Misr Bank-Europe GmbH
Frankfurt am Main

Annual financial statements for the fiscal year
from January 1, 2022 to December 31, 2022

and disclosure pursuant to § 26 (1) of the
German Banking Act (KWG)

Management Report

for the Fiscal Year from
January 1, 2022 to December 31, 2022

1. Basics of the company

The ownership structure with 4 state-owned banks of Egypt focuses our activities on relationships with banks, companies, as well as other institutions in Egypt and some other countries in the Middle East and North Africa region ("MENA"). We participate in sub-participations in financing transactions and are supporting export and import business. We also engage with companies in Germany, Austria and Switzerland, as well as selected customers in Central and Eastern Europe, whom we support with customized financing. We additionally invest surplus liquidity in syndicated loans, promissory bills, but stop investing in fixed-income securities. An increase in customer deposits with limited risk-bearing capacity leading to increased investment in money market deposits with investment grade counterparties.

2. Economic report

Macroeconomic, industry-related framework conditions:
With more than 110 million inhabitants, Egypt has a sizable domestic market, but its purchasing power is limited. The industrial base is rather diverse. The country is becoming increasingly important for trade and logistics because of its strategic location between Europe, Africa and Asia.

In a regional comparison, Egypt stands out with its diversified industry and well-developed infrastructure. Transport flows are improved by new rail networks and dry ports. The oil and gas industries, as well as public infrastructure projects, are major drivers to economic growth. Mining, tourism and agriculture are other key industries. The chemical industry benefits in particular from the production of fertilizers. Egypt will step up collaboration with Germany and the EU in the gas and renewable energy sectors.

The Egyptian government has largely succeeded in mitigating the effects of the corona pandemic and keeping the economy on track for prosperity. Foreign tourists are gradually returning to Egypt that have been allowed to boost consumption. Exports in all areas are resuming. On the other side, rising inflation dampens spending and stifles economic growth. There are currently risks due to delivery bottlenecks and increased prices for certain preparatory items from abroad, on which Egyptian industry is dependent. Due to the shortage of foreign exchange, some of the import regulations remain complex. At the same time, the country is working on reforms to improve the business climate and is increasing its advertising urn foreign direct investment. A surge in digitalization promotes for economic dynamism. Well-trained workers, some of whom speak German, are looking for jobs.

Egypt's proximity to Europe makes it an appealing site, with the prospect of reducing supply chains from there. Egypt is already Germany's second most important trading partner on the African continent.

Due to high interest rates and fairly robust economic development, Egypt has produced consistent capital market returns in recent years. The gross domestic product increased by 4.4% in 2022. However, since Russia's war with Ukraine, the country has been in another economic crisis, as a shortage of grain supply has struck Egypt hard. High inflation dynamics are added to this. This created a negative influence on the currency as well. In 2022, inflation was calculated to be 13.9%. Since March 2022, the country's currency has been depreciated by half. The Egyptian central bank boosted interest rates by 300 basis points to support the currency. For the fourth time in six years, President Sisi requested assistance from the International Monetary Fund (IMF) towards the end of 2022. The IMF approved another $3 billion loan with limitations in December 2022. According to the arrangement with the IMF, the state would withdraw fully from 79 sectors and partially from another 45 during the following three years. The private sector should also be able to gain much more from public investments, increasing from 30% to 65%.

Business performance:

The targets for fiscal 2022 envisaged a stronger focus of the balance sheet structure on a sustainable increase in interest income. However, rising interest rates and tighter monetary policy by the FED/ECB are eroding interest margins and causing a reluctance to invest in fixed income assets. The decrease in international trade activity and the rise in interest rates resulted in a little lower commission outcome.

The assumptions made about operational expenses, interest rates, and contributions from various asset kinds proved to be mostly correct. Personnel expenses were in accordance with estimates and stayed at the previous year's level, but we had to manage higher operational expenditures as a result of external consulting support and IT investments.

Some key assumptions underlying the planning in terms of asset/liability structure have developed differently than intended, e.g.:

- The balance sheet total was calculated with a target figure of around € 300 million, but thanks to unexpected new deposits it rose to € 528 million on average for the year and reached € 478 million at the end of the year.
- A large proportion of the new deposits are subject to uncertainties over a future disposal, so that these funds were available for interest-bearing, medium-term assets to a considerably reduced degree and were predominantly parked in short-term money market investments. This resulted in dramatically increased liquidity holdings and, as a result reduced profitability.
- For the reasons stated above, as well as the limited risk-bearing capacity, made it difficult it was not possible to implement the increase in securities investments to the planned amount of about € 120 million by the end of 2022 as a key source of interest income.
- The increase in bilateral lending volume with eligible counterparties in Egypt have been limited due to Egyptian economy’s current difficulties.

The effects of the long lockdown that followed disruption of the flow of goods and logistical difficulties, as well as the impact on important industries such as the automotive industry and its suppliers, textile retail and tourism, as well as the general economic slowdown, led to the need to increase risk provisioning in individual cases. Furthermore, a provision for Guarantees taken must be made in the case of insolvency.

The year-long rise in interest rates, which had already begun the previous year, led to valuation losses in the securities portfolio over the course of the year. Market price adjustments due to reduced creditworthiness also led to discounts.

The increased exposure to Egypt is reflected in higher country risk provisions.

For the 2022 financial statements, the Loan Loss Provisions were calculated using the norms of the IDW RS BFA7, which provides for a continual growth to the predicted level through the establishment of monthly provisions.

Status

Net assets

Loans and advances to banks increased by 92.2 % from €141 million to €271 million, mainly due to normal fluctuations in the bank's money trading activities. **loans and advances to customers** fell by 21.1% from €90 million to €71 million due to the return of existing commitments and reluctance to grant new loans.

The portfolio of **securities** amounts to € 99 million compared to € 111 million in the previous year. There were no securities transactions in the year under review, so the change is solely due to maturities. Predominantly bonds of European are held Countries and supranational institutions, which are particularly suitable for the liquidity reserve within the framework of the LCR calculation as HQLA (High Quality Liquid Assets), as well as fixed- and floating-rate bonds issued by major European companies and banks.

Liabilities to banks amounted to € 65 million (previous year: € 59 million), which can be attributed to general fluctuations in the Bank's interbank money trading activities. As of the reporting date, the bank had open market transactions of the ECB amounting to € 50 million participated. **Liabilities to customers** increased from €245 million to €367 million due to unexpected deposits.

Off-balance-sheet obligations amounted to €30.0 million (previous year: €24.6 million). This includes **irrevocable loan commitments** in the amount of € 7.5 million (previous year € 8.3 million).

Financial position

The bank's solvency and ability to pay were secured at all times during the past fiscal year. The bank refinanced itself almost exclusively through deposits from Egyptian institutions. Investments are made in matching currencies and for the most part also in matching maturities. This, together with sufficient unused refinancing facilities, ensures solvency at all times.

Earnings

Net Interest Income amounted to €4,716 thousand, was slightly below the previous year's figure of €5,195 thousand.

Net Commission Income amounted to €1,290 thousand, was slightly above the previous year's figure of €1,190 thousand.

The net result from **Foreign Exchange transactions** included in other operating income was €696 thousand compared to €6 thousand in the previous year. The bank did these deals exclusively on customer order.

Personnel expenses increased slightly from €3,222 thousand to €3,653 thousand, other administrative expenses increased from €2,986 thousand to €3,773 thousand, which is mainly due to consulting fees for supporting projects, legal costs and investments in IT.

A Loan Loss Provisions of €8,875 thousand was formed in the lending business, which was offset by a reversal of €1,292 thousand.

The net **loss for the year** after risk provisioning amounts to € 11,965k, after a net loss of € 2,234k in the previous year. The loss carryforward will increase from €4,881 thousand at the end of 2021 to €16,847 thousand.

The business performance was not satisfactory, and the high level of provisional expenses depressed the overall result. Nevertheless, the bank's net assets, financial position are in order.

Financial performance indicators

We consider the liquidity ratio LCR, ratios of equity to specific segments of the balance sheet, and the regulatory total capital ratio to be performance indicators.

The LCR sets the stock of first-class liquid assets in relation to the total net cash outflow within the next 30 calendar days. If the LCR defined in this way does not fall below a value of 100 percent, the bank's liquidity in the short term is sufficient from the point of view of banking supervision.

The total capital ratio describes the percentage ratio of own funds, consisting of core capital and supplementary capital, to the bank's total risk exposure.

Capital accounts for 9.3% of total assets, bank deposits for 13.7% of total assets, and customer deposits for 76.8% of total assets.

The total capital ratio (CoRep) was 15.98% as of the reporting date, compared with 18.63% in the previous year, which is mainly attributable to the increase in total assets and the associated increase in risk-weighted assets.

Further information can be found in the disclosure report.

Capital Injection

In 2022, the shareholders approved a capital increase totaling €40 million, which is to be paid out in two tranches. The first tranche in an amount of €20 million was paid in January 2023.

This will significantly improve the bank's financial health and ability to build new business and clearly shows that shareholders will continue to support MBE

3. Risk report

3.1 Opportunities and risks

The main objective of risk management at Misr Bank - Europe GmbH is to ensure the bank's resilience to risks arising from its business activities and its continued existence as a going concern, accompanied by the generation of a sustainable and at the same time risk-adequate return on the capital invested by its shareholders. Under this premise, the bank is prepared to take risks in a conscious, controlled and economically acceptable manner.

The design of the Bank's risk management system is determined by its business and risk strategies. The Management Board is responsible for the development and implementation of these strategies. The risk strategy is derived consistently from the bank's business strategy. It defines rules according to a materiality concept for dealing with risks and opportunities that arise directly or indirectly from the bank's business activities. These rules form the basis for a uniform understanding throughout the bank on the corporate objectives in connection with risk management, and features essential to the business model are monitored on an ongoing basis via an internal limit system.

The risk strategy covers in particular the objectives of risk management and is commensurate with the opportunities taken. Key business activities, market-driven developments on the one hand and instruments provided for internal management on the other, are reviewed at least annually and adjusted appropriately where necessary.

In the fiscal year Misr Bank - Europe GmbH always remained within the defined risk-bearing capacity. All applicable regulatory capital adequacy requirements were met at all times.

The solvency of Misr Bank - Europe GmbH was not at risk at any time during the reporting period. Due to the refinancing structure and the bank's business model, sufficiently high liquidity reserves are maintained, which can be adjusted appropriately as required. In Q1 2022, however, the regulatory requirements for liquidity adequacy were briefly not met due to a resource bottleneck in combination with a misunderstanding regarding a customer instruction.

Based on the 2022 annual financial statements and the analysis of the results from the risk management system, there are currently no discernible risks to the bank as a going concern.

Opportunities for the bank arise from the positive economic development in the target markets. Even if our market share in German-Egyptian trading remains unchanged, the growth expected in this market under normal circumstances will result in increased commission income. Additional earnings potential lies in the targeted sustainable increase in our market share in German-Egyptian trade in the planning period 2022 - 2025.

Risks may only be taken within the framework of the risk-bearing capacity. The necessary risk awareness and the opportunity- and risk-oriented corporate and risk culture are supported by functioning communication and the conscious handling of risks. The bank sees a risk that the planned expansion of business activities with Egyptian exporters in the forecast period (until the end of 2023) in terms of the targeted volume cannot be implemented as planned.

4. Risk report

4.1 Bank governance & risk culture

The fundamental internal understanding of governance and risk culture builds on the risk strategy adopted by the management. It is based on a comprehensible management culture and transparent communication.

Management defines clear expectations for dealing with risks and itself acts in an exemplary manner in implementing them. The employees are informed about the current risk situation and relevant risks.

Existing expert knowledge is continuously adapted to the ongoing framework conditions. Divergent opinions are respected and a targeted analysis of risks is encouraged. The entire governance structure (MaRisk compliant) thus forms a guiding framework for risk management:

In addition, an integrative interaction of three lines of defense (different functional areas) creates the conditions for effective holistic risk management. Here, the individual lines of defense assume the following roles:

- **First line**: operational, active risk exposure on the market and reporting to management
- **Second line**: independent monitoring and further development of the legal basis with supplementary reporting to the management and supervisory board.
- **Third line**: intrinsic and resilient review of monitoring processes.

4.2 Risk management process

The risk management process comprises all activities involved in dealing with risks. These include the identification, analysis, assessment, management, documentation and communication of risks as well as the review of the effectiveness and appropriateness of risk management measures.

For the design of the risk management process, the Bank follows the guidelines of the EBA and the principles of the Basel Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB).

As part of the regular annual risk inventory, all risks classified as material are quantified using risk measurement methods and taken into account as part of the risk-bearing capacity. The ongoing reporting is supplemented by additional scenarios under adverse, extraordinary events (stress tests) in addition to normal market conditions.

4.2.1 Risk management objectives

The risks arising from **general business development** and the **country risk** inherent in our business structure, Egypt, are being closely monitored. Based on the fundamentally positive assessment of the medium- and long-term prospects in Egypt, the bank is sticking to a moderate and proportional expansion of business.

When acquiring risks in the secondary market, we focus mainly on OECD countries and only a few selected non-OECD countries.

With regard to the non-bank loan portfolio, we ensure broad diversification in terms of sector risks and avoidance of concentration risks. We limit counterparty risks in money market trading with banks by focusing on international names with stable credit ratings.

Compliance with the guidelines and work instructions issued by the management is subject to ongoing controls. The management is supported in this by the internal audit department as an independent monitoring body.

Risks that could have a significant impact on the net assets, financial position and results of operations are identified at an early stage and monitored and managed in a timely manner by the risk management system. These also include further pressure on earnings from the ongoing low-interest phase and additional operating expenses as a result of increased regulatory requirements.

4.2.2 Definition of risk types

The Bank subsumes under counterparty risk possible losses from the non-fulfillment of payment obligations by borrowers, within syndicated transactions, in money trading business with other banks as well as issuers of securities or, in the classical sense, from defaults on receivables or counterparties. This also includes risks that may arise from unexpected changes in the creditworthiness of customers or from international import & export business. Country risk is also subsumed here on a cumulative level.

Sustainability risks are taken into account in the sense that a contractual partner's business model may be significantly affected due to political decisions on ESG issues or a contractual partner may be significantly influenced due to external environmental events (drought, flood, etc.).

Credit risk is managed in accordance with the requirements of the risk strategy. The credit decision is based on a careful creditworthiness analysis and individual risk classification. A two-vote process by the front and back office units must be observed when granting loans. A continuous creditworthiness review is carried out at least once a year. Appropriate processing procedures have been established for loans requiring intensive support and for problem loans.

Quantification is carried out using generally accepted rating-dependent procedures. In this process, probabilities of default determined by recognized rating agencies are assigned to the risk classes and expected and anticipated losses are calculated using an analytical procedure.

Market price risks refer to those risks which, due to changes in market parameters, may unexpectedly change the market prices of assets to the detriment of the Bank and thus result in temporary write-downs or realized losses.

Due to the defined strategy, interest rate risk, currency risk and price risk from bond positions held are relevant market price risks for the Bank, although of less significance than counterparty risk, as the duration of the banking book is kept short.

Interest rate risks which may arise from different interest rate periods for assets and liabilities are limited by proactive and extensive matching of the tenor for receivables and deposits.

Currency risks are relevant to the extent that the bank refinances its assets to a significant extent with USD deposits, so that income generated predominantly in USD is offset by administrative expenses in euros. This risk is taken into account as part of the budgeting process. Due to the Bank's strategic decision not to hold any open currency positions, USD deposits are invested exclusively in the same currency. Open currency risks are limited to the difference between future inflows or outflows of interest on loans and deposits. In individual justified cases, an open foreign currency position may also be held for a longer period with the approval of the Supervisory Board. The resulting open positions are strictly limited.

Credit spread risks are also quantified for the securities portfolio held as current assets. Market price risk is calculated using scenario analyses.

Liquidity risk is defined as a further significant risk. This includes unexpected changes in cash and cash equivalents, structural changes on the assets/liabilities side or unexpected changes in the maturity/capital commitment structure that trigger a liquidity requirement. These risks are measured using a worst-case scenario in compliance with the minimum liquidity ratio (LCR). Liquidity risk is mitigated by high liquidity provisioning, increased use of high quality liquid assets (HQLA) and high matching of asset and liability maturities. The aim of liquidity management is to identify liquidity requirements in good time and to maintain sufficient liquidity on an ongoing basis, in addition to complying with the specified level of 150% for LCR. An action plan is defined for crisis situations. In addition to the statutory requirements of the LCR, a liquidity maturity balance sheet is established on an ongoing basis for a period of 5 years.

Operational risk comprises risks from unexpected developments in personnel, IT/information security, legal, reputational, general business interruption incidents or natural hazards. Included here are risks from outsourcing relationships or improper application of models. This also includes the risk of failure to meet the defined information security objectives.

Operational risk is assessed qualitatively on an ongoing basis in the first line of defense and recorded in a loss database, which provides a basis for deriving risk management measures.

To minimize IT risks, the bank operates IT systems that are geared to supporting business processes. Electronic data processing risks are reduced by way of outsourcing to competent external service providers. The adequacy of IT systems is reviewed annually. The Bank's IT strategy is defined separately.

Operational readiness is ensured at all times by installing external back-up solutions as well as external workstations, external data access to all IT applications.

With regard to personnel risks, the bank pursues in particular the approach of deploying qualified personnel and providing them with further training in line with the necessary requirements. Furthermore, close coordination between the departments and the management and clear communication within the departments, together with the timely implementation of controls, should contribute to this.

The Bank uses the basic indicator approach to quantify operational risk.

Other, immaterial risks include the business risk that may arise from unexpected developments in business, earnings and commission figures.

4.2.3 Risk provisioning

The allowance for losses on loans and advances comprises specific valuation allowances, the general allowance for losses on loans and advances, and the country risk allowance.
The most important criterion for the recognition of a specific valuation allowance is the impending default of a particular receivable resulting from a sustained impairment of the debtor's ability to service its debt. The amount of the specific valuation allowance to be recognized is determined by the balance of the receivable less the value of any collateral ("unsecured portion") and the debtor's risk classification, from which the rate of the allowance for losses on loans and advances is derived. Securities are written off, if necessary, according to the lower of cost or market principle at the end of the year .
General allowances for latent default risks in the loan portfolio were calculated in accordance with IDVV RS BFA 7.
In addition, the instrument of open risk provisioning in accordance with Section 340g of the German Commercial Code (Fund for General Banking Risks) is available.

4.2.4 Risk-bearing capacity

For the overall risk profile, the bank ensures at all times that the risks classified as material are covered by the available risk coverage potential and that the risk-bearing capacity is therefore given. The Bank determines risk-bearing capacity on the basis of national regulatory requirements (ICAAP)[1]. The methods are set out in writing in the "Manual of Risk Management".

The economic perspective compares economically derived risks and the correspondingly derived risk coverage amount over a 1-year horizon. The risk coverage potential amounts as of December 31 , 2022 in the economic perspective :

	31.12.2022 TEUR
Interest book value	**46.955**
Management buffer	-1.456

[1] Supervisory assessment of banks-internal risk-bearing capacity concepts and their procedural integration into overall bank management ("ICAAP") - realignment.

Risk coverage potential	**47.938**

The main types of risk, limits are set in the economic perspective.

- **Counterparty default risk**: 60% of risk coverage
- **Interest rate risk in the investment book**: 12% of the risk cover currency risk: 1% of the risk cover
- **Credit spread risk**: 12% of risk coverage capital
- **Operational Risk**: 5% of risk coverage capital

The Bank's risk-bearing capacity was given throughout 2022 in both the economic and normative perspectives.

5. FORECAST REPORT

In principle, the bank will maintain its business activities with Egyptian exporters in the forecast period (until the end of 2023). Business as a partner for financial institutions in the region and as their representative in Central Europe is to be significantly expanded. The aim here is primarily to act as a service provider in foreign business with letters of credit and guarantees.

The impact of the Corona pandemic, mainly by disrupting the flow of goods and logistics, makes it difficult to elaborate a reasonable forecast for 2023. We expect to see a recovery of the tourism sector in Egypt, and an increase in revenue from the Suez Canal, but a significant ongoing decline in the remittances from Egyptian Expats transactions through official banking channels.

In recent years, the bank has consistently refrained from doing business with Russia, but also Ukraine, and is therefore only marginally affected by the current conflict.

The additional increase in energy prices as a result of the war in Ukraine will also have an impact and make production increasingly local again. In Europe, but also in Egypt and the MENA region, the role of the state will play a decisive role in overcoming the economic challenges. Here, however, the investments of the state of Egypt in the development of energy production geared to renewable energies will also play an increasing role.

Overall, in the current situation, the bank expects rising interest rates also for deposits and the resulting effects on net interest income. This has already been countered with a relatively short average remaining term to maturity, but further measures cannot be ruled out and are accordingly included in the planning.

With regard to the liquidity situation, the bank expects a decline in deposits from Egyptian institutional investors in 2023 due to foreign exchange shortage in Egypt, but will also strengthen the refinancing base in Germany in order to be able to compensate for any funds from Egypt, which have so far represented the main refinancing base, in the course of 2023. The bank will set a minimum LCR ratio of 150% in its investment policy in order to be able to sufficiently absorb liquidity fluctuations.

The share of deposits from non-banks will tend to increase further, but bank deposits may also play a greater role as part of the new business orientation.

The aim is to maintain the total capital ratio at a level around 18%.

Despite the continuing challenges, particularly in the regulatory environment, we forecast positive earnings at the operating level in the medium term.

Despite the ongoing challenges, especially in the regulatory environment, we forecast a positive result at the operating level in the medium term, while we expect a nominal loss in 2023 due to restructuring costs.

6. ACKNOWLEDGMENT

We would like to thank our employees for their commitment and our business partners for their trusting cooperation.

Frankfurt am Main, August 30, 2023

Dina Shehata	Dr. Helmut Gottlieb
Managing Director	Managing Director

Balance Sheet as at December 31, 2022

Assets

		EUR	EUR	previous year EURk
1. Cash reserve				
a) Cash		2.637,76		3
b) Due from central banks		36.103.161,89	36.105.799,65	18.138
thereof: Deutsche Bundesbank				
EUR	36.103.161,89 *(prev.yr. TEUR 27.633)*			
2. Due from banks				
a) payable on demand		2.141.536,80		7.805
b) other		269.203.628,21	271.345.165,01	133.293
3. Due from customers			71.020.760,82	90.236
thereof: Collateralized by				
mortgages EUR	0,00 *(prev.yr. TEUR 0)*			
due from municipalities EUR	0,00 *(prev.yr. TEUR 0)*			
4. Bonds and other fixed rate securities				
a) Bonds and debentures				
aa) public issuers		15.011.391,97		17.279
thereof: eligible as collateral at Deutsche Bundesbank				
EUR	7.842.759,68 *(prev.yr. TEUR 11.483)*			
ab) other issuers		83.606.368,82	98.617.760,79	94.116
thereof: eligible as collateral at Deutsche Bundesbank				
EUR	29.520.102,49 *(prev.yr. TEUR 6.488)*			
5. Equities and other non-fixed-income securities			0,00	0
6. Intangible fixed assets				
b) nongratuitous concessions, industrial property rights and similar rights and assets as well as licences regarding such rights and assets			11.891,31	28
7. Tangible fixed assets			446.559,59	496
8. Other assets			403.649,61	318
9. Deferred expenses and accrued income			146.365,78	58
		Total assets	**478.097.952,56**	**361.770**

Liabilities and equity

	EUR	EUR	previous year EURk
1. Due to banks			
a) payable on demand	4.014.508,60		4.700
b) with contractual notices or periods of notice	61.250.703,16	65.265.211,76	54.573
2. Due to customers			
b) other liabilities			
ba) payable on demand	16.859.199,51		18.200
bb) with contractual notices or periods of notice	350.141.581,36	367.000.780,87	226.390
3. Other liabilities		91.139,53	139
4. Deferred income and accrued expenses		44.094,96	54
5. Provisions			
b) provisions for taxes	0,00		0
c) other provisions	1.143.295,64	1.143.295,64	1.195
6. Fund for general banking risks		0,00	0
7. Equity			
a) capital	60.000.000,00		60.000
c) revenue reserves			
cd) other revenue reserves	1.400.000,00		1.400
d) balance sheet loss / profit	-16.846.570,20	44.553.429,80	-4.881
	Total liabilities and equity	**478.097.952,56**	**361.770**

	EUR	previous year EURk
1. Contingent liabilities		
a) Liabilities from guarantees and indemnity agreements	22.457.835,17	16.327
2. Other obligations		
a) Irrevocable loan commitments	7.500.468,78	8.317

Profit and loss statement for the financial year January 1st, 2022 to December 31st, 2022

Expenses

		EUR	EUR	EUR	previous year EURk
1.	**Interest expenses**			7.670.091,00	511
2.	**Commission expenses**			177.444,02	85
3.	**General administrative expenses**				
	a) personnel expenses				
	aa) salaries and wages	3.104.594,35			2.674
	ab) compulsory social security contributions and expenses for pensions and other employee benefits	548.325,03	3.652.919,38		548
	thereof: for pensions EUR 152,408.99 *(prev.yr. TEUR (129)*				
	b) other general administrative expenses		3.773.274,84	7.426.194,22	2.986
4.	**Depreciation of and allowances for intangible and tangible fixed assets**			96.347,54	88
5.	**Other operating expenses**			47.073,77	0
6.	**Write-offs and valuation allowances on loans and certain securities as well as allocations to loan loss provisions**			10.227.151,95	2.316
	thereof: Appropriation to general banking risks (§ 340g HGB)	EUR	0,00		
7.	**Write-offs and valuation allowances on investments, shares in related companies and securities treated as fixed assets**			1.146.860,06	240
8.	**Income taxes**			0,00	0
9.	**Other taxes**			15.585,20	21
10.	**Net income for the year**			0,00	0
			Total expenses	**26.806.747,76**	**9.469**

Income

		EUR	EUR	previous year EURk
1.	**Interest income from**			
	a) loans and money market transactions	8.842.191,87		2.963
	b) bonds and other fixed interest rate securities	3.543.847,49	12.386.039,36	2.743
2.	**Current income from**			
	a) equities and other non-fixed-income securities		0,00	0
3.	**Commission income**		1.467.824,54	1.275
4.	**Income from revaluation to loans and certain securities as well as from the release of provisions from lending business**		0,00	0
5.	**Income from revaluation of investments, shares in related companies and securities treated as fixed assets**		0,00	0
6.	**Other operating income**		987.486,07	254
7.	**Income from the release of funds for general banking risks § 340g HGB**		0,00	0
8.	**Net loss for the year**		11.965.397,79	2.234
		Total income	**26.806.747,76**	**9.469**

		EUR	previous year EURk
1.	**Net loss / net profit for the year**	-11.965.397,79	-2.234
2.	**Loss carried forward from previous years**	-4.881.172,41	-2.647
		-16.846.570,20	-4.881
3.	**Transfer to revenue reserves**		
	d) to other revenue reserves	0,00	0
4.	**Balance sheet loss**	**-16.846.570,20**	**-4.881**

Notes to the financial statements as of December 31, 2022

Preparation of the financial statements

The financial statements as of December 31, 2022 were prepared in accordance with the provisions set out in the "Handelsgesetzbuch" ["HGB", German Commercial Code], the “Gesetz betreffend die Gesellschaften mit beschränkter Haftung” [GmbHG, German Limited Liability Companies Act], and the “Verordnung über die Rechnungslegung von Kreditinstituten” [RechKredV, German Bank Accounting Directive].
The income statement is based on form 2 of the RechKredV (account form). Disclosures that can be made in either the balance sheet or the notes to the financial statements are made in the notes to the financial statements.

Accounting and valuation methods

Assets and liabilities are stated prudently in accordance with generally accepted German accounting principles and provisions of German commercial law.

- The cash reserve is recognized at nominal value.
- Assets and liabilities are generally recognized at nominal value or settlement value and include accrued interest.
- Bad debt allowances are deducted from the relevant asset items.
- The bank assigned securities to liquidity reserve and to financial fixed assets. Securities held in the liquidity reserve are valued strictly at the lower of cost or market; in the case of securities held as fixed assets, the difference between the acquisition cost and the nominal value is spread over the remaining term on a pro rata basis. They are disclosed in the statement of changes in fixed assets.
- The development of fixed assets is shown in the statement of changes in fixed assets. Tangible assets are carried at cost less accumulated depreciation charged over their expected useful lives and impairment losses. The amount of scheduled depreciation is based on allowable tax depreciation rates. For low-value assets the measurement option provided by § 6 (2) et seq. “Einkommensteuergesetz” [EStG, German Income Tax Act] is exercised.
- Provisions are set up for uncertain liabilities in the amount of the expected settlement amount.
- Currency receivables and liabilities were translated at the reference rates of the European Central Bank on the balance sheet date. The result of foreign currency translation is reported under other operating expenses or income. Foreign currency transactions which are specifically covered by balance sheet items are valued on the basis of the spot rate plus swap accrual and deferral. Provisions are created for unrealised exchange losses resulting from the comparison with the contract rates. The swap rate is deferred over the term of the transactions, and the deferral is shown under deferred items. The income or expense from these swap transactions is shown under interest income or interest expense.
- Negative interest on financial assets or financial liabilities is deducted from the relevant interest income or interest expense in the income statement.
- For interest-related transactions in the banking book, the valuation was carried out in accordance with IDW RS BFA 3 n. F. using the static (present value) method. This did not result in an obligation overhang from the (pending) interest claims and interest obligations still open on the balance sheet date. The formation of a provision for

impending losses in accordance with § 340a in conjunction with § 249 (1) sentence 1 HGB can therefore be dispensed with.
- Since the introduction of the sixth amendment of the "Kreditwesengesetz" [KWG, German Banking Act] the Bank uses the provisions for non-trading book institutions. The legal requirements pursuant to § 2 (11) KWG for use of the simplified procedure are satisfied.
- The computed deferred tax asset resulted from temporary differences and was not recognized in the fiscal year in accordance with the option provided by § 274 HGB.
- All transactions with shareholders (related parties) were concluded at arm's length; there are no transactions with related parties or associated companies.

Balance sheet disclosures

Loan volume

The gross loan volume is as follows:

				Prior year
Due from central banks	€	36.1 m	€	18.1 m
Due from banks	€	272.5 m	€	141.1 m
Due from non-banks	€	83.7 m	€	96.5 m
Securities	€	98.6 m	€	111.4 m
Guarantees and letters of credit	€	28.2 m	€	21.1 m
Irrevocable loan commitments	€	7.5 m	€	8.3 m
Loan volume	€	526.6 m	€	396.6 m

Cash Reserve

The cash reserve includes the cash in hand of the Bank (€ 2,637.76, in the previous year EUR 3,087.76) and the credit balance at the Deutsche Bundesbank (€ 36,103,161.89, in the previous year € 18,137,645.45).

Due from banks

				Prior year
Total	€	271,345,164.01	€k	141,098
Payable on demand	€	2,141,536.80	€k	7,805
With fixed terms	€	269,203,628.21	€k	133,293

The fixed term assets due from banks break down as follows:

Due with a residual term of:				Prior year
up to 3 months	€	232,607,629.80	€k	102,831
3 months to 1 year	€	8,508,953.72	€k	5,182
1 to 5 years	€	28,087,044.69	€k	25,280
more than 5 years	€	0.00	€k	0

Due from shareholder banks are included as follows:

				Prior year
Payable on demand	€	732.02	€k	0
With fixed terms	€	7,619,872.64	€k	16,599

Due from customers

				Prior year
Total (after bad debt allowances)	€	71,020,760.82	€k	90,236
Thereof: payable on demand	€	3,445,414.62	€k	4,880

Amounts due from customers break down as follows:

Due with a residual maturity of:				Prior year
up to 3 months	€	8,343,864.55	€k	9,551
3 months to 1 year	€	20,258,203.64	€k	6,727
1 to 5 years	€	38,973,278.01	€k	69,078
more than 5 years	€	0.00	€k	0

Bonds and other fixed rate securities

				Prior year
Total	€	98,617,760.79	€k	111,395
thereof:				
Securities classified as Fixed Assets	€	61,456,528.93	€k	64,628

Bonds and other fixed rate securities include the following:

	negotiable €k	thereof: listed €k	thereof: not listed €k	non-negotiable €k
Debt securities and other fixed-interest securities	98,618	98,618	0	0

Securities with a nominal value of T€ 29,605 (carrying amount T€ 29.758) will mature in 2023.

Bonds and other fixed rate securities were recognized with the following residual terms:

Up to 3 months	€	15,488,774.18	€k	3,827
3 months to 1 year	€	14,268,982.42	€k	11,892
1 to 5 years	€	68,860,004.19	€k	85,383
More than 5 years	€	0.00	€k	10,293

This includes interest accruals in the total amount of € 1,078,832.68.

Securities with a total carrying amount of € 30,312,453.74 were pledged as collateral as of December 31, 2022 for participation in refinancing transactions with Deutsche Bundesbank.

The carrying amounts and fair values of securities not measured at the lower of cost or market and the unrealized price losses on securities held as fixed assets are as follows as of the reporting date:

	Realized losses and write-downs on market values	Unrealized losses (net)
Securities…	T€ 3,649	T€ 5,415

The securities concerned are debt securities that are expected to be held to maturity. No impairment losses were recognized in the year under review, as the temporary reduction in value is interest-related.

Intangible fixed assets

				Prior year
Total	€	11,891.31	€k	28

This item discloses inter alia the residual book value of our purchased application software. Amortisation of this item is shown in the statement of changes in fixed assets.

Tangible fixed assets

				Prior year
Total	€	446,559.59	€k	497

Fittings, fixtures and office equipment is recognized at a book value of € 446,559.59 (prior year: € 497k). The above item is shown in the statement of changes in fixed assets.

Fixed assets

Securities classified as financial fixed assets, tangible and intangible fixed assets can be displayed as follows:

	Office Equipment in €k	Tangible Assets Total in €k	Intangible Assets in €k	Securities (financial assets) in €k [1) 2)]
Acquisition Cost as of 01. January 2022	958	958	500	64,345
Additions	31	31	0	10,401
Disposals	0	0	0	13,415
Acquisition Cost as of 31. December 2022	989	989	500	61,331
Accumulated Depreciation as of 01. January 2022	462	462	472	637
Additions	80	80	16	1,150
Disposals	0	0	0	42
Accumulated Depreciation as of 31. December 2022	542	542	488	1,745
Exchange Rate Changes as of 31. December 2021	0	0	0	117
Exchange Rate Changes as of 31. December 2022	0	0	0	1,050
Residual Bookvalue as of 31. December 2021	496	496	28	63,825
Residual Bookvalue as of 31. December 2022	447	447	12	60,636

[1)] Compared to the previous year, interest accruals and deferrals shown in the balance sheet form are not taken into account in the statement of changes in fixed assets for 2022.
[2)] In comparison to the previous year, changes in value due to changes in the exchange rate are summarized in one amount.

Other assets

			Prior year
Total	€ 403,649.61	€k	319

This item mainly consists of VAT refund claims against the tax office totalling € 256,539.27, deposits paid for rent totalling € 69,308.46, and interest on securities due totalling € 31,434.27. Other miscellaneous assets account for a total of € 46,367.61.

Deferred expenses and accrued income

				Prior year
Total	€	146,365.78	€k	59

This item includes expenses already paid for the year 2023, including € 136,448.96 for administrative expenses and € 9,916.82 for accruals from export finance business.

Due to banks

				Prior year
Total	€	65,265,211.76	€k	59,273
Payable on demand	€	4,014,508.60	€k	4,700
With an agreed term or period of notice	€	61,250,703.16	€k	54,573

Amounts due to banks break down as follows:

Debts due with a residual term of:				Prior year
up to 3 months	€	24,250,703.16	€k	12,573
3 months to 1 year	€	0.00	€k	5,000
1 to 5 years	€	37,000,000.00	€k	37,000
more than 5 years	€	0.00	€k	0

Due to shareholder banks are included as follows:

				Prior year
Payable on demand	€	964,428.18	€k	240
With an agreed term or period of notice	€	3,750,234.39	€k	0

Due to affiliated banks are included as follows:

				Prior year
Payable on demand	€	82,386.36	€k	1,232
With an agreed term or period of notice	€	0.00	€k	3,532

Shareholder banks have pledged € 4,000,500.44 (prior year: € 405 k) to us for contingent receivables from the letter of credit business and a bond issued by the Republic of Egypt.

Due to customers

				Prior year
Total	€	367,000,780.87	€k	244,590
Payable on demand	€	16,859,199.51	€k	18,200
With an agreed term or period of notice	€	350,141,581.36	€k	226,390

Amounts due to customers break down as follows:

Debts due with a residual term of:				Prior year
up to 3 months	€	276,518,410.30	€k	191,674
3 months to 1 year	€	73,623,171.06	€k	28,716
1 to 5 years	€	0.00	€k	6,000
more than 5 years	€	0.00	€k	0

The following amounts due to customers are pledged as collateral for contingent assets arising from bank guarantees and letters of credit:

				Prior year
Payable on demand	€	3,792,392.80	€k	1,806
With agreed term or period of notice	€	1,427,083.22	€k	1,879

Other liabilities

				Prior year
Total	€	91,139.54	€k	139

This item includes liabilities from taxes still to be paid, including the solidarity surcharge, and social security contributions still to be paid in the amount of € 85,590.08. Other liabilities account for € 5,549.46.

Deferred income and accrued expenses

				Prior year
Total	€	44,094.96	€k	55

This item includes discount income and fees from receivables purchased à forfait and from letters of credit in the amount of € 2,715.68. In addition, loan commissions received and premiums on loans totalling € 40,616.35 are reported here. Other accrued interest amounts to € 762.93. This future income is to be allocated to subsequent accounting years.

Provisions

				Prior year
Total	€	1,143,295..64	€k	1,195

This item relates exclusively to other provisions and includes uncertain costs for the financial year 2022, such as the audit costs for the annual financial statements (EUR 143 thousand), the recognition of vacation obligations as liabilities (EUR 79 thousand), costs of the Supervisory Board meeting (EUR 15 thousand), court and legal fees for non-performing loans (EUR 83 thousand), and other costs relating to the financial year 2022 that have not yet been invoiced (EUR 308 thousand). In addition, provisions for contingent losses in the amount of EUR 445 thousand are included. There is no discounting requirement for the provisions due to maturities of less than 12 months.

Subscribed capital

				Prior year
Total	€	60,000,000.00	€k	60,000

The following banks hold a share in the above subscribed capital:

Banque Misr S.A.E., Cairo, Egypt	74.747%	€k	44,848
National Bank of Egypt S.A.E., Cairo, Egypt	10.253%	€k	6,152
Banque du Caire S.A.E., Cairo, Egypt	10.000%	€k	6,000
National Investment Bank, Cairo, Egypt	5.000%	€k	3,000

Other revenue reserves

				Prior year
Total	€	1,400,000.00	€k	1,400

Other revenue reserves remain unchanged at € 1,400,000.00.

Net balance sheet loss

				Prior year
Total	€	-16,846,570.20	€k	-4,881

The bank’s retained net balance sheet profit developed as follows in the fiscal year:

Net loss for fiscal year 2022	€	-11,965,397.79
Plus income carried forward from the prior year	€	-4,881,172.41
Net balance sheet loss	€	-16,846,570.20

The management proposes that the net loss of € -16,846,570.20 brought forward to new account.

Contingent liabilities

				Prior year
Total	€	22,457,835.17	€k	24,644

This item contains the remaining risks from issued guarantees as well as from confirmations of letters of credit.
The total volume of guarantees and letters of credit, not taking into account amounts pledged as collateral, stood at € 28,157,193.40 (prior year: € 21,056k) as of the balance sheet date.
In addition we had irrevocable loan commitments made to business partners amounting to € 7,500,468.78 (prior year: € 8,317k).
The assessment of the risk of utilization arising from contingent liabilities depends in particular on the collateral provided, as well as on the counterparty’s credit rating. From the Bank’s perspective, therefore, the risk of utilization is deemed to be low.

Derivatives
As of the balance sheet date, there was a forward exchange transaction in the amount of GBP 800,000 (previous year: TGBP 800) with a nominal value of € 901,987.76 converted at the closing rate and a fair value of € -26,114.54 for the purpose of procuring liquidity in the export finance business. The remaining term of the transaction is 16 days. In addition, there was a forward exchange transaction in the amount of USD 25,000,000.00 (previous year: USD 0) with a nominal value of € 23,438,964.94 translated at the closing rate and a fair value of € 29,427.58. The remaining term of this transaction is 6 days.

Foreign currency assets and liabilities
As of the balance sheet date foreign currency assets and liabilities were as follows:

				Prior year
Assets	€	333,170,614.49	€k	207,695
Liabilities	€	356,835,159.47	€k	207,637

The result from the conversion of balance sheet items denominated in foreign currencies is disclosed in the income statement under “Other operating income”.

Notes to the income statement

Net interest income (interest income less interest expense) amounted to € 4,715,948.36 in the fiscal year (prior year: € 5,196k). Interest expenses resulted at € 250,377.57 (prior year € -88k) from liabilities to banks and at € 7,419,713.43 (prior year € 599k) from liabilities to other creditors. Of the interest income, € 3,543,847.49 (prior year € 2,743k) came from fixed-interest securities and debt register claims and € 8,842,191.87 (prior year € 2,963k) from lending and money market transactions. The latter resulted at € 6,267,279.60 (prior year € 705k) from loans and advances to banks, at € 2,392,895.62 (prior year € 2,240k) from loans and advances to customers and at € 182,016.65 (prior year € 18k) from other interest income. Negative interest on financial assets or financial liabilities has been deducted from the relevant interest income or interest expenses in the income statement. Interest expenses accounted for € 202,631.52 (prior year € 295k) of this amount and interest income for € 0.00 (prior year € 35k). Net commission income (commission income less commission expense) amounted to € 1,290,380.52 (prior year: € 1,190k). This resulted from commission expenses of € 177,444.02 (prior year € 85k) and commission income of € 1,467,824.54 (prior year € 1,275k), which can be broken down by origin as follows:

- Comm. from the LC business	€ 588,166.47	(prior yr. € 281k)
- Loan commissions	€ 617,512.74	(prior yr. € 707k)
- Comm. from payment transactions and acct maintenance fees	€ 261,995.33	(prior yr. € 130k)
- Other commissions	€ 150.00	(prior yr. € 0k)

Interest Income, commission income and other operating income can be broken down by geographical region as follows:

	Total	of which – domestic	of which – EU countries	of which – third countries
Interest Income from Lending and Money Market Transactions	€ 8,842,195.45	€ 2,086,071.54	€ 2,978,088.51	€ 3,778,035.40
Current Income from Fixed-Income Securities	€ 3,543,847.49	€ 121,115.42	€ 2,028,520.88	€ 1,394,211.19
Total Interest Income	€ 12,386,042.94	€ 2,207,186.96	€ 5,006,609.39	€ 5,172,246.59
Share of earnings in % of total revenues	100,00%	17,82%	40,42%	41,76%
Commission Income	€ 1,467,824.54	€ 447,470.22	€ 77,998.31	€ 942,356.01
Share of earnings in % of total revenues	100,00%	30,49%	5,31%	64,20%
Other operating income from customer-related banking business	€ 680,514.50	€ 680,514.50	€ 0,00	€ 0,00
Share of earnings in % of total revenues	100,00%	100,00%	0,00%	0,00%

The main expenses reducing income were general administrative expenses (non-personnel expense for banking business) of € 3,773,274.84 (prior year: € 2,987k) and personnel expenses of € 3,652,919.38 (prior year: € 3,222k). Significant items included in other operating expenses are:

- Legal, Auditing and Consultancy Costs € 1,102,839.11 (prior yr.€ 954k)
- IT Costs € 1,107,349.72 (prior yr.€ 698k)
- Communication & Information Systems € 432,793.52 (prior yr.€ 323k)
- Office Rent € 361,208.87 (prior yr. € 306k)

Depreciation of and allowances for intangible and tangible fixed assets amounted to € 96,347.54 (prior year € 88k).

Other operating expenses amounted to € 47,073.77 (previous year: € 0k).

Loan loss provisions and write-offs amounted to € 11,374,012.01 (prior year € 2,316k).

Taxes on income and earnings amounted to € 0.00 (previous year € 0k) in the financial year. The other taxes amounted to € 15,585.20 (previous year € 21k).

Other operating income amounted to € 987,486.07 (previous year: € 254k) and mainly included income from foreign currency translation amounting to € 695,843.90, capitalized input tax claims from supplier invoices amounting to € 195,796.87, and income from the reversal of provisions amounting to € 93,609.73.

Other financial obligations

The costs for information services such as Reuters and S.W.I.F.T. amount to € 311k p.a. (previous year € 226k). The costs of outsourcing electronic data processing and software maintenance fees amount to € 1,010k p.a. (previous year € 643k). The remaining terms of these contracts are one year each. The costs for the rented business premises at Marienstraße 15 in 60329 Frankfurt amount to € 230k p.a. (previous year € 214k). The remaining term of the contract is 5 years.

Auditor's fees

The auditor's fees for the fiscal year amounted net to
a) € 115k for statutory auditing services (prior year € 100k)
b) € 0k for audit-related services (prior year € 11k)
c) € 0k for tax services (prior year € 0k)
d) € 0k for other services (prior year € 0k)

Addendum Report

No events of particular significance for the net assets, financial position and results of operations of the Company have occurred since the end of fiscal year 2022.
The effects of the Russia-Ukraine crisis, which has been ongoing since the beginning of 2022, were absorbed without direct material damage due to the fact that the bank has consistently refrained from doing business with the countries involved in recent years. For further information on the expected business development in 2023, please refer to the forecast report in the management report.

General Information

Misr Bank-Europe GmbH established in Frankfurt am Main is registered in the commercial register Frankfurt am Main under No. HRB 34940.

Memberships

Misr Bank-Europe GmbH is a member of the following associations and organisations:
- Bundesverband deutscher Banken e.V. [Association of German Banks]
- Bankenverband Hessen e.V. [Association of Hessian Banks]
- Prüfungsverband deutscher Banken e.V. [Auditing Association of German Banks]
- Arbeitgeberverband des privaten Bankgewerbes e.V. [Employers' Association of the Private Banking Industry]
- Verband der Auslandsbanken in Deutschland e.V. [Association of Foreign Banks in Germany]
- Vereinigung für Bankbetriebsorganisation e.V. [Association of Banking Organisation]
- Nah- und Mittel-Ost Verein e.V. [German Near and Middle East Association]
- Ghorfa Arab-German Chamber of Commerce and Industry e.V.
- Deutsch-Arabische Industrie- und Handelskammer [German-Arab Chamber of Industry and Commerce]
- Österreichisch-Arabische Handelskammer [Austrian-Arab Chamber of Commerce]
- Union of Arab Banks

Employees

In accordance with Section 267 (5) of the German Commercial Code (HGB), we had an average of 30 employees during the financial year 2022 (previous year: 26). At the balance sheet date, we had 32 employees, of whom 14 were female and 18 male (previous year 29, of whom 14 were female and 15 male).

Bodies of the Bank

Supervisory board

Akef Abdel Latif El Maghraby, Chairman
Vice Chairman, Banque Misr S.A.E., Cairo

Ashraf Tolba
Chief Risk Officer, Banque Misr S.A.E., Cairo

Hesham Mohamed Adel Elsafty
Group Head Financial Institutions & International Financial Services,
National Bank of Egypt S.A.E., Cairo

Hisham Hassan
Ex-Chairman, Export Development Bank of Egypt, Cairo

Ayman Foda
General Manager, Banque Misr, Paris

Mohamed Aba Zaid
Legal Advisor to the Minister of Planning, Cairo

Bahaa El-Shafei
Executive Vice Chairman, Banque du Caire, Cairo

Management

Dina Shehata (Market Division), Chairwoman of the Executive Board
Richard Schmidt (Back Office, Credit and Organisation), until 30.09.2022
Dr. Helmut Gottlieb (Back Office, Credit and Organisation), since 05.10.2022

Compensation of the executive and supervisory bodies

Management compensation amounted to € 561,749.05 (prior year € 427k) in the fiscal year and supervisory board compensation to € 66,205.00 (prior year € 84k) including assumed taxes.

Frankfurt am Main (Germany), August 30th, 2023

Dina Shehata Dr. Helmut Gottlieb

Misr Bank-Europe GmbH

Disclosure according to Section 26 (1) KWG 12/31/2022

Set 2 No. 1	Company Name Type of activity Geographical location of the bank	Misr Bank-Europe GmbH Credit Institution Frankfurt am Main, Germany	
Set 1	Legal Structure	Limited Liability Company (GmbH)	
	Organizational Structure	Misr Bank-Europe has no branches or subsidiaries. Shareholders of the bank are four state-owned Egyptian banks: Banque Misr S.A.E. (74.747%), National Bank of Egypt S.A.E. (10.253%), Banque du Caire S.A.E. (10.000%) and National Investment Bank (5.000%). Banque du Caire is a 100% subsidiary of Banque Misr S.A.E.	
	Principles of proper management	The management of Misr Bank-Europe GmbH is responsible for the proper business organization of the bank. The business organization ensures that the legal obligations to be fulfilled by the bank as well as the business management requirements are complied with at all times. An essential component of the business organization is the design of a risk management system, which is determined by the defined business and risk strategy of the bank. A further component is the establishment of an internal control system based on a clear organizational and operational structure, strict segregation of duties, and clearly defined and fixed processes. In addition, a proper business organization includes adequate staffing and technical equipment, the definition of a suitable contingency plan, especially for IT equipment, and an appropriate, transparent compensation system that is geared to the sustainable development of the Bank.	
		12/31/2022	**12/31/2021**
Set 2 No. 2	Turnover (interest income + commission income + other operating income)	14.841.349,97 EUR	7.235.865,44 EUR
Set 2 No. 3	Number of wage and salary earners in full-time equivalents	34	24
Set 2 No. 4	Profit or Los (-) before tax	-14.537.397,79 EUR	-2.233.506,16 EUR
Set 2 No. 5	Taxes on profit or loss	0,00 EUR	0,00 EUR
Set 2 No. 6	Public aid received	none	none
Set 4	Return on Investment (net profit / balance sheet total)	-3,0554%	-0,6174%

We issued our unqualified audit opinion on August 31, 2023 as follows:

„ Independent Auditor's Report

To Misr Bank-Europe GmbH, Frankfurt / Main

Report on the audit of the annual financial statements and the management report

Audit Opinions

We have audited the annual financial statements of Misr Bank-Europe GmbH, Frankfurt am Main, comprising the balance sheet and the income statement as of December 31, 2022, and the notes to the financial statements, including a description of the accounting policies. We have also audited the management report of Misr Bank-Europe GmbH, Frankfurt am Main, for the fiscal year from January 1, 2022 to December 31, 2022.

In our opinion, based on the findings of our audit, the consolidated financial statements are as follows

& the accompanying annual financial statements comply in all material respects with the provisions of German commercial law applicable to corporations and give a true and fair view of the net assets and financial position of the Company as of December 31, 2022 and of its results of operations for the fiscal year from January 1, 2022 to December 31, 2022 in accordance with German principles of proper accounting; and

& the accompanying management report as a whole provides a suitable view of the Company's position. In all material respects, this management report is consistent with the annual financial statements, complies with German legal requirements and accurately presents the opportunities and risks of future development.

In accordance with Section 322 (3) Sentence 1 of the German Commercial Code (HGB), we declare that our audit has not led to any reservations concerning the correctness of the annual financial statements and the management report.

Basis for the audit opinions

We conducted our audit of the annual financial statements and the management report in accordance with Section 317 HGB and the EU Regulation on the Audit of Annual Financial Statements (No. 537/2014; hereinafter "EU-APrVO") and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW). Our responsibility under those regulations and standards is further described in the "Auditor's Responsibility for the Audit of the Annual Financial Statements and Management Report" section of our auditor's report. We are independent of the Company in accordance with European law and German commercial and professional regulations and have fulfilled our other German professional obligations in accordance with these requirements. Furthermore, in accordance with Article 10 (2) (f) EU-APrVO, we declare that we have not performed any prohibited non-audit services as defined in Article 5 (1) EU-APrVO. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the annual financial statements and management report

Particularly important audit matters in the audit of the annual financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fiscal year from January 1 to December 31, 2022. The following matters were considered in connection with our audit of the financial statements as a whole, and in forming our opinion thereon; we do not provide a separate opinion on these matters.

The recoverability of loans and advances to customers and the process for recognizing an allowance for losses on loans and advances in the lending business

Due to their amount of approximately 15% in relation to total assets, loans and advances to customers are a significant item in the bank's balance sheet as of December 31, 2022. The loans and advances are mainly to medium-sized customers in the MENA region usually due to import / export transactions related to the domestic market as well as to domestic customers related to Egypt.

While economic recovery gained momentum in 2021 in Egypt after the Covid19 crisis, imbalances such as unstable exchange rates, high public debt and delayed structural reforms became apparent. Capital outflows were triggered and reduced the central bank's foreign reserves and banks' net foreign assets and widened the exchange rate misalignment, which had a significant negative impact on exports and the creditworthiness of the companies involved.

Against the backdrop of this difficult economic situation in Egypt, the bank added an amount of EUR 8.9 million to the allowance for losses on loans and advances as of the balance sheet date, consisting mainly of specific loan loss provisions for 17 customer exposures in the amount of EUR 8.1 million and additions for country risk provisions of EUR 0.7 million. In total, risk provisions now amount to EUR 14.3 million, which corresponds to approximately 3% of the gross loan volume. The largest single item included in this figure is specific loan loss provisions for non-banks, amounting to EUR 12.3 million.

The risk for the audit

The risk to the financial statements is that the reported loans and advances to customers may not be recoverable or that the process for recognizing provisions for losses on loans and advances may not be designed appropriately to identify risks as part of the early identification of risks at individual exposure and portfolio level.

To provide for default risks in the lending business, the Bank has recognized specific valuation allowances, general valuation allowances (including country valuation allowances) and provisions as of December 31, 2022.

A provision for risks must be recognized on the basis of the principle of prudence pursuant to Section 252 (1) No. 4 of the German Commercial Code (HGB) in order to account for default risks. The determination of the risk provision is discretionary.

Our approach during the audit

Based on our risk assessment and evaluation of the risks of error, we based our opinion on both control-based and expressive audit procedures. Accordingly, we performed the following audit procedures, among others:

& As part of our audit procedures, we assessed the implementation and effectiveness of the process that the Company has established for risk identification in the lending business at the individual transaction level; this includes the audit of the requirements in accordance with IDW BFA 7 for risk provisioning for foreseeable counterparty risks in the lending business of credit institutions that have not yet been individually specified ("general allowances");

& In addition to the large exposures pursuant to Art. 387 et seq. CRR, we have classified all watchlist exposures (intensive care/workout/liquidation) as noteworthy and included them accordingly in our credit assessment. In each case, the group of connected customers pursuant to Art. 4 (1) no. 39 CRR or the borrower unit pursuant to Art. 19 (2) KWG was used as a basis. (Fully) written-off loans were not taken into account in the audit.

Our case-by-case review of the loan exposures as of December 31, 2022 was performed with regard to the assessment of the creditworthiness of the borrowers, the recoverability of the loan collateral and any (additional) risk provisioning required.

Our conclusions

The process for the early identification of risks in the lending business is appropriate; our credit review, including the aforementioned exposures, did not reveal any additional need for risk provisions beyond those already recognized by the bank. We consider the determination of general risk provisions to be appropriate.

Management's Responsibility for the Financial Statements and the Management Report

Management is responsible for the preparation and fair presentation of these financial statements in accordance with German principles of proper accounting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error (i.e., accounting manipulations and misstatements of assets).

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern. Furthermore, they are responsible for disclosing, as applicable, matters related to the Company's ability to continue as a going concern. Furthermore, they are responsible for preparing the financial statements on the basis of the going concern principle, unless factual or legal circumstances prevent this.

Furthermore, management is responsible for the preparation of the management report, which as a whole provides a suitable view of the Company's position and is consistent in all material respects with the annual financial statements, complies with German legal requirements, and suitably presents the opportunities and risks of future development. Furthermore, management is responsible for the arrangements and measures (systems) that it determines are necessary to enable the preparation of a management report in accordance with the applicable German legal requirements and to provide sufficient appropriate evidence for the statements made in the management report.

Auditor's Responsibility for the Audit of the Annual Financial Statements and the Management Report

Our objective is to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the management report as a whole provides a suitable view of the Company's position and is consistent, in all material respects, with the annual financial statements and the audit findings, complies with German legal requirements, and suitably presents the opportunities and risks of future development, and to issue an auditor's report that includes our audit opinions on the annual financial statements and the management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU-APrVO and in compliance with German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements and management report.

During the audit, we exercise professional judgment and maintain a critical attitude. Furthermore, we

& Identify and assess the risks of material misstatement of the annual financial statements and management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error because fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal control.

& Obtain an understanding of internal control relevant to the audit of the financial statements and the arrangements and actions relevant to the audit of the management report 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 those systems of the Company.

& Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the going concern basis of accounting used by management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and management report or, if such disclosures are inadequate, to modify our respective audit opinion. We draw our conclusions based on the audit evidence obtained up to the date of our audit opinion. However, future events or conditions may cause the Company to cease to be able to continue as a going concern.

- We assess the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in such a way that the annual financial statements give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting.

- We assess the consistency of the management report with the annual financial statements, its compliance with the law and the understanding of the Company's position given by it.

- We perform audit procedures on the forward-looking statements made by management in the management report. In particular, based on sufficient appropriate audit evidence, we reproduce the significant assumptions underlying the forward-looking statements made by management and evaluate the appropriateness of the information derived from these assumptions. We do not express an independent opinion on the forward-looking statements or on the underlying assumptions. There is a significant unavoidable risk that future events may differ materially from the forward-looking statements.

We discuss with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We make a declaration to those charged with governance that we have complied with the relevant independence requirements and discuss with them all relationships and other matters that may reasonably be thought to bear on our independence and, where relevant, the actions taken or safeguards implemented to address independence threats.

From the matters we discussed with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the matter.

Other statutory and other legal requirements

Other information according to Article 10 EU-APrVO

We were elected as auditors by the shareholders' meeting by resolutions passed by circulation on November 24 and 27, 2022, and were appointed by the management to audit the financial statements on December 28, 2022.

We have served as the auditors of Misr Bank-Europe GmbH since fiscal year 2022.

We declare that the audit opinions contained in this audit opinion are consistent with the additional report to the Audit Committee pursuant to Article 11 EU-APrVO (Audit Report).

Resposible Auditor

The auditor responsible for the audit is Dipl. Kfm. Lutz Schöcker.

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5 Final remarks

We have prepared this report based on our audit of the financial statements for the year ended December 31, 2022, which we conducted during the period from January to August 2023, and our report thereon.

Reinheim, 31 August 2023

ABRT Allgemeine BankRevision und Treuhand GmbH
Wirtschaftsprüfungsgesellschaft

-signature-

Schöcker
Wirtschaftsprüfer

Adoption of the annual financial statements and resolution on the appropriation of profits

On September 12, 2023, the shareholders' meeting adopted the annual financial statements as of December 31, 2022 of Misr Bank-Europe GmbH, Frankfurt am Main, and resolved to use the net loss for the year of € 11,965,397.79 as proposed by the management.