,921,319,130	**8,495,332,651**	-	-	-	**8,495,332,651**
Overdrafts	689,312,458	509,590,358	**1,198,902,816**	-	-	-	**1,198,902,816**
Real estate loans	161,714,523	656,484	**162,371,007**	-	-	-	**162,371,007**
Corporate loans							
Overdrafts	10,877,131,435	1,359,076,128	**12,236,207,563**	-	-	-	**12,236,207,563**
Direct loans	4,064,329,207	421,989,587	**4,486,318,794**	-	-	-	**4,486,318,794**
Syndicated loans	4,120,282,816	-	**4,120,282,816**	-	-	-	**4,120,282,816**
Other loans	658,967,732	16,655,601	**675,623,333**	-	-	-	**675,623,333**
Financial derivatives	1,100,598	-	**1,100,598**	-	-	-	**1,100,598**
Financial investments							
Debt investments	33,121,611,043	-	**33,121,611,043**	396,110,101	156,238,546	**552,348,647**	**33,673,959,690**
Other assets	1,647,585,289	41,112,663	**1,688,697,952**	31,630	130,723	**162,353**	**1,688,860,305**
Total at 31 December 2020	**62,486,523,431**	**4,393,417,385**	**66,879,940,816**	**396,141,731**	**156,369,269**	**552,511,000**	**67,432,451,816**
Total at 31 December 2019	**41,742,699,737**	**3,358,805,239**	**45,101,504,976**	**409,254,937**	**945,455,804**	**1,354,710,741**	**46,456,215,717**

Financial risk management (continued)
Industry sectors

The Following table represents analysis of the most important credit risk limit for the bank at book value distributed according to the business segment of bank’s customers.

31 December 2019	**Financial institutions**	**Industrial institutions**	**Real estate activity**	**Retail trade & wholesale**	**Government sector**	**Other activities**	**Retail**	**Total**
Loans and facilities to customers								
Retail loans								
Credit cards	-	-	-	-	-	-	693,492,243	**693,492,243**
Personal loans	-	-	-	-	-	-	8,495,332,651	**8,495,332,651**
Overdrafts	-	-	-	-	-	-	1,198,902,816	**1,198,902,816**
Real estate loans	-	-	-	-	-	-	162,371,007	**162,371,007**
Corporate loans								
Overdrafts	251,403,235	6,420,378,996	1,154,455,513	2,179,722,205	454,733,296	1,775,514,318	-	**12,236,207,563**
Direct loans	120,000,006	1,827,806,287	173,239,166	1,522,525,789	13,130,820	829,616,726	-	**4,486,318,794**
Syndicated loans	-	1,021,266,055	457,234,082	599,662,521	2,042,120,158	-	-	**4,120,282,816**
Other loans	-	295,246,166	11,245,754	364,979,238	4,152,175	-	-	**675,623,333**
Financial derivatives	105,219	995,379	-	-	-	-	-	**1,100,598**
Financial investments								
Debt investments	305,538,546	-	-	-	33,207,593,708	160,827,436	-	**33,673,959,690**
Other assets	1,307,051	22,290,536	2,934,100	26,667,193	597,742,882	940,131,853	97,786,690	**1,688,860,305**
Total at 31 December 2020	**678,354,057**	**9,587,983,419**	**1,799,108,615**	**4,693,556,946**	**36,319,473,039**	**3,706,090,333**	**10,647,885,407**	**67,432,451,816**
Total at 31 December 2019	**463,166,022**	**8,383,336,602**	**1,663,437,755**	**4,624,825,421**	**20,557,927,038**	**2,916,250,912**	**7,847,271,967**	**46,456,215,717**

3.2. Market risk

The Bank is exposed to market risk, which is the risk of fair value or future cash flow fluctuations from changes in market price. Market risks arise from open market related to interest rate, currency, and equity products of which each is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices, such as interest rates, foreign exchange rates and equity instrument prices. The Bank divides its exposure to market risk into trading and non-trading portfolios.

Management of market risks arising from trading or non-trading activities focuses on risk management in the Bank which is monitored by two separate teams. Regular reports about market risk are submitted to the Board of Directors and each business unit head periodically.

Trading portfolios include positions resulting from the bank dealing directly with customers or with the market, while non-trading portfolios primarily arise from managing assets and liabilities interest price related to retail transactions. Such portfolios include foreign exchange risk and equity instruments risks arising from the Bank's held-to-maturity and available-for-sale investments.

3.2.1. Market risk measurement techniques

As part of market risk management, the Bank undertakes various hedging strategies. The Bank also enters into swaps to match the interest rate risk associated with the deb instruments and fixed-rate long-term loans if the fair value option has been applied. The major measurement techniques used to control market risk are outlined below:

Value at risk

The Bank applies a 'value at risk' methodology (VAR) for trading and non-trading portfolios to estimate the market risk on positions held and the maximum expected losses based on a number of assumptions for various changes in market conditions. The Board sets separate limits for the value of risk that may be accepted by the Bank for trading and non-trading portfolios and are monitored by the Bank's risk management .

VAR is a statistical estimation of the expected losses on the current portfolio resulting from adverse market movements which represent the 'maximum' amount the Bank expects to lose using a confidence level of (98%). Therefore, there is a statistical probability of (2%) that actual losses could be greater than the VAR estimation. The VAR model assumes that the holding period is ten days before closing the open positions. It also assumes that market movements during the holding period will be similar to the movement pattern which occurred during the previous ten days. The Bank's assessment of past movements is based on data for the previous five years. The Bank applies these historical changes in rates, prices, indicators, etc., directly to its current positions. This approach is called historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The use of this approach does not prevent losses from exceeding these limits if there are significant market movements.

As VAR is considered a primary part of the Bank's market risk control technique, VAR limits are established by the Board of Directors annually for all trading and non-trading transactions and allocated to business units. Actual Values exposed to market risk are compared to the limits set by the Bank and reviewed daily by the Bank's risk management. The average daily VAR for the Bank during the current for the period was EGP 1,496 against EGP 4,644 at 31 December 2019.

The quality of the VAR model is continuously monitored through examining the VAR results for the trading portfolio, and results are reported to the top management and the Board of Directors.

Stress testing

Stress testing provides an indicator of the expected losses that may arise from sharp adverse circumstances. Stress tests are designed to match the business using standard analysis for specific scenarios. The stress tests carried out by the Bank's risk management include risk factor stress testing where sharp movements are applied to each risk category and emerging markets stress tests, as emerging markets are subject to sharp movements and special stress tests, including possible stress events affecting specific positions or regions, such as what may arise in a certain region due to applying a free rate on a certain currency. The results of the stress testing are reviewed by the top management and the Board of Directors

3.2.2. VAR summary

Total VAR of non-trading portfolio by the type of risk

EGP,000	31 December 2020			31 December 2019		
	Average	High	Low	Average	High	Low
Exchange rate risk	1,496	4,720	83	4,644	14,127	143

3.2.3. Foreign exchange volatility risk

The Bank is exposed to the effects of volatility in the prevailing foreign currency exchange rates on its balance sheet and cash flows. The Board of Directors sets limits for foreign exchange with the aggregate value for each position at the end of the day as well as during the day, which is controlled on timely basis. The following table summarizes the Bank's exposure to foreign exchange volatility risk at 31 December 2020. The following table includes the carrying amounts of the financial instruments in their currencies:

Financial Assets:	Egyptian Pounds	USD	GBP	Euro	Others	**Total**
Cash and due from the Central Bank of Egypt	5,217,297,384	175,268,778	6,591,613	68,330,229	20,123,450	**5,487,611,454**
Due from banks	10,362,248,723	2,628,548,723	52,781,048	330,836,364	6,658,245	**13,381,073,103**
Loans and advances to customers	24,068,188,958	5,830,921,949	9,624	433,833,598	20,532	**30,332,974,661**
Financial derivatives	1,100,598	-	-	-	-	**1,100,598**
Financial investments	33,157,467,848	555,894,811	-	-	-	**33,713,362,659**
Other financial assets	733,826,417	18,330,364	85	30,808	-	**752,187,674**
Total financial assets	**73,540,129,928**	**9,208,964,625**	**59,382,370**	**833,030,999**	**26,802,227**	**83,668,310,149**
Financial liabilities						
Due to banks	1,089,972	129,238,559	-	-	-	**130,328,531**
Customers' deposits	66,832,885,521	7,590,756,356	64,719,746	808,462,900	17,846,332	**75,314,670,855**
Other loans	-	943,926,000	-	-	-	**943,926,000**
Financial derivatives	786,356	-	-	-	-	**786,356**
Other financial liabilities	269,503,817	14,266,789	8,312	5,223	-	**283,784,141**
Total financial liabilities	**67,104,265,666**	**8,678,187,704**	**64,728,058**	**808,468,123**	**17,846,332**	**76,673,495,883**
Net financial position	**6,435,864,262**	**530,776,921**	**(5,345,688)**	**24,562,876**	**8,955,895**	**6,994,814,266**
31 December 2019						
Total financial assets	**61,236,642,258**	**11,168,727,145**	**85,567,067**	**1,059,376,679**	**26,341,612**	**73,576,654,761**
Total Financial liabilities	**56,083,555,891**	**10,428,858,461**	**79,847,122**	**908,734,728**	**20,620,046**	**67,521,616,248**
Net financial position	**5,153,086,367**	**739,868,684**	**5,719,945**	**150,641,951**	**5,721,566**	**6,055,038,513**

3.2.4. Interest rate risk

The Bank is exposed to the effects of fluctuations in the interest rates prevailing in the market, which is the risk of cash flows of the interest rate represented in fluctuation of future cash flows for a financial instrument due to changes in the interest rate of the instrument. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The interest margin may increase due to these changes; however, revenues may decrease in case unexpected movements arise. The Board sets limits on the level of mismatch of interest rate repricing that the Bank may maintain, which is monitored daily by the Bank's Risk management.

The table below summarises the Bank's exposure to interest rate volatility risk. It includes the financial instruments' carrying amounts categorised by the earlier repricing or maturity dates:

31 December 2020	Up to one month	More than 1 month up to 3 months	More than 3 months up to year	1 year to 5 years	More than 5 years	Non-interest bearing	Total
Cash and due from the Central Bank of Egypt	-	-	-	-	-	5,487,611,454	**5,487,611,454**
Due from banks	9,907,249,732	3,443,370,656	39,330,250	-	-	(8,877,535)	**13,381,073,103**
Loans and advances to customers	6,341,695,553	14,835,580,880	3,239,555,054	5,746,599,784	850,024,778	(680,481,388)	**30,332,974,661**
Financial derivatives	244,231	695,566	160,801	-	-		**1,100,598**
Financial investments	776,846,432	1,580,051,411	18,585,652,878	12,731,408,968	-	39,402,970	**33,713,362,659**
Other financial assets	**315,686,762**	**213,507,160**	**222,993,752**	**-**			**752,187,674**
Total financial assets	**17,341,722,710**	**20,073,205,673**	**22,087,692,735**	**18,478,008,752**	**850,024,778**	**4,837,655,501**	**83,668,310,149**
Financial liabilities							
Due to banks	122,395,423	7,740,193	192,915	-	-	-	**130,328,531**
Customers' deposits	24,813,574,897	7,419,032,979	10,559,912,811	27,254,874,116	3,354,000	5,263,922,052	**75,314,670,855**
Financial derivatives	101,640	684,716	-	-	-	-	**786,356**
Other loans	-	943,926,000	-	-	-	-	**943,926,000**
Other financial liabilities	159,884,288	80,304,671	31,740,831	11,279,802	574,549	-	**283,784,141**
Total financial liabilities	**25,095,956,248**	**8,451,688,559**	**10,591,846,557**	**27,266,153,918**	**3,928,549**	**5,263,922,052**	**76,673,495,883**
Re-pricing gap	**(7,754,233,538)**	**11,621,517,114**	**11,495,846,178**	**(8,788,145,166)**	**846,096,229**	**(426,266,551)**	**6,994,814,266**
31 December 2019							
Total financial assets	**36,818,161,602**	**3,934,293,954**	**11,560,664,808**	**13,436,134,433**	**1,353,944,750**	**6,395,910,926**	**73,499,110,473**
Total financial liabilities	**22,851,491,148**	**8,337,632,769**	**10,136,654,544**	**21,566,781,409**	**10,438,825**	**4,420,235,164**	**67,323,233,859**
Re-pricing gap	**13,966,670,454**	**(4,403,338,815)**	**1,424,010,264**	**(8,130,646,976)**	**1,343,505,925**	**1,975,675,762**	**6,175,876,614**

*** An amount - (EGP 680,481,388) represented in advance revenues received that are consumed over the life of clients loans in addition to stage one and two ECL.**

**** An amount - (EGP 8,877,535), representing the value of the impairment of bank balances.**

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3.3. Liquidity risk

Liquidity risk is the risk that the bank is unable to meet its obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligation to repay depositors and fulfil commitments to lend.

3.3.1. Liquidity risk management

The Bank's liquidity management process carried out by the Bank's risk management includes:

- Daily funding managed by monitoring future cash flows to ensure that all requirements can be met when due. This includes liquidation of funds as they due or when lent to customers. To ensure that the Bank reaches its objective, the Bank maintains an active presence in global money markets.
- Maintaining a portfolio of highly marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flows.
- Monitoring liquidity ratios in comparison with the Bank's internal requirements and CBE requirements.
- Managing loans' concentration and dues.
- For monitoring and reporting purposes, cash flows for the day, week, and the following month are measured and projected. Such periods are the key periods for liquidity management. The starting point of calculating these expectations is analysing the contractual maturities of financial liabilities and expected financial assets collections.

The risk management monitors the incompatibility between medium-term assets, the level and nature of unused loans commitments, receivables utilisations, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

3.3.2. Funding approach

Sources of liquidity are regularly reviewed by a separate team in the Bank's risk management to maintain a wide diversification by currency, geography, provider, product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities at the date of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows.The Bank manages the liquidity risk based on expected undiscounted and un-contractual cash inflows, and were not disclosed in accordance with contractual cash flows as they did not enable the current automated systems to use these amounts accurate

31 December 2020 (Local currency)	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to year	1 year to 5 years	More than 5 years	Total
Liabilities						
Due to banks	122,395,423	7,741,698	193,181	-	-	**130,330,302**
Customers' deposits	16,929,995,603	11,039,562,952	20,340,783,172	31,227,993,679	6,270,143	**79,544,605,549**
Other loans	-	7,476,194	210,416,838	812,578,697	-	**1,030,471,729**
Total financial liabilities according to the date of contractual maturity	**17,052,391,026**	**11,054,780,844**	**20,551,393,191**	**32,040,572,376**	**6,270,143**	**80,705,407,580**

31 December 2019 (Local currency)	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to year	1 year to 5 years	More than 5 years	Total
Liabilities:						
Due to banks	167,582,814	18,016,200	-	-	-	**185,599,014**
Customers' deposits	19,662,951,477	7,907,595,438	13,936,729,373	28,304,986,969	11,443,284	**69,823,706,541**
Other loans	-	14,338,579	344,009,968	851,980,107	198,353,148	**1,408,681,802**
Total financial liabilities according to the contractual maturity date	**19,830,534,291**	**7,939,950,217**	**14,280,739,341**	**29,156,967,076**	**209,796,432**	**71,417,987,357**

Derivatives settled in aggregate
The bank's financial derivatives that will be settled in gross basis include:

- Foreign exchange derivatives: Forward forex contracts and interest swap contracts
  The table below analyses the bank's derivative financial liabilities that will be settled in aggregation based on the remaining period of contractual maturities at the balance sheet date. The amounts disclosed in the table are the undiscounted cash flows.

31 December 2020	Up to one month	More than 1 month up to 3 months	More than 3 months up to year	Total
Derivatives held-for-trade	-	–	–	**–**
Foreign exchange derivatives	-	–	–	**–**
Cash Outflows	175,275,570	26,184,331	3,660,107	**205,120,008**
Cash inflows	175,132,978	26,173,482	3,499,306	**204,805,766**
Total cash outflows	**175,275,570**	**26,184,331**	**3,660,107**	**205,120,008**
Total cash inflows	**175,132,978**	**26,173,482**	**3,499,306**	**204,805,766**

31 December 2019	Up to one month	More than 1 month up to 3 months	More than 3 months up to year	Total
Derivatives held-for-trade	-	–	–	**–**
Foreign exchange derivatives	-	–	–	**–**
Cash Outflows	112,131,279	15,082,335	126,612,188	**253,825,802**
Cash inflows	112,016,002	15,105,210	126,287,426	**253,408,638**
Total cash outflows	**112,131,279**	**15,082,335**	**126,612,188**	**253,825,802**
Total cash inflows	**112,016,002**	**15,105,210**	**126,287,426**	**253,408,638**

Off-balance sheet items
According to the table below and note (23)

31 December 2020	Not later than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Financial collaterals, accepted bills and other financial facilities	3,918,597,487	346,603,750	2,373,250	**4,267,574,487**
Capital commitments resulting from the acquisition of fixed assets*	63,334,690	-	-	**63,334,690**
Total	3,981,932,177	346,603,750	2,373,250	**4,330,909,177**

31 December 2019	Not later than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Financial collaterals, accepted bills and other financial facilities	4,750,154,340	539,987,837	1,600,000	**5,291,742,177**
Capital commitments resulting from the acquisition of fixed assets*	47,330,605	-	-	**47,330,605**
Total	**4,797,484,945**	**539,987,837**	**1,600,000**	**5,339,072,782**

3.3.4. Financial instruments measured at fair value

31 December 2020				
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Treasury bonds and bills	27,127,494,531	-	-	**27,127,494,531**
Investment fund documents at fair value through profit or loss	32,183,406	-	-	**32,183,406**
shareholders equity	7,291,783	-	-	**7,291,783**
Corporate bonds	149,300,000	**-**	**-**	**149,300,000**

31 December 2019				
Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Treasury bonds and bills	8,403,598,248	-	-	**8,403,598,248**
Investment fund documents at fair value through profit or loss	30,098,238	-	-	**30,098,238**
shareholders' equity	7,362,945	-	-	**7,362,945**

Due from banks

Fair value of placements and deposits bearing variable interest rate for one day is its current value. The expected fair value for deposits bearing variable interest rate is estimated based on the discounted cash flows using the interest rate prevailing in the financial markets for debts with similar credit risk and due dates

Loans and Advances to customers

Loans and facilities are recognised net of the provision for impairment losses. The expected fair value of loans and facilities represents the discounted value of future cash flows expected to be collected. The cash flows are discounted using the current market interest rate to determine the fair value

Investments in securities

Investments in securities shown in the above table include only held-to-maturity, interest-bearing assets. Available-for-sale assets are evaluated at fair value except for equity instruments which the Bank has been unable to reliably estimate their fair value. Fair value of held-to-maturity financial assets is determined based on market prices or brokers prices. Fair value is estimated using quoted market prices for securities with similar credit, maturity date, and rates characteristics where information is not available.

Due to banks and customers

The estimated fair value of deposits of indefinite maturity, which includes interest-free deposits, is the amount that will be paid on call.
The fair value of fixed interest-bearing deposits and other loans not traded in an active market is determined based on discounted cash flows using interest rates for new debts of similar maturity dates.

Issued debt instruments

The aggregate fair value is calculated based on quoted market prices. For those notes whose quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

3.3.5. Capital management

The Bank's objectives behind managing capital include elements in addition to the equity shown in the balance sheet are represented in the following:

- To comply with the legal capital requirements in the Arab Republic of Egypt and other countries in which the Bank's branches operate.
- To protect the Bank's ability to continue as a going concern and enabling it to generate return for shareholders and other parties dealing with the Bank.
- To maintain a strong capital base to enhance business growth.
- Capital adequacy and uses are reviewed according to the regulatory authority's requirements (CBE) by the Bank's management through models based on the instructions of Basel committee for banking supervision. The required data is submitted to CBE on a quarterly basis.

CBE requires the following from the Bank:

- Maintaining EGP 500 million as a minimum requirement for the issued and paid-up capital.
- Maintaining a ratio between the capital's elements and the assets and contingent liabilities elements weighted by risk weights at %12,75 or more.

Bank's branches which operate outside the Arab Republic of Egypt are subject to the banking business regulators' supervising rules in countries which they operate.

According to Basel II requirements, the nominator of capital adequacy is composed on the following two tiers:

Tier 1 :

The basic going concern capital and consists of issued and paid-up capital (after deducting the carrying amount of treasury shares), retained earnings and reserves resulting from the dividends, except for the general banking risk reserve, less any previously recognised goodwill and any carried-forward losses.

Tier 2:

It is the subordinate capital which consists of the equivalent of the general risk allocation according to the credit worthiness bases issued by the Central Bank of Egypt not exceeding %1,25 of the total assets and contingent liabilities weighted by risk weights. Subordinate loans/ deposits with terms of more than five years (with amortisation of %20 of their value over each year of the last five years of their terms) and %45 of the increase between the fair value and book value of the available-for-sale and held to maturity financial investments and in subsidiaries and associates. When calculating the total numerator of capital adequacy criterion, cushion capital should not exceed the core capital, and subordinate loans (deposits) should not exceed half the core capital.Assets are weighted by risk weights in a range from %0 to %100 and classified depending on the nature of the debtor at each asset, reflecting the credit risk associated with it. and taking into account the cash collaterals. The same treatment is used for the off-statement of financial position amounts after making relevant adjustments to reflect the contingent nature and the potential loss for these amounts.

Financial risk management (continued)

The Bank has complied with all local capital requirements and in the countries in which its external branches operate during the past two years. The following table summarises the core and subordinate capital components and the capital adequacy ratios at the end of these two years.

Paid up capital	**2020**	**2019**
Tier 1 (Basic capital)		
Share capital	2,152,447	2,152,447
Legal reserve	380,461	310,380
Other reserves	352,630	351,336
Retained earnings	4,472,128	3,937,706
Total disposals from basic capital	(248,223)	(277,280)
Total balance of accumulated other comprehensive income items	**123,354**	**80,803**
Total first Tranche after disposals	**7,232,797**	**6,555,392**
Tier 2 after disposals (subordinate capital)		
Provisions of impairment losses of performing loans and facilities, and contingent liabilities	**251,461**	**165,384**
Subordinated loans (deposits).	**943,926**	**962,490**
Total subordinated capital	**1,195,387**	**1,127,874**
Total capital	**8,428,184**	**7,683,266**
Total credit risk	**28,387,758**	**26,900,367**
Total market risks	**102,987**	**96,310**
Total operating risk	**4,959,167**	**4,338,980**
Total risk weighted assets and contingent liabilities in order to cover credit, market and operational risks	**33,449,912**	**31,335,657**
Capital adequacy ratio	**25.20%**	**24.52%**

3.3.6. Leverage ratio

The Central Bank of Egypt Board of Directors had approved in its meeting held on 7 July 2015 special supervisory instructions related to leverage ratio of maintaining a minimum level of leverage ratio of (%3) to be reported on a quarterly basis as follows:

- As a guidance ratio starting from the end of September 2015 until 2017.
- As an obligatory ratio starting from the year 2019.

This ratio will be included in Basel requirement Tier 1 in order to maintain the effectiveness of the Egyptian Banking system, as well as keep up with the best international regulatory practices.
The financial leverage reflects the relationship between tier 1 of capital that is used in capital adequacy standard (after disposals) and the Bank's assets (on and off balance sheet) that are not risk weighted assets.

Ratio elements

- The numerator elements:
The numerator consists of the tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the Central Bank of Egypt.

- The denominator elements
The denominator consists of all the 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 Tier 1 exclusions for capital base.
2. Derivatives contracts exposures.
3. Exposures resulting from financing securities.
4. Off-balance sheet exposures "weighted exchange transactions".

The table below summarises the financial leverage ratio at 31 December 2020:

Financial leverage ratio

	2020	2019
First: Tier I Capital after disposals	7,232,797	6,555,392
Total exposure within the financial position	85,702,591	74,997,418
Total exposure outside the financial position	3,212,399	3,944,797
Total exposures on & off-balance sheet items	88,914,991	78,942,215
Leverage ratio	**8.13%**	**8.30%**

4. Significant accounting estimates and assumptions

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities disclosed in the next financial period. Estimations and assumptions are continually evaluated on the basis of historical experience and other factors, including the expectations of future events that are believed to be reasonable through the available information and circumstances.

4.1. Impairment losses for loans and facilities

For loans and credit facilities for stage 3 clients, measurement is done on an individual basis, taking into account the present value of the expected net cash flows when calculating the rate of losses upon default. The method and assumptions used to estimate both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and the actual loss based on experience. If the net present value of the estimated cash flows varies by +/- %5 then the estimated credit loss provision It will be higher by EGP 5,360,815 or less by (EGP 5,360,815) from provisions for credit losses component

4.2. Income taxes

The Bank is subject to income tax which requires the use of significant estimates to calculate the total income tax provision. There are a number of processes and calculations of which the final income tax would be hard to determine accurately. The Bank records liabilities related to the tax inspection estimated results based on the estimates that additional taxes may arise. When there is a difference between the final result of the tax and the amounts previously recorded by the Bank, such differences will affect the income tax and the deferred tax provision in the period the difference was determined.

5. Segment analysis

Activity segment analysis
Segment activity involves operating activities; assets used in providing banking services, and risk and return management associated with this activity, which might differ from other activities. Segment analysis for the banking operations involves the following:
Large, medium, and small enterprises
Includes activities of current accounts, deposits, receivables, loans, credit facilities, and financial derivatives.
Investment
Includes activities of merging companies, purchase of investments, financing companies' restructuring, and financial instruments.
Individuals
Includes activities of current accounts, saving accounts, deposits, credit cards, personal loans, and mortgage loans.

Other activities

Includes other banking operations, such as fund management.
Transactions among segments are performed according to the Bank's operating cycle, and include assets and operating liabilities as presented in the Bank's balance sheet.

31 December 2020:
Revenues and expenses by business segment

	Large financial institutions	Medium and small cor porates	Investment	Retail	Total
Income of segmental activities	2,044,726,925	623,810,132	4,602,073,291	1,635,342,150	**8,905,952,498**
Expenses of segmental activities	(1,987,003,402)	(576,268,707)	(2,738,787,225)	(1,518,075,113)	**(6,820,134,447)**
Results of business segment	**57,723,523**	**47,541,425**	**1,863,286,066**	**117,267,037**	**2,085,818,051**
Taxation	(26,097,105)	(10,696,821)	(663,216,772)	(22,867,613)	**(722,878,311)**
Profit for the year	**31,626,418**	**36,844,604**	**1,200,069,294**	**94,399,424**	**1,362,939,740**

Assets and liabilities according to segmental activities

	Large financial institutions	Medium and small corporates	Investment	Retail	Total
Assets of segmental activities	14,875,983,152	4,153,404,428	57,463,267,170	9,107,376,654	**85,600,031,404**
Other items of segmental activities					
Depreciation	(32,029,710)	(14,491,194)	(63,246,424)	(17,314,231)	**(127,081,559)**
Impairment and effect of other provisions on the statement of income	(340,858,051)	__	16,933,460	(79,082,574)	**(403,007,165)**

31 December 2019

	Large financial institutions	Medium and small corporates	Investment	Retail	Total
Income of segmental activities	3,238,854,981	633,126,019	4,163,773,002	1,391,993,145	**9,427,747,147**
Expenses of segmental activities	(2,795,665,334)	(551,512,437)	(2,946,531,297)	(1,289,116,113)	**(7,582,825,181)**
Results of business segment	443,189,647	81,613,582	1,217,241,705	102,877,032	**1,844,921,966**
Taxation	(133,408,582)	(18,363,056)	(264,279,706)	(25,965,893)	**(442,017,237)**
Profit for the year	309,781,065	63,250,526	952,961,999	76,911,139	**1,402,904,729**

Assets and liabilities according to segmental activities

Assets of segmental activities	Large financial institutions	Medium and small corporates	Investment	Retail	Total
Assets of segmental activities	15,339,419,086	3,253,565,877	50,072,900,670	6,603,527,485	**75,269,413,118**
Other items of segmental activities					
Depreciations	**(33,260,047)**	**(8,672,019)**	**(55,737,340)**	**(15,514,014)**	(113,183,420)
Impairment and effect of other provisions on the statement of income	(158,869,780)	-	(59,459,971)	(49,228,945)	**(267,558,696)**

31 December 2020
Revenues and expenses by geographical segments

	Egypt			EGP		
	Cairo	Alexandria, Delta and Sinai	Total	Arab Gulf Countries	Other countries	Total
Revenue of geographical segments	8,227,213,007	658,806,331	**8,886,019,338**	24,535	19,908,625	**8,905,952,498**
Expenses of geographical segments	(5,784,258,057)	(925,338,231)	**(6,709,596,288)**	(53,563)	(622,937)	**(6,710,272,788)**
Results of business segment	**2,442,954,950**	**(266,531,900)**	**2,176,423,050**	**(29,028)**	**19,285,688**	**2,195,679,710**
Unclassified expenses	-	-	-	-	-	**(109,861,659)**
Profit for the year before taxes	-				-	**2,085,818,051**
Taxation		-	-	-		**(722,878,311)**
Profit for the year	-	-	-	-	-	**1,362,939,740**

Assets and liabilities by geographical segments

Assets of geographical sectors	80,759,149,551	4,729,690,339	**85,488,839,890**	**396,141,731**	243,201,262	**86,128,182,883**
Unclassified assets	-					**(528,151,479)**
Total assets	**80,759,149,551**	4,729,690,339	**85,488,839,890**	**396,141,731**	243,201,262	**85,600,031,404**
Liabilities of geographical segments	66,133,527,094	11,405,116,709	**77,538,643,803**	3,128,421	499,746	**77,542,271,970**
Unclassified liabilities	-					**68,522,445**
Total liabilities	**66,133,527,094**	**11,405,116,709**	**77,538,643,803**	**3,128,421**	**499,746**	**77,610,794,415**

Other items of geographical segments

Depreciations	(114,169,198)	(12,912,361)	**(127,081,559)**	-	-	**(127,081,559)**
Impairment and effect of other provisions on the income statement	(272,183,178)	(14,340,750)	**(286,523,928)**	-	-	**(286,523,928)**

31 December 2019:
Revenues and expenses by geographical segments

	Egypt			EGP		
	Cairo	Alexandria, Delta and Sinai	Total	Arab Gulf Countries	Other countries	Total
Revenue of geographical segments	8,701,871,728	650,461,298	**9,352,333,026**	35,167,716	40,246,405	**9,427,747,147**
Expenses of geographical segments	(6,783,778,694)	(922,251,634)	**(7,706,030,328)**	(375,410)	(475,063)	**(7,706,880,801)**
Results of business segment	**1,918,093,034**	**(271,790,336)**	**1,646,302,698**	**34,792,306**	**39,771,342**	**1,720,866,346**
Unclassified expenses						**124,055,620**
Profit for the year before tax	**1,918,093,034**	**(271,790,336)**	**1,646,302,698**	**34,792,306**	**39,771,342**	**1,844,921,966**
Taxation						**(442,017,237)**
Profit for the year	**1,918,093,034**	**(271,790,336)**	**1,646,302,698**	**34,792,306**	**39,771,342**	**1,402,904,729**

Assets and liabilities by geographical segments

Assets of geographical sectors	67,844,976,739	3,712,723,543	**71,557,700,282**	878,600,313	3,245,482,325	**75,681,782,920**
Unclassified assets						**(412,369,802)**
Total assets	67,844,976,704	**3,712,723,543**	**71,557,760,282**	**878,600,313**	3,245,482,325	**75,269,413,118**
Liabilities of geographical segments	55,687,879,903	**10,564,916,269**	**66,252,796,172**	408,497,126	1,536,722,051	**68,198,015,349**
Unclassified liabilities						**(77,824,375)**
Total liabilities	**55,687,879,903**	**10,564,916,269**	**66,252,796,172**	408,497,126	**1,536,722,051**	**68,120,190,974**

Other items of geographical segments

Depreciations	(104,099,143)	(9,084,277)	**(113,183,420)**	-	–	**(113,183,420)**
Impairment and effect of other provisions on the statement of income	(462,986,184)	-	**(462,986,184)**	-	–	**(462,986,184)**

6 Net interest income

Interest income on loans and similar income:

Loans and advances:

	2020	2019
- To banks	855,928	1,960,251
- To customers	3,561,298,875	4,194,708,966
Total	**3,562,154,803**	**4,196,669,217**
Financial investments	3,487,280,183	2,778,926,649
Deposits and current accounts with bank	1,217,733,329	1,824,001,298
Others	967,857	1,158,188
Total	**8,268,136,172**	**8,800,755,352**

Deposit's interest and similar expenses;

Deposits and current accounts:

	2020	2019
- To banks	(5,942,616)	(12,190,087)
- To customers	(5,132,077,764)	(5,949,048,332)
Total	**(5,138,020,380)**	**(5,961,238,419)**
Other loans	(42,898,595)	(57,208,926)
Total	**(5,180,918,975)**	**(6,018,447,345)**
Net	**3,087,217,197**	**2,782,308,007**

7. Net fees and commission income

Fees and commission income	2020	2019
Fees and commissions related to credit	**245,994,540**	**329,071,243**
Fees related to corporate financing services	21,774,018	40,844,540
Custody fees	9,062,411	6,442,538
Other fees	240,043,331	204,827,458
Total	**516,874,300**	**581,185,779**
Fees and commission expenses		
Brokerage fees paid	(1,931,332)	(1,842,744)
Other fees paid	(43,271,753)	(31,390,056)
Total	**(45,203,085)**	**(33,232,800)**
Net income from fees and commissions	**471,671,215**	**547,952,979**

8 Net trading income

	2020	2019
Gain on sale of financial investment at fair value through P&L	1,167,083	1,546,700
Income from evaluation of financial investments at fair value through P&L	2,085,167	16,944,937
Gain on FX trading	63,842,288	35,933,447
	67,094,538	**54,425,084**

9. Administrative expenses

	2020	2019
Staff cost		
Salaries and wages	(497,505,949)	(427,311,380)
Social insurance	(22,570,755)	(19,978,434)
Total staff costs	**(520,076,704)**	**(447,289,814)**
Depreciation and amortisation	(127,081,559)	(113,183,420)
Other administrative expenses	(476,704,798)	(444,302,412)
Total	**(1,123,863,061)**	**(1,004,775,646)**

10 Other operating (expenses) income

	2020	2019
(Loss) Gain on evaluation of monetary assets and liabilities denominated in foreign currencies other than those held for trading or initially designated at fair value through profit or loss		
value through profit or loss	(7,708,814)	(109,033,364)
Profit on sale of property and equipment	1,619,894	1,293,992
Loss on sale other assets	-	(4,474,734)
Rentals	(76,039,410)	(69,570,129)
Other provisions charge (Note 27)	10,535,481	(94,758,174)
Other income	4,971,934	(393,681)
	(66,620,915)	**(276,936,090)**

11. Impairment charges on credit losses

	2020	2019
Loans and advances to customers	(419,936,935)	(208,098,725)
Loans and advances to Banks	1,345,725	(290,319)
Due from Banks	279,614	1,006,379
Financial investments	15,304,431	**(60,176,031)**
	(403,007,165)	**(267,558,696)**

12. Income taxes expenses

	2020	2019
Current tax	(754,247,739)	549,073,148
Deferred tax	31,369,428	(107,055,911)
Total	**(722,878,311)**	**442,017,237**

Note 28 shows additional information about deferred income tax. Income tax on the Bank's profits differs from the value that will result from applying the applicable tax rates as follows:

	2020	2019
Accounting profit before tax	2,085,818,051	1,844,921,966
Income tax calculated at 22,5%	469,309,062	415,107,442
Non deductible expenses	308,822,310	8,123,899
Non-taxable income	(482,397,484)	(23,633,739)
Increase in tax calculated on interest of treasury bills and treasury bonds	-	24,800,855
Tax on dividends and capital gains	945,431	-
Tax on yield of treasury bills and bonds	426,198,992	17,618,780
Total tax	**722,878,311**	**442,017,237**
Effective tax rate	**34.66%**	**23.96%**

13 Earnings per share

Basic earnings per share	2020	2019
Net profits for the year after deducting general banking risk reserve	1,362,939,740	1,402,904,729
Weighted average number of shares	34,700,000	34,700,000
Net earnings per share for the year	**39.28**	**40.43**

14. Cash and balances with the Central Bank of Egypt

	2020	2019
Cash	610,962,002	558,085,288
Balances at the Central Bank within the mandatory reserve ratio	4,876,649,452	6,319,373,998
Total	**5,487,611,454**	**6,877,459,286**
Non-interest bearing balances	5,487,611,454	6,877,459,286
Total	**5,487,611,454**	**6,877,459,286**

15. Due from banks

	31 December 2020	31 December 2019
Current accounts	376,394,849	402,162,769
Deposits	13,013,555,789	21,823,385,764
Total	**13,389,950,638**	**22,225,548,533**
Less: Provisions for credit losses	(8,877,535)	(10,414,751)
Total	**13,381,073,103**	**22,215,133,782**
Balances at the Central Bank other than those under mandatory reserve ratio	10,264,871,936	17,888,210,389
Local banks	1,037,821,390	874,577,562
Foreign banks	2,078,379,777	3,452,345,831
Total	**13,381,073,103**	**22,215,133,782**
Non-interest bearing balances	97,734,703	-
Variable interest balances	8,050,000,000	419,162,769
Fixed interest balances	5,233,338,400	21,795,971,013
Total	**13,381,073,103**	**22,215,133,782**
Current balances	12,525,204,298	21,254,139,459
Non-current balances	855,868,805	960,994,323
Total	**13,381,073,103**	**22,215,133,782**

Movement analysis for loss allowance	**31 December 2020**	**31 December 2019**
Balance at the beginning of the year	10,414,751	-
Changes resulting from the initial application of IFRS9	-	12,778,182
Create credit losses	(1,345,725)	(1,006,379)
Differences from valuation of monetary assets in foreign currencies	(191,491)	(1,357,052)
Total	**8,877,535**	**10,414,751**

16 Loans and facilities to banks

	31 December 2020	31 December 2019
Term loans		144,129,600
Less: Provision for impairment losses	-	(290,969)
Total other loans	-	143,838,631
Non-current balances	-	143,838,631
Total	-	**143,838,631**
Movement analysis for loss allowance	**31 December 2020**	**31 December 2019**
Balance at the beginning of the year	290,969	-
Utilized (no longer required) impairment charges	(279,614)	290,319
Differences from valuation of monetary assets in foreign currencies	(11,355)	650
Total	**-**	**290,969**

17. Loans and advances to customers

Retail:	31 December 2020	31 December 2019
Credit cards	693,492,243	659,419,074
Personal loans	8,495,332,651	5,921,834,545
Overdrafts	1,198,902,816	998,607,854
Real estate loans	162,371,007	193,873,459
Total	**10,550,098,717**	**7,773,734,932**
Corporates, including small, medium enterprises:		
Overdrafts	12,236,207,563	9,633,776,089
Direct loans	4,486,318,794	4,544,396,192
Syndicated loans	4,120,282,816	4,969,041,117
Other loans	675,623,333	302,683,900
Total	**21,518,432,506**	**19,449,897,298**
Total loans and advances to customers	**32,068,531,223**	**27,223,632,230**
Less: Marginalized interest	**(161,280,607)**	**(85,291,840)**
Less: Loss allowance	**(1,574,275,955)**	**(1,200,175,915)**
	30,332,974,661	**25,938,164,475**
Current balances	**18,337,899,319**	**16,157,474,203**
Non-current balances	**11,995,075,342**	**9,780,690,272**
	30,332,974,661	**25,938,164,475**

During the financial year ended 31 December 2020, the Bank accepted current securities with a fair value of EGP 123,960,472 compared to EGP 212,260,523 at the comparative date as collateral to commercial loans.

Loss Allowance

The provision for credit losses movement for loans and facilities to customers classified according to their types is as follows:

31 December 2020

Retail	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Balance at 1 January 2020	22,433,116	58,714,346	6,926,460	16,199,658	**104,273,580**
Impairment charges during the year	12,771,627	56,234,455	2,217,345	7,847,912	**79,071,339**
Amounts written-off during the year	(4,641,261)	(25,001,097)	-	(19,839,430)	**(49,481,788)**
Recoveries during the year	6,064,535	8,335,791	-	-	**14,400,326**
Foreign exchange translation differences	-	-	(974,852)	-	**(974,852)**
Balance at 31 December 2020	**36,628,017**	**98,283,495**	**8,168,953**	**4,208,140**	**147,288,605**

Corporates:	Overdrafts	Direct loans	Syndicated loans	Other loans	Total
Balance at January 1, 2020	293,017,394	699,992,322	101,393,540	1,499,079	**1,095,902,335**
Impairment charges during the year	168,286,543	160,804,397	7,953,090	3,821,566	**340,865,596**
Amounts written-off during the year	-	(8,213,871)	(350,492)	-	**(8,564,363)**
Recoveries during the year	1,828,000	-	-	-	**1,828,000**
Foreign exchange translation differences	(1,109,454)	(1,106,955)	(827,809)	-	**(3,044,218)**
Balance at 31 December 2020	**462,022,483**	**851,475,893**	**108,168,329**	**5,320,645**	**1,426,987,350**

31 December 2019

Retail:	Credit cards	Personal loans	Overdrafts	Real estate loans	Total
Balance at January 1, 2019	9,201,341	30,738,138	13,795,153	280,419	**54,015,051**
IFRS 9 changes	15,648,800	15,535,950	(631,785)	507,410	**31,060,375**
Impairment charges during the years	5,143,602	30,096,545	(1,420,030)	15,411,829	**49,231,946**
Amounts written-off during the year	(17,333,413)	(25,688,546)	(5,104,816)		**(48,126,775)**
Recoveries during year	9,772,786	8,032,259			**17,805,045**
Foreign exchange translation dif-fer-ences			287,938		**287,938**
Balance at 31 December 2019	**22,433,116**	**58,714,346**	**6,926,460**	**16,199,568**	**104,273,580**

Corporates:	overdrafts	Direct loans	Syndicated loans	Other loans	Total
Balance at January 1, 2019	323,057,182	507,372,240	85,783,987	10,259,157	**926,472,566**
IFRS 9 changes	(78,742,904)	(7,833,002)	251,806,161	(6,830,861)	**158,399,394**
Charges (reverse) of credit losses during the year	59,842,849	331,194,212	(230,241,065)	(1,929,217)	**158,866,779**
Amounts written-off during the year	(6,835,873)	(117,215,528)	-	-	**(124,051,401)**
Recoveries	-	3,000	-	-	**3,000**
Foreign exchange valuation differences	(4,303,860)	(13,528,600)	(5,955,543)	-	**(23,788,003)**
Balance at 31 December 2019	**293,017,394**	**699,992,322**	**101,393,540**	**1,499,079**	**1,095,902,335**

18.Financial derivatives instruments
The Bank uses the following derivative instruments for hedging and non-hedging purposes:

Currency forwards contract represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Future foreign currency exchange contracts and/or interest rates are contractual obligations to receive or pay a net amount based on changes in currency rates, interest rates and/or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an active financial market.
Credit risk at the Bank is considered low. Future interest rate agreements represent future exchange rate contracts negotiated on a case-by-case basis. These agreements require financial settlements on a future date for the difference between the contractual interest rate and the interest rate prevailing in the market on the basis of an agreed contractual amount/ nominal value.

Currency and/or interest rate swap contracts are commitments to exchange one set of cash flows for another. These contracts result in the exchange of currencies or interest rates (i.e. fixed rate for floating rate) or a combination of all these (i.e. Interest and currency swap contracts). Actual exchange of contractual amounts is not done unless in some currency swap contracts. The Bank's credit risk is represented in the potential cost to replace the swap contracts if counterparties fail to fulfil their obligations. This risk is monitored on an ongoing basis by comparison with the fair value a percentage of the contractual amount. To control an existing credit risk, the Bank assesses counterparties using the same techniques used for lending activities.

Foreign currency/ interest rates option contracts represent contractual arrangements in which the seller (issuer) grants the buyer (holder), the right not the obligation, either to buy (buy option) or to sell (sell option) at a certain date or within a certain year by a certain amount of foreign currency or a financial instrument at a predefined price. The vendor receives a commission from the buyer in return for accepting the risk of the foreign currency or the interest rate. Option contracts are either traded in the market or negotiable between the Bank and one of its customers. The Bank is exposed to credit risk for the purchased option contracts only within its book value which represents its fair value.
The contractual amounts of certain types of financial instruments are used as a basis for comparison with financial instruments recognised in the financial position but do not necessarily indicate the amounts of future cash flows or the current fair value of the instruments and therefore, do not indicate the Bank's exposure to credit or price risks.
Derivatives in favour of the Bank become (assets), otherwise they become (liabilities) as a result of fluctuations in foreign exchange rates or interest rates related to them. The aggregate contractual or notional amounts of the existing financial derivative instruments, the duration to which the instruments are favourable or unfavourable to the Bank, and the aggregate fair value of financial assets and liabilities from financial derivatives can fluctuate significantly from time to time.

Total derivatives held for trading (over the counter)	2020			2019		
	Contractual default amount of assets (liabilities)	Assets	(Liabilities)	Contractual default amount of assets (liabilities)	Assets	(Liabilities)
Forward foreign exchange contracts	205,120,008	1,100,598	786,356	253,408,638	548,676	965,840
Total derivatives (over the counter)	205,120,008	1,100,598	786,356	253,408,638	548,676	965,840
Current balances	**205,120,008**	**1,100,598**	**786,356**	**253,408,638**	**548,676**	**965,840**

19.Financial investments

Financial investments listed in the market

At 31 December 2020

Financial investments listed in the market	At fair value through comprehensive income	At amortised cost	At fair value through profit or loss	Total
Government bonds	8,725,854,125	5,844,816,512	-	**14,570,670,637**
Other bonds	149,300,000	552,348,647	-	**701,648,647**
shareholders' equity	7,291,783	-	-	**7,291,783**
Treasury bills and other government securities	18,401,640,406	**-**	**-**	**18,401,640,406**
Financial investments not listed in the market	-	-	-	**-**
Monetary funds	-	-	32,183,406	**32,183,406**
Total	**27,284,086,314**	**6,397,165,159**	**32,183,406**	**33,713,434,879**
Expected Credit Loss	-	(72,220)	-	**(72,220)**
Total	**27,284,086,314**	**6,397,092,939**	**32,183,406**	**33,713,362,659**

At 31 December 2019

Financial investments listed in the market	At fair value through comprehensive income	At amortised cost	At fair value through profit or loss	Total
Government bonds	2,647,135,081	8,440,223,349		**11,087,358,430**
Other bonds	-	738,582,939		**738,582,939**
shareholders' equity	7,362,945	-		**7,362,945**
Treasury bills and other government securities	5,756,463,167	**-**		**5,756,463,167**
Financial investments not listed in the market	-	-		**-**
Monetary funds	-	-	30,098,238	**30,098,238**
Total	**8,410,961,193**	**9,178,806,288**	**30,098,238**	**17,619,865,719**
Expected Credit Loss	-	(62,084,836)	-	**(62,084,836)**
Total	**8,410,961,193**	**9,116,721,452**	**30,098,238**	**17,557,780,883**

The movement of the financial investments is as follows:

At 31 December 2020

Financial investments listed in the market	At fair value through comprehensive income	At amortised cost	Listed at fair value through profit and loss	Total
Balance at the beginning of the year	8,410,961,193	9,116,721,452	30,098,238	**17,557,780,883**
Additions	41,763,065,239			**41,763,065,239**
Disposals (sale/redemption)	(24,634,042,993)	(2,708,869,412)	-	**(27,342,912,405)**
Differences from valuation of monetary assets in foreign currencies	(55,692)	(10,061,613)	-	**(10,117,305)**
Profits from change in fair value (Note 30-D)	54,903,826	-	2,085,168	**56,988,994**
credit losses	-	15,304,431	-	**15,304,431**
Amortization cost	1,689,254,741	(16,001,919)	-	**1,673,252,822**
Balance at the end of the year	**27,284,086,314**	**6,397,092,939**	**32,183,406**	**33,713,362,659**

At 31 December 2019

Financial investments listed in the market	At fair value through compre-hensive income	At amortised cost	Listed at fair value through profit and loss	Total
Balance at the beginning of the year	14,354,600,028	5,540,905,815	-	**19,895,505,843**
Impact of applying IFRS 9 - reclassifi-cation	(1,314,895,641)	1,299,105,164	15,790,477	**-**
Impact of applying IFRS 9 - remeasure-ment	(32,885,106)	103,231,646	12,740,785	**83,087,325**
Additions	9,396,817,503	3,039,053,381	-	**12,435,870,884**
Disposals (sale/redemption)	(15,586,442,905)	(685,753,116)	-	**(16,272,196,021)**
Differences from valuation of mone-tary assets in foreign currencies	(336,979)	(119,148,713)	-	**(119,485,692)**
Profits from change in fair value (Note 30-D)	160,970,901	-	1,566,976	**162,537,877**
credit losses	-	(60,176,031)	-	**(60,176,031)**
Amortization cost	1,433,133,392	(496,694)	-	**1,432,636,698**
Balance at the end of the year	**8,410,961,193**	**9,116,721,452**	**30,098,238**	**17,557,780,883**

Gain on financial investments	2020	2019
Gains on sale of financial investments at fair value through other comprehensive income	7,360,358	1,596,212
Gains on sale of treasury bills	42,107,448	7,841,344
Total	**49,467,806**	**9,437,556**

20 Intangible assets

Computer software	2020	2019
Net book value at the beginning of the year	270,185,968	262,815,012
Additions	21,352,707	52,799,758
Amortisation	(50,545,988)	(45,428,802)
Net book value at the end of the year	**240,992,687**	**270,185,968**

21 Other assets

	2020	2019
Accrued revenues	752,187,674	774,228,810
Prepaid expenses	88,962,250	63,704,137
Advance payments for purchase of fixed assets	653,899,126	587,762,268
Guarantee and custody	8,147,625	7,429,642
Assets reverted to the Bank in settlement of debts	8,101,289	2,875,600
Others	177,562,341	69,500,218
Total	**1,688,860,305**	**1,505,500,675**

22) Fixed assets

	Land and buildings	Leased assets' improvements	Machineries and equipment	Other assets	Total
Cost at January 1, 2019	**544,449,643**	**45,116,960**	**88,413,527**	**418,011,312**	**1,095,991,442**
Accumulated depreciation	(76,940,885)	(36,250,709)	(53,017,303)	(239,392,243)	**(405,601,140)**
Net book value at 1 Jan 2019	**467,508,758**	**8,866,251**	**35,396,224**	**178,619,069**	**690,390,302**
Additions during the year	75,065,437	12,943,054	12,510,581	38,473,463	**138,992,535**
Disposals	-	-	(13,954,183)	(10,365,828)	**(24,320,011)**
Depreciations during the year	(13,790,474)	(2,328,622)	(8,725,282)	(42,910,240)	**(67,754,618)**
Total accumulated depre-ciation of disposals during the year	-	-	13,639,114	9,853,420	**23,492,534**
Net book value at 31 December 2019	**528,783,721**	**19,480,682**	**38,866,454**	**173,669,885**	**760,800,742**
Cost at 31 December 2019	**619,515,080**	**58,060,013**	**86,969,925**	**446,118,948**	**1,210,663,966**
Accumulated depreciation	(90,731,359)	(38,579,331)	(48,103,471)	(272,449,063)	**(449,863,224)**
Net book value at 31 December 2020	**528,783,721**	**19,480,682**	**38,866,454**	**173,669,885**	**760,800,742**

	Land and buildings	Leased assets' improvements	Machineries and equipment	Other assets	Total
Net book value at 1 Jan 2020	528,783,721	19,480,682	38,866,454	173,669,885	**760,800,742**
Additions during the year	1,875,876	20,758,645	6,847,424	40,503,983	**69,985,928**
Disposals	-	-	-	(2,041,800)	**(2,041,800)**
Depreciations during the year	(15,579,799)	(3,884,268)	(10,506,127)	(46,565,377)	**(76,535,571)**
Total accumulated depreciation of disposals during the year	-	-	-	1,846,638	**1,846,638**
Net book value at **31 December 2020**	515,079,798	36,355,059	35,207,751	167,413,329	**754,055,937**
Cost at 31 December 2020	621,390,956	78,818,657	93,817,349	484,568,075	**1,278,595,037**
Accumulated depreciation	(106,311,158)	(42,463,598)	(58,609,598)	(317,154,746)	**(524,539,100)**
Net book value at 31 December 2020	**515,079,798**	**36,355,059**	**35,207,751**	**167,413,329**	**754,055,937**

Fixed assets (after depreciation) include EGP 158.38 million at 31 December 2020 (compared to EGP 144.70 million at 31 December 2019), which represents the assets that have not been registered in the Bank's name yet. Legal procedures are currently being undertaken to register those assets.

23 Due to banks

	2020	2019
Current accounts	122,395,423	23,452,113
Deposits	7,933,108	162,145,800
Total	**130,328,531**	**185,597,913**
Local banks	-	167,830,897
Foreign banks	130,328,531	17,767,016
Total	**130,328,531**	**185,597,913**
Non-interest bearing balances	122,291,236	-
Bearing Balance	8,037,295	185,597,913
Total	**130,328,531**	**185,597,913**
Current balances	130,328,531	185,597,913
Non-current balances	-	-
Total	**130,328,531**	**185,597,913**

24 Customers' deposits

	2020	2019
Current accounts	26,617,123,649	20,485,454,524
Time deposits	27,204,664,482	26,509,131,642
Certificates of deposit	17,065,570,300	14,424,970,661
Saving Deposits	3,111,882,218	3,180,744,260
Other Deposits	1,315,430,206	903,968,057
Total	**75,314,670,855**	**65,504,269,144**
Corporate deposits	46,658,548,975	38,061,261,206
Retail deposits	28,656,121,880	27,443,007,938
Total	**75,314,670,855**	**65,504,269,144**
Non-interest bearing balances	5,263,922,052	4,390,693,202
Variable interest bearing balances	27,132,989,521	20,179,473,640
Fixed interest balances	42,917,759,282	40,934,102,302
Total	**75,314,670,855**	**65,504,269,144**
Current balances	46,154,619,617	39,378,598,904
Non-current balances	29,160,051,238	26,125,670,240
Total	**75,314,670,855**	**65,504,269,144**

25 Other loans

	Interest rate	2020	2019
Short term borrowing African import and export Bank	LIBOR 3 months + 1.4%	-	320,830,000
Subordinate loan of Bank Audi Lebanon (S.A.L) for an amount of USD 60 million matures in December 2025.	LIBOR 3 months + 3%	943,926,000	962,490,000
Total other loans		**943,926,000**	**1,283,320,000**
Current balances		**-**	**320,830,000**
Non-current balances		**943,926,000**	**962,490,000**

26 Other liabilities

	2020	2019
Accrued interest	283,784,141	338,366,613
Unearned Revenue	40,041,944	33,119,624
Accrued expenses	33,816,236	40,553,400
Other credit balances	219,219,969	209,096,738
Total	**576,862,290**	**621,136,375**

27 Other provisions

2020

	Provision for Possible claims	Provision for legal claims	Provision for contingent liabilities	Total
Balance at the beginning of the year	124,385,650	834,487	119,346,586	**244,566,723**
Provided during the year (Note 10)	11,972,298	711,409	(23,219,188)	**(10,535,481)**
Utilized during the year	(52,321,851)	(20,293)	-	**(52,342,144)**
Currency valuation differences	-	(10,389)	157,095	**146,706**
Balance at the end of the year	**84,036,097**	**1,515,214**	**96,284,493**	**181,835,804**

2019

	Provision for Possible claims	Provision for legal claims	Provision for contingent liabilities	Total
Balance at the beginning	91,604,315	549,282	83,805,273	**175,958,870**
Changes resulting from the initial application of IFRS9(Note 10)			(17,015,979)	**(17,015,979)**
Provided during the year (Note 10)	40,710,741	483,611	53,563,822	**94,758,174**
Used during the year	(7,927,427)	(198,406)		**(8,125,833)**
Currency valuation differences	(1,980)	-	(1,006,530)	**(1,008,510)**
Balance at the end of the year	**124,385,650**	**834,487**	**119,346,586**	**244,566,722**

28 Current income tax liabilities

	2020	2019
Balance at the beginning of the year	100,592,265	175,045,558
Payments during the year	(553,182,072)	(623,526,441)
Tax for the year	754,247,739	549,073,148
	301,657,932	**100,592,265**

Deferred tax has been calculated on all temporary tax differences using the liabilities method and using the effective tax rate %22.5 for the current financial year.
Offset between deferred tax assets and deferred tax liabilities is done if there is a legal reason to offset the current assets tax and against the current liabilities tax, and when the deferred income taxes belong to the same tax department.

Deferred tax assets and liabilities

Below is the movement of deferred tax assets and liabilities:

<u>**Deferred tax assets and liabilities balances:**</u>

	Deferred tax assets		Deferred tax liabilities	
	2020	**2019**	**2020**	**2019**
Fixed assets	28,282,573	-	(91,354,922)	**(89,429,011)**
Provisions (excluding provision for loans impairment)		48,281,438		
Capital valuation differences		-	(62,115,525)	**(115,409,729)**
Tax recognised in other comprehensive income	28,282,573	-	(35,538,773)	**(23,185,413)**
Total tax arising from an asset (liability)	**-**	**48,281,438**	**(189,009,220)**	**(228,024,153)**
Net tax resulting in an obligation		**–**	**(160,726,647)**	**(179,742,715)**

Movement of deferred tax assets and liabilities-

	Deferred tax assets		Deferred tax liabilities	
	2020	**2019**	**2020**	**2019**
Balance at beginning of the year	48,281,438	23,125,338	(228,024,153)	(286,738,551)
Tax as at recognised in the statement of income	(19,998,865)	25,156,100	51,368,294	81,899,811
Tax recognised in other comprehensive income	-	-	(12,353,361)	(23,185,413)
Balance at the end of year	**28,282,573**	**48,281,438**	**(189,009,220)**	**(228,024,153)**

29 Share capital

The authorised, issued and paid-up capital at October 23, 2012 amounted to USD 235 million equivalent to the amount of EGP 1,337,024,865, divided among 23,500,000 shares, the value of each share is USD 10 and all the issued shares were paid in full.

On April 23, 2013, the Extraordinary General Assembly approved to increase the authorised and issued capital by an amount of USD 30 million equivalent to the amount EGP 206,334,000. Shareholders paid such increase in cash, so the authorised and issued capital amounted USD 265 million, equivalent to the amount of EGP 1,543, 358,865, divided among 26,500,000 shares, the value of each share is USD 10 and all the issued shares were paid in full. On 21 November 2013, the capital increase was registered in the commercial register.
On March 20, 2014, the Extraordinary General Assembly approved to increase the authorised and issued capital by an amount of USD 42 million equivalent to the amount EGP 299,884,200, which was from the Shareholders' share of dividends for the year 2013 amounting to EGP 317 million. The authorised and issued capital amounted USD 307 million, equivalent to the amount of EGP 1,843,243,065 divided among 30,700,000 shares, the value of each share is USD 10 and all the issued shares were paid in full. On 25 September 2014, the capital increase was registered in the commercial register.

On 14 December 2015, the Bank's Extraordinary General Assembly approved to increase the authorised and issued capital by an amount of USD 40 million that is paid directly by the shareholders. The authorised and issued capital amounted USD 347 million, divided among 34,700,000 shares; the value of each share is USD 10 equivalent to LE 2,152,447,065. On May 30 2016, the capital increase was registered in the commercial register.

The shareholders' structure is as follows:

Name of shareholder	Number of Shares	Nominal value in USD	Payment currency
Bank Audi "S.A.L." Lebanon	34,699,998	346,999,980	USD
Bank Audi “S.A.L.” - Private Services-Lebanon	1	10	USD
Bank Audi “S.A.L”. -Businesses- Lebanon	1	10	USD
Total	**34,700,000**	**347,000,000**	**USD**

30 Reserves and retained earnings

a) Reserve	2020	2019
General risks reserve	350,575,430	350,575,430
General banking risk reserve	168,413,534	2,875,594
Legal reserve	380,460,581	310,380,044
Capital reserve	2,054,428	760,436
Fair value reserve - through other comprehensive income	123,353,630	80,803,165
Total reserves at the end of the year	**1,024,857,603**	**745,394,669**

A) General banking risk reserve	2020	2019
Balance at the beginning of the year	2,875,594	123,688,632
Impact of first applying IFRS 9	-	(121,100,598)
Transfer to/ from retained earnings	165,537,940	287,560
Balance at the end of the year	**168,413,534**	**2,875,594**

B) Legal reserve	2020	2019
Balance at the beginning of the year	310,380,044	247,015,371
Formed from the profit of the year	70,080,537	63,364,673
Balance at the end of the year	**380,460,581**	**310,380,044**

According to the provisions of local laws, %5 of net annual profit of the year shall be transferred to a non-distributable statutory reserve until it reaches %50 of the bank’s issued capital.

C) Capital reserve	2020	2019
Balance at the beginning of the year	760,436	667,436
Formed from the profit of the year	1,293,992	93,000
Balance at the end of the year	**2,054,428**	**760,436**

In accordance with the requirements and instructions of the Central Bank, the capital reserve is made from the capital profits realised from sale of fixed assets before the distribution of dividends.

D) Fair value reserve for financial Investments through other comprehensive income	2020	2019
Balance at the beginning of the year	80,803,165	(127,117,443)
Impact of first applying IFRS 9	-	70,135,119
Net change in fair value of financial investments through other comprehensive income	104,371,632	170,408,458
Gains on sale of financial investments at fair value through other comprehensive income	(49,467,806)	(9,437,556)
Deferred tax	(12,353,361)	(23,185,413)
Balance at the end of the year	**123,353,630**	**80,803,165**

E) General risk reserve

	2020	2019
Balance at the beginning of the year	350,575,430	538,223,157
Used from the general risk reserve to support Credit loss provisions	-	(187,647,727)
Balance at the end of the year	**350,575,430**	**350,575,430**

b) Retained earnings	**2020**	**2019**
Balance at the beginning of the year	4,251,380,410	3,916,350,211
Net profit for the year	1,362,939,740	1,402,904,729
Shareholders' share of profit for 2019	(432,192,940)	(880,495,000)
Transferred to capital reserve	(1,293,992)	(93,000)
Employees' share of profit for 2019	(133,282,420)	(123,634,297)
Transfer to general banking risks reserve	(165,537,940)	(287,560)
Transfer to statuary reserve	(70,080,537)	(63,364,673)
Balance at the end of the year	**4,811,932,321**	**4,251,380,410**

31 Cash and cash equivalents

For the purpose of presenting the statement of cash flows, cash and cash equivalents include the following balances of maturity dates not exceeding three months from the date of acquisition.

	2020	**2019**
Cash and due from the CBE other than mandatory reserve ratio	610,962,002	558,085,288
Due from banks	13,312,815,519	14,127,303,533
Treasury bills and other government securities	106,045,560	1,624,682
Total	**14,029,823,081**	**14,687,013,503**

32 Contingent liabilities and commitments

A) Legal claims:

There is a number of outstanding lawsuits filed against the Bank at 31 December 2020. Provision for lawsuits amounted to EGP 1,515.

B) Capital Commitments:

The Bank's contracts for capital commitments amounted to EGP 63 million at 31 December 2020 compared to EGP 47 million in the comparative date, represented in purchases of fixed assets. The management has sufficient confidence of realising net revenues and

C) The Bank's commitments related to loans, guarantees, and facilities are represented in the following:

	2020	**2019**
Commitments for loans and other irrevocable liabilities related to credit		
Letters of acceptances	189,811,181	305,388,231
Letters of guarantee	3,839,923,430	4,322,965,180
Letters of credit - import	190,284,764	139,903,676
Letters of credit - export	47,555,112	523,485,090
Total	**4,267,574,487**	**5,291,742,177**

33 Related parties transactions

The Parent Company is Bank Audi "SAL" (Lebanon) which owns 99.99999% of the ordinary shares. The remaining ratio (0.00001%) is owned by other shareholders. Transactions and balances of related parties at the end of the financial year ended 31 December 2020 are as follows:

Loans and advances from related parties	**2020**	**2019**
Outstanding loans at the beginning of the year	962,490	1,074,816
Currency valuation differences	(18,564)	(112,326)
Outstanding loans at the end of the year	**943,926**	**962,490**

Loans and facilities granted from the parent company are non-secured, with floating interest rate as they are recoverable at the end of contract.

Loans and advances to key management

	2020	**2019**
Outstanding loans at the beginning of the year	27,179	26,376
Loans issued during the year	41,724	13,184
Loans paid during the year	(23,683)	(12,381)
Outstanding loans at the end of the year	**45,220**	**27,179**

Deposits from key management

Due to customers	**2020**	**2019**
at the beginning of the year	14,713	24,881
Deposits placed during the year	6,489	8,861
Deposits recovered during the year	(8,295)	(19,776)
Currency valuation differences	73	747
deposits at the end of the year	**12,980**	**14,713**
Deposits cost and similar costs	**838**	**915**

Deposits from key management

Other transaction with related parties	**2020**	**2019**
Bank balances	6,629	10,696
Due to banks	129,440	4,190
Accepted documents	304,572	718,477

Benefits to the Board and senior management	2020	2018
Salaries and short- term benefits	14,032	4,495

The monthly average of payments received by the Bank's 20 employees of the biggest bonuses and salaries in aggregate, amounted to EGP 6,265,964 for the year ended 31 December 2020 compared to the amount of EGP 4,637,668 for the financial year ended 31 December 2019.

34 Tax position
Corporate Income tax:

- Final Settlement till year 2012.
- Years 2013&2014, Bank reached an agreement with Tax Internal committee and tax due was paid and currently settling the file with Tax Seizure and Collection Division.
- Year 2015, inspected and we sent an objection letter on received form (19), and file transferred to Specialized Internal committee , bank defense memos and supported documents were presented and waiting for Committee decision
- Years 2016&2017, inspected and we sent an objection letter on received form (19).
- Years 2018&2019, Tax returns were submitted in Legal dates.

Tax on earnings

- Final Settlement till year 2014.
- Year 2015, inspected and we sent an objection letter on received form (38).

Stamp duty tax

- Final Settlement till year 2016.

35 Monetary funds

The mutual fund is one of the licensed activities of the Bank by the virtue of the provisions of Capital Market law no.95 for the year 1992 and its executive regulations.

(a) Bank Audi Monetary fund in EGP (with Daily Cumulative Interest)

The Fund is managed by EFG -Hermes for the management of mutual funds. The Fund's number of investment certificates reached 110 million certificates worth of EGP 1100 million, of which 500 thousand certificates were allocated to the Bank (the nominal value of which is EGP 5 million) to undertake the Fund's activities.

The Bank has purchased 500 thousand certificates amounting to EGP 5 million, with a redeemable value of EGP 23,364,756 at 31 December 2020, and the redeemable value of the certificate is EGP 32.16 at 31 December 2020. The Fund's outstanding certificates at the same date reached 14,664,547 certificates.

The CBE approved on 15 July 2014 to increase the Fund's size to 110 million certificates worth of EGP 1,100 million, and increase the Bank's contribution amount in the Fund to be EGP 22 million according to Article No. (150) of the Executive Regulations of Capital Market Authority No. 95 for the year 1992, which stipulates that "the maximum limit of money invested in the Fund shall not exceed fifty times its capital, which must not be less than EGP five million, paid in cash". The Bank's contribution at 31 December 2020 was 5% of the total certificates issued on that date.

In accordance with the fund's management contract and the subscription prospectus, Bank Audi receives fees and commissions against its supervision of the Fund and other administrative services it performs. The total commissions amounted to EGP 1,933,914 For the year ended 31 December 2020 included in fees and commissions/ other fees in the statement of income.

(b) Bank Audi Mutual Balanced Fund "Ezdehar" with cumulative dividends and variable periodic dividends in EGP

EGP 25 million, 50 thousand documents were allocated to the bank (with a nominal value of 5 million Egyptian pounds) to carry out the activities of the fund.

The Bank has purchased 50 thousand certificates amounting to EGP 5 million, with a redeemable value of EGP 8,818,650 at 31 December 2020, and the redeemable value of the certificate is EGP 176.37 at 31 December 2020. The Fund's outstanding certificates at the same date reached 90,060 certificates. In accordance with the fund's management contract and the subscription prospectus, Bank Audi receives fees and commissions against its supervision of the Fund and other administrative services it performs. The total commissions amounted to EGP 80,843 For the year ended 31 December 2020 included in fees and commissions/ other fees in the statement of income.

36 – Significant Matters

events that coincided with the end of the first quarter of the year with the outbreak of the coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19has brought about uncertainties in the global economic environment

A plan has been drawn up in response to the epidemic and the activation of the Crisis Management Committee. The committee is concerned with everything related to ensuring the continuity of business and managing all risks related to Covid 19. The main focuses on Audi Bank to confront this pandemic are the following:
Crisis management and business continuity.

The bank activated the epidemic response plan and the procedures are varied to ensure the safety and security of the bank's staff and an uninterrupted service to its customers. Remote working arrangements have been implemented and part of the Bank staff are working from home or from different locations, in line with the precautionary measures approved by the country

only to ensure the continued rendering of services to customers, whether through branches of the bank or through modern technology.

The bank's focus on using all available communication channels to communicate with customers, including social media, to ensure the continuity of the quality of services as in normal situations.

Credit risk management:

In light of the lack of clarity at the end of that period with all expectations being on the negative side regarding developments of the spread of a virus and its worsening effects on the global economy, the bank has updated ECL calculations fundamental assumptions
In addition to the above, and given that forecasting macroeconomic indicators and the extent of their vulnerability to the virus is subject to a high degree of uncertainty, confirmed by the variation in the expectations of many institutions, the bank relied on the inputs of economic scenarios on the averages of the forecasts of several global sources that enjoy excellent reputation and wide international reach.
The Bank also identified a number of economic sectors that were expected to be particularly vulnerable and individually audited to ensure that there were no additional potential risks not covered by the anticipated credit loss provision already formulated.
Also, the bank has implemented a central bank initiative to defer loans installments for six months in addition to other initiatives that will stimulate the economy and support the banking sector's clients.
Liquidity management:
Liquidity risk is assessed by following up and conducting stress tests on the more conservative internal gaps.
In addition, compliance with the specified central bank ratios and monitoring maturity ladder gaps and the global approved limits from Basel committee (the net stable funding ratio (NSFR) and the liquidity coverage ratio (LCR))
Capital management:
The bank implements and follows a prudent capital management policy by conducting periodic stress tests, as well as an internal capital adequacy assessment (ICAAP) using stress tests.

SUBSEQUENT EVENTS

Bank Audi SAL and First Abu Dhabi Bank had agreed on the sale of Bank Audi Egypt and the full acquisition will take place in the next few months after obtaining the proper approvals from the Central Bank of Egypt and the Central Bank of United Arab Emirates.

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MANAGEMENT

Board of Directors, Executive Committee and Senior Management

Mr. Hatem Sadek	Chairman of the Board
Mr. Mohamed Bedeir	Chief Executive Officer & Managing Director
Dr. Emad Etani	Non-Executive
Mr. Khalil El Debs	Non-Executive
Mr. Tamer Ghazaleh	Non-Executive
Dr. Mounir Fakhry Abdel Nour	Independent

Executive Committee

Mr. Mohamed Bedeir	Chief Executive Officer & Managing Director
Mr. Mohamed Latif	Chief Institutional & Islamic Banking Officer
Mr. Mohamed Shawky	Chief Financial officer
Mr. Sherif Sabry	Chief Corporate Banking Officer
Mr. Karim Hosni	Chief Risk Officer
Mr. Bassel Kelada	Chief Operating Officer
Mr. Hesham Ragab	Chief Legal Counselor

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35 (Repeated) Victor Ammanouil Square.
Tel: (20-3) 4245089, 4245204, 4245261.
Fax: (20-3) 4244510

ALEXANDRIA DOWNTOWN
E1 Mirzo Project- Qanat El Suez Street.
Tel: (20-3) 4880501

MIAMI - ISLAMIC
379 Gamal Abdel Nasser Street, Miami
Tel: (20-3) 5505212

BRANCHES MANSOURA

MANSOURA
26 Saad Zaghlool Street.Toreil.
Tel: (20-50) 2309783, 2309784, 2309785.
Fax: (20-50) 2309782.

BRANCHES TANTA

TANTA
Intersection of El-Geish Street & El-Nahda Street.
Tel: (20-40) 3403306, 3403307, 3403308, 3403309.
Fax: (20-40) 3403100.

BRANCHES RED SEA

GOUNA
Service Area # Fba-12e; “El Balad” District, Gouna
Tel: (20-65) 3580096,
Fax: (20-65) 3580095.

SHERATON ROAD
23 Taksim El Hadaba El Shamaleya, 167 Sheraton Road, Hurghada.
Tel: (20-65) 3452015-6-8-9, 3452020
Fax: (20-65) 3452023

BRANCHES ZAGAZIG

ZAGAZIG
95, Saad Zaghloul Street.
Tel: (20-55) 2369837.

BRANCHES PORT SAID

PORT SAID
27A, 23 July Street - Qesm El Shark
Tel: (20-66) 239929 - 3239939 - 3380800.

BRANCHES DAMIETTA

DAMIETTA
49, Kornish El Nil, Damietta
Tel: (20-57) 02367010 - 02367030 - 702367040

BRANCHES ASSIUT

ASSIUT
Mahmoud Fahmy El Nokrashy
Tel: (20-88) 884620 - 2286120

BRANCHES SHEBEEN EL KOM

SHEBEEN EL KOM
Marsellia Building- Gamal Abd El Naser Street.
Tel: (20-48) 2312468, 2312694, 2312764, 2312768, 2313129
Fax: (20-48) 482312764

BRANCHES DAMANHOUR

DAMANHOUR
Street 26 from Abd El Salam El Shazly- El Madina El Monawara Building
Tel: (20-45) 3190552 & 3190553
Fax: (20-48) 482312764

BRANCHES ISMALIA

ISMALIA
7, Garden City Street
Tel: (20-55) 3108941 - 3108942 - 3108950.

BRANCHES EL MINYA

MINYA
191/193 El Horreya Street - Kornish El Nil..
Tel: (20-86) 2338882 - 2338901 - 2338902.

BRANCHES KAFR EL SHEIKH

KAFR ELSHEIKH
Hakr El Dababsha, Abu Dhabi Mall, Kafr El Sheikh
Tel: (2) 010 688 22 173 - 010 688 22 185 - 010 688 22 187.

ATMS

CAIRO GOVERNORATE		
City	Governate	Address
Shoubra	Cairo	128 Shoubra Street, Shoubra, Cairo
Haddek Helwan	Cairo	Khaled Ibn Elwalid st. Hadeeq Helwan
Helwan	Cairo	41 Rayeel Street,Helwan, Cairo, Egypt
Abbasia	Cairo	109 Abbasia Street, Cairo
Saray El Koba	Cairo	1 Sawah Square, Saray El Koba, Cairo
Rehab City	Cairo	Gate 13 - El-Rehab, City
Gesr El-Suez	Cairo	19 Beginning of Cairo-Ismailia Road in front of El-Herafieen City
Garden City	Cairo	1 Aisha El-Taymoria Street, Garden City – Cairo
Zamalek	Cairo	Hasan Sabry Street, Zamalek
Al Salam	Cairo	Shop 1 - Store number 13 Gamal Abdel Nasser Street, Gesr El Suez , El Herafeyin City - Plot 157 El Sadat, El Salam, Cairo
Madinaty	Cairo	Banks area – Piece no.6 - Madinaty
Ein Shams	Cairo	Shop 2 and 3 store number 15 Ahmed Essmat Street, Nasia Ali Hassan Street, Ain Shams El Sharqia, Ain Shams, Cairo
Mokattam	Cairo	Plot # 6034, Street 9, Mokattam, Cairo (Machine 1)
		Plot # 6034, Street 9, Mokattam, Cairo (Machine 2)
Mokattam	Cairo	361 Street No.9 , Al-Mokattam
Maadi	Cair o	Nasr St. infront of Moamen
Maadi	Cairo	22 El Lasilki Street – New Maadi – beside Metro supermarket
Maadi	Cairo	Wadi Degla Club - Maadi
Maadi	Cairo	Autostrad Road – Maadi Degla entrance
Maadi	Cairo	1-B, 256 Street, Degla, Maadi, Cairo
Maadi	Cairo	Zahraa El Maadi Industrial Area Mansour Group Management
Maadi	Cairo	Baroun Mall - Ring road - Maadi
Maadi	Cairo	Total Station Merag- Zahraa El Maadi - Beside Carrfour market
Manial	Cairo	90 El Manial Street, Cairo
Manial	Cairo	59 El-Manial Street, Cairo
Downtown	Cairo	42 Abdel Khalek Tharwat Street, Cairo
Downtown	Cairo	Al-Ahram Building, El-Galaa Street, Cairo
Downtown	Cairo	1 Street Magls El Dawla Downtown
Downtown	Cairo	Sherif Street, Down Town
Tagamoa	Cairo	Water Way Compound - Tagamoa (Machine 1)
		Water Way Compound - Tagamoa (Machine 2)
Tagamoa	Cairo	Behind complex of court - El-Tagamoa El-Khames , New Cairo
Tagamoa	Cairo	Cairo Festival City Mall, The Fifth Settlement
Tagamoa	Cairo	Piece 23 - El-Tagamoa El-Khames - Maxim Mall
Tagamoa	Cairo	Swan Lake - El-Tagamoa El-Khames (Club House)

ATMS

CAIRO GOVERNORATE		
City	Governate	Address
Nasr City	Cairo	10th District Nasr City Beside Sun Mall
Nasr City	Cairo	6th Hassan EL Sherif (Hassan El Maamoun) Street, Nasr City, Cairo
Nasr City	Cairo	Plot no. 14, block 6, Area 11, Nasr City
Nasr City	Cairo	Nasr City-infront of Al Rashdan Mosque - Cairo Stadium
Nasr City	Cairo	Abbas El-Akad,Nasr City
Nasr City	Cairo	1 Makram Ebeid Street, Nasr City, Cairo (Machine 1)
		1 Makram Ebeid Street, Nasr City, Cairo (Machine 2)
Nasr City	Cairo	Autostrad Street
Nasr City	Cairo	40 Tayran Street, Nasr City
Nasr City	Cairo	4 Street, Hassan Aflton Nasr city
New cairo	Cairo	The Fifth Settlement, Mobil Station - District El Narges Villas
New cairo	Cairo	Near 90th Street New Cairo 5th settlement, El-Tagamoaa, New Cairo
New cairo	Cairo	New Cairo, Platinum club
New cairo	Cairo	84- sector one - City Center - Fifth Settlement (Machine 1)
		84- sector one - City Center - Fifth Settlement (Machine 2)
New cairo	Cairo	Egyptian Iron Company - Teseen Street
Cairo	Cairo	Airport , Village of goods
Cairo	Cairo	Nasr City- in from of Al Rashdan mosque - Cairo Stadium
Cairo	Cairo	Chill out station, Mehwar El Shahid 1 - Market Circle K
Cairo	Cairo	Chill Out Station (Triumph) - Fifth Settlement - New Cairo
Heliopolis	Cairo	11 Khaled Ibn El-Waleed Street, Masaken Sheraton, Cairo
Heliopolis	Cairo	17 Abdel Hamid Badawy Street, Heliopolis, Cairo
Heliopolis	Cairo	15 Salah Salem Street
Heliopolis	Cairo	100 Merghany Street, Heliopolis
Heliopolis	Cairo	54 Demeshk Street, Heliopolis, Cairo
Heliopolis	Cairo	No. 8 , plot 740 , Othman Ibn Affan Street with Mohamed Adly Kafafi, heliopolis
Heliopolis	Cairo	15 Salah Salem Street
Heliopolis	Cairo	72 El-Khalifa El-Maamoun Street., Heliopolis, Cairo
Heliopolis	Cairo	66 El-Nozha Street, Almaza, Cairo

ATMS

GIZA GOVERNORATE

City	Governate	Address
Mohandessin	Giza	Lebanon Tower, 60 Lebanon Street, Lebanon Square, Mohandessin (Machine 1)
		Lebanon Tower, 60 Lebanon Street, Lebanon Square, Mohandessin (Machine 2)
Mohandessin	Giza	44 El-Batal Ahmed Abdel-Aziz Street, Mohandessin, Cairo
Mohandessin	Giza	63 Gamheet Al-Dowal Street, Mohandessin, Giza
Dokki	Giza	94 Tahrir Street, Dokki, Giza
Dokki	Giza	56 Mossadak Street, Dokki, Giza, Cairo
Dokki	Giza	50 Giza Street, in front of Magles El-Dawla, Giza
Dokki	Giza	104 El Nile Street, Dokki, Giza, Cairo
Moneeb	Giza	Shooting Club Street, Dokki
Zayed	Giza	Mazar Mall - El-Hay 16 - El-Sheikh Zayed
Zayed	Giza	In front of Hadayek elmohandessin compound gate 9 - Sheikh Zayed
Zayed	Giza	Capital Business Park, El-Shiekh Zayed
Zayed	Giza	Arkan Mall - El-Shiekh Zayed
Zayed	Giza	Hyper One second Floor
Zayed	Giza	Kilo 38 Cairo Alexandria Desert Road - Saudi Market Beverly Hills - El-Shiekh Zayed
Zayed	Giza	Extend of Mehwar 26th of July,El-Sheikh Zayed City
Haram	Giza	46 Al-Haram Street, Galaxy, Mariotia, Haram
Haram	Giza	42 Haram Street (Machine 1)
		42 Haram Street (Machine 2)
Haram	Giza	8 El Mansouria Road, El Haram, next to Koki Park
Haram	Giza	Al Kom AL Akhdar, Giza
Haram	Giza	Street 4 Ezz El-din from Haram Street
Cairo-Alex desert road	Giza	Cairo - Alexandria Desert Road, KM 17
Cairo-Alex desert road	Giza	Cairo - Alexandria Desert Road, KM 22. (Machine 1)
		Cairo - Alexandria Desert Road, KM 22. (Machine 2)
Cairo-Alex desert road	Giza	Cairo - Alexandria Desert Road, Smart Village
Cairo-Alex desert road	Giza	Smart Village, EFG
Cairo-Alex desert road	Giza	Kilo 15 – Cairo Alex desert Road
Cairo-Alex desert road	Giza	Kilo 106 - Cairo Alexandria desert rood
Warraq	Giza	Saad El-Bbanan Street Warraq Al-Arab Warraq, Giza
October	Giza	Mall of Arabia 6 oct
October	Giza	Plot # 2/23 - central district - 6 october City
October	Giza	6 Oct 3rd industrial zone piece no.609 (Machine 1)
		6 Oct 3rd industrial zone piece no.609 (Machine 2)
		6 Oct 3rd industrial zone piece no.609 (Machine 3)
		6 Oct 3rd industrial zone piece no.609 (Machine 4)
		6 Oct 3rd industrial zone piece no.609 (Machine 5)
October	Giza	Hadeek Al-Ahram
October	Giza	Pegasus Dreamland Club - October

ATMS

GIZA GOVERNORATE

City	Governate	Address
October	Giza	City Scape - Spinneys Market
October	Giza	Watnya Station, Market Master,October wahat
October	Giza	Mall of Arabia 6 Oct- Entrance 15
October	Giza	New Giza University - October
October	Giza	Prima Vista Mall - Beside Costa Coffee
October	Giza	Cairo - Alexandria Desert Road, KM 55, Golf Alsolaimaneyah
October	Giza	Mobil Station - End of 26th of July Corridor - Entrance to 6th of October City - Juhayna Square
October	Giza	El-Hay 7 - October
Giza	Giza	Street 17 Ebada ebn El-Samteen - Mahtta Street
Ring road	Giza	Ring road, El-Nour Station
Fesial	Giza	1 Fesial Street, Fawry Store

ALEXANDRIA GOVERNORATE

City	Governate	Address
Alex	Alex	4 Street, 489 - Montazah Division - Alexandria (Machine 1)
		4 Street, 489 - Montazah Division - Alexandria (Machine 2)
Alex	Alex	35 Victor Ammanouil Square, Alexandria
Alex	Alex	1 Mostafa Fahmy Street, Gleem
Alex	Alex	45 Sultan Hussein Street, Alexandria
Alex	Alex	San Stefano - Alexandria
Alex	Alex	Downtown - Alex
Alex	Alex	Merghem, Alexandria-Cairo Desert Road
Alex	Alex	33 Sultan Hussein Street, Alexandria
Alex	Alex	25 & 27 Sarhank Pasha Street, Loran, El Raml Awal
Alex	Alex	Green Plaza Mall , Alexandria
Alex	Alex	33B Serya Street, Roshdy , Alexandria.
Alex	Alex	44 Mohamed Farid St. El Duha Tower Ground Floor Shop No. 4 - Sidi Gaber
Alex	Alex	Street 364 - Victor Amanuel square, Smouha , Alexandria
Alex	Alex	52 El-Horreya Road - El-Atareen - Alexandria
Alex	Alex	Malik Hefni kebly Street - El Montazah – Alex
Alex	Alex	Store (98)/63 Port Said Street - Camp Caesar - Alexandria
Alex	Alex	Kilo 21, Alexandria - Cairo Desert Road, Merghem

DAKAHLIA GOVERNORATE

City	Governate	Address
Mansoura	Dakahlia	Street no. 20, Mansoura- Dakahlia, Egypt
Mansoura	Dakahlia	26 Saad Zaghloul Street toreil , Mansoura
Mansoura	Dakahlia	Suez Canal Street, El Nour Building, El Mansoura

ATMS

GHARBIA GOVERNORATE		
City	Governate	Address
Tanta	Gharbeya	Intersection of El-Gueish & El-Nahda Streets, Tanta (Machine 1)
		Intersection of El-Gueish & El-Nahda Streets, Tanta (Machine 2)
Tanta	Gharbeya	32 Said Street, Couchner Square - Tanta
Tanta	Gharbeya	Mall Tanta - Entrance 5

PORT SAID GOVERNORATE		
City	Governate	Address
Port Said	Port Said	Beside Port Said Governorate Building

MENOFIA GOVERNORATE		
City	Governate	Address
Shebin El kom	Menofia	Gamal Abdel Naser Street in front of Governor Resthouse -Shebin el Kom
Sadat City	Menofia	El Sadat City 7th industrial zone
Sadat City	Menofia	1st industrial zone Sadat City (Machine 1)
		1st industrial zone Sadat City (Machine 2)
Sadat City	Menofia	4th Industrial Zone,Sadat City

SHARKIA GOVERNORATE		
City	Governate	Address
Zagazig	Sharkia	95 Saad Zaghlol street, Zagazig, Sharkia
10th of Ramadan	Sharkia	Oriental Weaver Factory 10th of Ramadan (Machine 1)
		Oriental Weaver Factory 10th of Ramadan (Machine 2)

SUEZ GOVERNORATE		
City	Governate	Address
Ain Sokhna	Suez	Egy steel Factory, El-Ain Sokhna
Ain Sokhna	Suez	Chill out station- Wahet Mohamed (1), Mid Way of El Sokhna, Cairo Road

DAMIETTA GOVERNORATE		
City	Governate	Address
Damietta	Damietta	49, Kornish El-Nile Street, Ezbet El-Lahm - Damietta
Damietta	Damietta	Shatt Gheit an Nadara, Damietta Desert - EL-Kattan Ceramic

BENI SUEF GOVERNORATE		
City	Governate	Address
Beni Suef	Beni Suef	Al-Koraymat road - Hadid El-Masryeen factory - Beni Suef
Beni Suef	Beni Suef	Safia Zaghloul Street Beni Suef

ATMS

ASSIUT GOVERNORATE		
City	Governate	Address
Assiut	Assiut	Chamber of Commerce building - Mahmoud Fahmy El-Nokrashy Street, Assiut

AL QALYUBIA GOVERNORATE		
City	Governate	Address
Al Qalyubia	Al Qalyubia	Chill out station - Shoubra Banha 2 - master market road Shoubra Banha
Obour City	Al Qalyubia	43,44,45 Golf City, Obour City , Shops
Al Qalyubia	Al Qalyubia	Golf City Mall, Obour city

MINYA GOVERNORATE		
City	Governate	Address
Minya	Minya	17 Horreya Street-Kornish El Nile, Al-Minya

KAFR EL SHAIKH GOVERNORATE		
City	Governate	Address
Kafr el Shaikh	Kafr el Shaikh	Kafr El-Shaikh- Qesm Kafr El Sheikh

ISMALIA GOVERNORATE		
City	Governate	Address
Ismalia	Ismalia	7 Garden City Street, Ismalia

BEHIRA GOVERNORATE		
City	Governate	Address
Damanhour	Behira	Street 26 from Abd El Salam El Shazly- El Madina El Monawara Building- Damanhur

RED SEA GOVERNORATE		
City	Governate	Address
Hurghada	Red Sea	Sheraton Road - Hurghada
Hurghada	Red Sea	Service Area # Fba-12e, El-Balad District, Gouna, Hurghada
Gouna	Red Sea	El-Gouna, Hurghada
Hurghada	Red Sea	El-Nasr Street, El-Dahar, Hurghada
Hurghada	Red Sea	Senzo Mall, Hurghada

SOUTH SINAI GOVERNORATE		
City	Governate	Address
Sharm	South Sina	Sun Terra mall - 200 El Soor road - Sharm El Shiekh

ALAMEIN GOVERNORATE		
City	Governate	Address
Marsa Matrouh	El Alamein	In front of Marina 5 Total station

Bank Audi

Bank Audi

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