DISCLOSURE REPORT as of 31.12.2022

MISR BANK – EUROPE GMBH

pursuant to Articles 435 to 455 of Regulation (EU) No 575/2013 (CRR)

(V3)

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1. Table of Abbreviations

AT1	Additional Tier 1 Capital
BaFin	Bundesanstalt für Finanzdienstleistungsaufsicht Federal Financial Supervisory Authority
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
EU	European Union
GmbHG	Law relating to private limited companies
InstitutsVergV	Regulation on the supervisory requirements for institutions' remuneration systems
IRB	Internal Ratings Based Approach
NPV	Net present value
SACR	Standardised approach to credit risk
SFT	Securities Financing Transaction
SREP	Supervisory Review and Evaluation Process
§ ()	Section (paragraph)

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2. Reason and objectives of the Disclosure Report

In accordance with Part 8 of the Regulation (EU) No 575/2013 (hereinafter referred to as CRR), which came into force on 1 January 2014, Misr Bank-Europe GmbH is required to publish on an annual basis qualitative and quantitative information on the following topics:

- Risk management objectives and policies,
- Scope of application,
- Capital and capital adequacy requirements,
- Countercyclical capital buffers,
- Exposure to borrower / credit default risk,
- Exposure to market risks - risks relating to changes in market prices,
- Interest rate risk in non-trading book,
- Operational risk
- Unencumbered assets,
- Corporate governance rules,
- Remuneration policy and
- Leverage

This report serves to comply with Misr Bank-Europe GmbH's disclosure requirements as per reporting date 31 December 2022. The Bank's internet site www.misr.de is used as the medium for this disclosure.

Pursuant to Art. 432 CRR and in accordance with EBA/GL/2014/14 relating to materiality and confidentiality of the disclosure, the information provided in this Report is subject to the principle of materiality. Legally protected or confidential information is not included in this Report. To ensure satisfactory disclosure practice, reviews of its contents are conducted regularly. The relevant areas of responsibility and procedural framework are laid out in working procedures instructions. Misr Bank-Europe GmbH considers that the contents of the Report provide comprehensive information on the Bank's overall risk profile.

This Disclosure Report has to be read in conjunction with the annual financial statements and status report. These have been published in the Bundesanzeiger (Federal Gazette), accessible under www.bundesanzeiger.de.

The current Disclosure Report as of the 31 December 2022 reporting date is published pursuant to the requirements of Regulation (EU) No 575/2013 that came into force on 1 January 2014.

The following CRR articles currently do not apply to Misr Bank-Europe GmbH. This Disclosure Report thus contains no detailed information in relation to these articles:

- CRR Art. 441: Misr Bank-Europe GmbH is not an institution of global systemic importance.
- CRR Art. 449: There are no securitisation positions.
- CRR Art. 452: To calculate credit risk exposures, the Bank uses the Standard Approach to Credit Risk (SACR) and not the Internal Ratings Based Approach (IRB).

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- CRR Art. 454: To evaluate operational risk, the Bank uses the Basis Indicator Approach and not the Advanced Measurement Approach.
- CRR Art. 455: The Bank does not use any Internal Market Risk models.

3. Risk Management objectives and policies (CRR Art. 435)

Statement on the adequacy of risk management procedures (CRR Art. 435 (1. (e))

The main objective of risk management at Misr Bank-Europe GmbH is to ensure the Bank's ability to withstand risks arising from its business activities and its continued existence, while generating a sustainable and at the same time risk-adequate return on the capital employed by its shareholders. Under this premise, the Bank is prepared to accept risks in a conscious, controlled and economically acceptable manner.

The structure of the Bank's risk management system is determined by its business and risk strategy. The Executive 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 for dealing with risks arising directly or indirectly from the Bank's business activities. These rules form the basis for a uniform company-wide understanding of corporate objectives in connection with risk management.

In particular, the risk strategy encompasses the objectives of risk management for the main business activities and is an instrument geared to market activities and internal management that is reviewed and, if necessary, adjusted at least once a year.

Risks may only be assumed within the scope of the risk-bearing capacity. The necessary risk awareness and the opportunity and risk-oriented corporate and risk culture are supported by effective communication and the handling of risks. In summary, Misr Bank-Europe GmbH assumes that the methods, models and processes implemented are suitable at all times for ensuring a risk management system that is geared to strategy and the overall risk profile.

Statement by executive management on the risk profile of Misr Bank-Europe GmbH (CRR Art. 435 (1. (f))

The Bank’s risk management is conducted within the framework of the Basel III Pillar 2. In the context of § 25a KWG and various circulars, the legislator has commented extensively on this issue. For Misr Bank-Europe GmbH the primary objective is to ensure its risk-bearing capacity at all times.

The risk management and controlling process encompasses all activities in dealing with risks. This includes identifying, analysing, assessing, managing, documenting and communicating risks as well as reviewing the effectiveness and appropriateness of risk management and controlling measures.

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As part of its risk inventory, the Bank has identified the following significant risks:
1. Counterparty credit risk, including country risks
2. Risks from changes in market prices
3. Operational risks
4. Liquidity risks
5. Business risks

Provided they are reasonably quantifiable, these risks are limited accordingly as part of the risk-bearing capacity calculation. On this basis, the limit utilisations as of 31 December 2022 are as follows:

Table 1: Risk-bearing capacity limit utilisation as of 31 December 2022

	31.12.2022		31.12.2021	
Risk	**Limit**	**Utilisation**	**Limit**	**Utilisation**
	k EUR	k EUR	k EUR	k EUR
Credit risk	27,300	12,203	28,763	13,504
Market risk	11,375	5,594	11,985	4,173
Operational risk	2,275	471	2,397	983
Gesamt	**40,950**	**18,268**	**43,145**	**18,660**

The Bank uses an ICAAP approach based on recognised scenario analyses and present value procedures. The "Gordy" model is used for counterparty default risks. More detailed information is provided in the Risk Section of our Status Report.

4. Scope of application (CRR Art. 436)

Misr Bank-Europe GmbH is a CRR credit institution, having its registered office in Frankfurt am Main.

The Bank does not consolidate financial statements on the basis of commercial-code or regulatory statutes. The Disclosure Report is prepared at single-entity level.

5. Own funds / equity capital (CRR ART. 437)

On 31st December 2022, Misr Bank-Europe GmbH's own funds pursuant to Art. 72 CRR amounted to € 44,542k and consisted of Common Equity Tier 1.

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Table 2: Breakdown of own funds / equity capital as at 31 December 2022

	Breakdown of own funds	**(A) Amount**	**(B) Reference to Articles in Regulation (EU) No 575/2013**
		k EUR	
	Common Equity Tier 1 capital: instruments and reserves		
1	Capital instruments and related share premium accounts	60,000	26 (1), 27, 28, 29, EBA list pursuant to Art. 26 (3)
2	Retained earnings	-3,481	26 (1) (c)
3	Cumulative other income (and other reserves in respect of unrealised profits and losses in accordance with applicable accounting standards)	0	26 (1)
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**44,554**	
8	Intangible assets (net of related tax liability) (negative amount)	-12	36 (1) (b), 37, 472 (4)
EU-25a	Losses for the current financial year (negative amount)	-11,965	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1) capital**	**32,577**	
29	**Common Equity Tier 1 (CET1) capital**	**44,542**	
44	Additional Tier 1 (AT1) capital	0	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**44,542**	
58	Tier 2 (T2) capital	0	
59	**Total capital (TC = T1 + T2)**	**44,542**	
60	Total risk-weighted assets	264,064	
61	Common Equity Tier 1 (as a percentage of the amount of total risk exposure)	16.87%	92 (2) (a), 465
62	Tier 1 capital (as a percentage of the amount of total risk exposure)	16.87%	92 (2) (b), 465
63	Total capital (as a percentage of the amount of total risk exposure)	16.87%	92 (2) (c)
64	Institution CET1 overall capital requirements	8.75%	CRD 128, 129, 130
65	of which: capital conservation buffer	2.50%	
66	of which: countercyclical capital buffer	0.22%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	8,80%	CRD 128

In the interests of easier legibility and clarity, only those positions relevant to Misr Bank-Europe GmbH are shown.

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6. Reconciliation of equity capital / own funds with figures shown in the audited financial statements

The equity capital components in the commercial-code balance sheet are elaborated upon in the table below so that all elements are shown as in Table 2 “Breakdown of own funds / equity capital”. At the same time, they are mapped with cross-references to the corresponding row numbers in the above-mentioned table.

Table 3: Breakdown of equity capital components in the commercial-code balance sheet and mapping to equity capital structure as of 31 December 2022

	Commercial-code balance sheet	Cross reference to breakdown of equity capital
	k EUR	
Assets		
Intangible assets	-12	8
Liabilities		
Own Funds / Equity capital	44,542	6
of which: subscribed capital	60,000	1
of which: retained earnings	1,400	2
of which: balance sheet loss	-16,847	3a

7. Capital requirements (CRR ART. 438)

Adequacy of internal capital

The adequacy of the Bank’s internal capital is assessed by means of the risk-bearing capacity concept described in the Risk Report contained in the Status Report.

Regulatory requirements for capital adequacy

Misr Bank-Europe GmbH calculates the regulatory requirements for capital adequacy in compliance with the CRR provisions.

Exposure to counterparty credit risk is calculated according the Standardised Approach to Credit Risk pursuant to Part 3, Title II, Chapter 2 CRR, operational risk according to the Basic Indicator Approach pursuant to Part 3, Title III CRR and market risk according to Part 3, Title IV CRR.

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The table below gives an overview of the Bank’s regulatory capital requirements.

Table 4: Regulatory capital requirements (risk weighted amounts * 8 %) as at 31 December 2022

	Capital requirements k EUR
Credit risk	
Standardised Approach to Credit Risk	19,627
Central governments or central banks	169
Regional or local authorities / municipalities	0
Public authorities / public sector entities	0
Multilateral development banks	338
International organisations	0
Institutions	5,110
Corporations	13,374
Retail business	0
Secured by mortgages on real estate	0
Amounts in default	556
Particularly high-risk positions	0
Covered bonds / debentures	0
Securitisation positions	0
Banks / companies with short-term external rating	0
Collective investment undertakings (CIU)	**0**
Non-trading-book equity exposure	0
Other items	80
Market risk	
Standard approach	0
Foreign currency risk	**228**
Operational risk	**1,023**
Basic indicator approach	1,023
Adaptation credit valuation adjustment (CVA)	**247**
Standard method	247
Total	**21,125**

The Bank received the result of the Supervisory Review and Evaluation Process (SREP) from BaFin, most recently with the notification dated November 30, 2022. Taking these requirements into account, a Common Equity Tier 1 of minimum 11.00 % for the bank is necessary.

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On 31st December 2022 our capital ratios can be summarised as follows:

Table 5: Summary of capital adequacy ratios

	31.12.2022
Common Equity Tier 1 ratio	16.02 %
Tier 1 ratio	16.02 %
Total capital ratio	16.02 %

Our capital ratios are thus comfortably above the regulatory minimum requirements in each case.

8. Countercyclical capital buffer (CRR ART. 440)

According to CRR Art. 440 in conjunction with the Delegated Regulation (EU) No. 1555/2015 of 28 May 2015, institutions are obliged to state the geographical distribution of the credit risk positions essential for the calculation of the countercyclical capital buffer and the institution-specific level. The countercyclical capital buffer can be between 0 % and 2.5 % of the sum of the risk-weighted assets and has to be covered by Tier 1 capital. The level of the countercyclical capital buffer in Germany is determined by BaFin, taking into account possible recommendations by the Committee on Financial Stability. For the fiscal year 2022 BaFin set the buffer for Germany at 0.75%.

The following table shows the allocation of the risk-weighted assets by geographical areas and the level of the institution-specific countercyclical capital buffer of Misr Bank-Europe GmbH (the bank does not hold a trading book nor any securitization positions):

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Table 6: Geographical allocation of the credit risk positions essential for the calculation of the countercyclical capital buffer:

Country	Counterparty credit risk	Capital requirements	Weighting of capital requirements	Level of countercyclical capital buffer
	k EUR	k EUR	%	%
Germany [1)]	45,132	3,611	27.2	0.75
Egypt	43,652	3,492	26.3	0.00
United Arab Emirates	12,045	964	7.3	0.00
USA	9,235	739	5.6	0.00
France	8,927	714	5.4	0.00
Netherlands	7,317	585	4.4	0.00
Austria	6,462	517	3.9	0.00
Switzerland	5,942	475	3.6	0.00
Finland	5,290	423	3.2	0.00
Luxembourg	5,013	401	3.0	0.50
Bahrain	4,673	374	2.8	0.00
Northern Ireland	4,388	351	2.6	0.00
Jordan	3,917	313	2.4	0.00
Kuwait	3,750	300	2.3	0.00
Total	**165,743**	**13,259**	**100.0**	

[1)] According to delegated regulation (EU) No. 1152/2014, all foreign risk positions with less than 2 % of its risk-weighted positions are included in "Germany". These are: Armenia, Denmark, Japan, Spain, Sweden and the Qatar.

Table 7: Level of the institution-specific countercyclical capital buffer

	31.12.2022
Total counterparty credit risk	529,237
Institution-specific anticyclical capital buffer	0,66%
Requirement for the institution-specific capital buffer	EUR 1,743k

9. Exposure to credit risk (CRR ART. 442)

Pursuant to Art. 442 CRR, the credit volume has to be broken down according to credit-risk-bearing instruments, significant geographic areas, main industry sectors and residual term to maturity. The credit-risk-bearing instruments are shown without taking into account credit-risk-mitigation and after credit risk adjustments (loan loss provisions). For credits and unused loan commitments, the gross credit volume is based on book values; for non-trading-book securities and the liquidity reserve, on acquisition cost / lower market value. The gross credit volume includes credit lines not yet drawn down.

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Table 8: Gross credit volume as at 31 December 2022 broken down by exposure classes / type of borrower

Regulatory exposure classes	**Gross credit volume**	**Average credit volume**
	k EUR	k EUR
Central governments or central banks	55,657	56,429
Regional or local authorities / municipalities	0	0
Public authorities / public sector entities	8,465	8.664
Multilateral development banks	4,267	7,881
Institutions	257,498	291,778
Corporations	188,198	217,217
Retail business	3	2
Amounts in default	14,149	11,481
Covered bonds / debentures	0	0
Other items	1,001	1,125
Total	**529,237**	**594,577**

The average amount of the gross credit volume is derived from the averages of the individual quarterly reports in 2022.

The three tables below show the gross credit volume according to significant geographic area, industry sector and contractual residual term to maturity.

Table 9: Gross credit volume as at 31 December 2022 according to geographic region

Regulatory exposure classes	**Germany**	**Other EU-states**	**Rest of the world**
	k EUR	**k EUR**	**k EUR**
Central governments or central banks	36,992	11,895	6,769
Regional or local authorities / municipalities	0	0	0
Public authorities / public sector entities	8,465	0	0
Multilateral development banks	0	0	4,267
Institutions	2,744	182,156	72,599
Corporations	34,166	44,419	109,612
Retail business	0	3	0
Amounts in default	5,041	988	8,120
Covered bonds / debentures	0	0	0
Other items	1,001	0	0
Total	**88,409**	**239,461**	**201,368**

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Table 10: Gross credit volume as at 31 December 2022 according to industry sector

Regulatory exposure classes	Banks	Public authorities	Individuals and corporations	Not allocated to any sector
	k EUR	k EUR	k EUR	k EUR
Central governments or central banks	36,992	18,665	0	0
Regional or local authorities / municipalities	0	0	0	0
Public authorities / public sector entities	8,465	0	0	0
Multilateral development banks	4,267	0	0	0
Institutions	257,499	0	0	0
Corporations	53,746	0	134,453	0
Retail business	0	0	3	0
Amounts in default	0	0	14,149	0
Covered bonds / debentures	0	0	0	0
Other items	0	0	0	1,001
Total	**360,969**	**18,665**	**148,602**	**1,001**

Table 11: Gross credit volume as at 31 December 2022 broken down by residual tenor

Regulatory exposure classes	Less than 1 year	1 year to 5 years	Over 5 years to indefinite tenor
	k EUR	k EUR	k EUR
Central governments or central banks	42,712	12,945	0
Regional or local authorities / municipalities	0	0	0
Public authorities / public sector entities	8.465	0	0
Multilateral development banks	0	4,267	0
Institutions	248,148	9,351	0
Corporations	68,890	119,308	0
Retail business	3	0	0
Amounts in default	10,554	3,094	500
Covered bonds / debentures	0	0	0
Other items	1,001	0	0
Total	**379,772**	**148,965**	**500**

10. Loan loss provisions and definitions

Details of past due and impaired positions and loan loss provisions

All credit exposures are subject to regular review, This involves determining the extent to which the receivables are partially or completely uncollectible, An extraordinary review of the receivables, including collateral, is carried out if the credit institution

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becomes aware of information indicating a negative change in the risk assessment of the exposures or the collateral.

A credit exposure is basically considered past due or "in arrears" when the borrower is in arrears with a significant portion of its total debt to the Bank for more than 90 consecutive days and at a significant level.

Such arrears are calculated and monitored at single-borrower level.

If a provision has been set aside for a credit exposure, then the exposure is considered impaired.

A value adjustment must be made if there are concrete indications that the debtor will not meet or will not fully meet its payment obligations to the bank from credit liabilities and if, even taking into account proceeds from the realisation of any security available or other recovery measures, full satisfaction of the bank's credit claim is not to be expected.

Approaches and methods for determining risk provisioning

The Bank has management tools at its disposal to identify, manage and evaluate counterparty default risks for credit exposures at an early stage and to take them into account in the annual financial statements through risk provisions (individual value adjustments, general provisions).

The amount of the risk provision to be formed in individual cases is based on the probability that the borrower will no longer be able to meet its contractual obligations (on the basis of an assessment of the economic situation) and on the payment experience with the customer. To estimate the amount of the expected payments after the occurrence of default, collateral if available, is taken into account with its probable liquidation value.

Decisions regarding value adjustments, provisions or direct write-downs are made on the basis of the applicable regulations. With regard to existing loan loss provisions, regular reviews of their appropriateness, and any adjustments resulting from the review, are carried out. If there is a sustained improvement in the borrower's financial situation, or if there is no doubt that the loan will be repaid from existing collateral, the provision for possible loan losses is reversed.

General value adjustments for latent default risks in the loan portfolio are determined in accordance with IDW RS BFA 7.

In 2022 there was a net-increase of the general risk provision booked in 2021.

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Table 12: Development of loan loss provisions in the balance sheet for fiscal year 2022

	Opening balances 01.01.2022	Additions	Reversals	Used	Exchange rate and other changes	Closing balances 31.12.2022
	k EUR	k EUR	k EUR	k EUR	k EUR	k EUR
Specific loan loss provisions	5,001	8,061	-655	-186	81	12,302
Reserves	638	0	-273	0	-135	230
Country risk provisions	683	566	-219	0	0	1,029
General loan loss provisions	630	0	-145	0	0	485
Total	**6,951**	**8,627**	**-1,293**	**-186**	**-54**	**14,046**

Table 13: Non-performing loans and arrears broken down by main sector as at 31 December 2022

	Banks	Public authorities	Corporations and individuals	Not allocated to any sector	Total
	k EUR	k EUR	k EUR	k EUR	k EUR
Loans in arrears not needing provisions	0	0	0	0	0
Total amount of impaired credit exposures (non-performing loans)	0	0	-20,217	0	-20,217
Specific loan loss provisions and reserves	0	0	12,532	0	12,532
Country risk provisions	959	0	171	0	1,130
General loan loss provisions	0	0	485	0	485
Net addition or reversal (-)	501	0	7,080	0	7,581
Write offs	0	0	186	0	186
Recoveries of written-off loans	0	0	0	0	0

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Table 14: Non-performing loans and arrears broken down by main geographical region as at 31 December 2022

	Germany	Other EU states	Rest of the world	Total
	k EUR	k EUR	k EUR	k EUR
Loans in arrears not needing provisions	0	0	0	0
Total amount of impaired credit exposures (non-performing loans)	-3,544	-8,488	-8,185	-20,217
Specific loan loss provisions and reserves	1,964	4,805	5,337	12,107
General loan loss provisions	88	114	1,412	1,615
Net addition or reversal (-)	-842	4,578	3,184	6,921
Write offs	0	0	186	186
Recoveries of written-off loans	0	0	0	0

11. Use of nominated rating agencies – ECAI (CRR ART. 444)

The capital requirements, in the credit risk standard approach for the exposure categories "institutions" and "corporates", are determined on the basis of internal ratings which are based on evaluations of the Standard & Poor's databases. For the assessment of country risks, the Bank uses public ratings from Standard & Poor’s or – if no rating is available there – from Moody’s and Fitch.

Transfers of issuer / issue ratings to comparable, similar or higher-level credit exposures were not made in the reporting year.

12. Credit risk mitigation (CRR ART. 453)

In the financial year 2022, on-balance sheet and off-balance sheet netting was not used.

For credit risk mitigation purposes, Misr Bank-Europe GmbH uses collateral on a case-by-case basis, both in the form of physical collateral (mortgage liens, liens on cash balances or assignments of claims) and personal security (guarantees).

The valuation and management of collateral is carried out on the basis of uniform and recognised principles. According to these principles loan collateral has to be assessed with regard to its sustainable value. If the value of collateral depends essentially on the credit standing of a third party (e,g, guarantee, assignment of receivables), the circumstances of the third party must be examined in the same way as for the borrower. The intrinsic value of the collateral taken and any changes, particularly due to wear and tear and variations in market price and creditworthiness, are reviewed by means of regular and unscheduled collateral valuations. The regular collateral valuations depend on the type of collateral and the amount of the collateral lending value.

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Unscheduled collateral valuations are performed upon receipt of negative information on collateral or for receivables at risk of default.

The risk exposure value pursuant to Art, 111 CRR describes the amount at risk of default and thus forms the basis of determining the risk-weighted position amounts and capital backing.

In the context of credit risk mitigation techniques for regulatory purposes, only financial collateral in the form of cash deposits with Misr Bank-Europe GmbH are applied.

The consideration of guarantees and guarantees received with regard to risk reduction is reflected in the risk substitution or risk transfer.

The information mentioned in Art, 453 e-g CRR will not be disclosed and the exception under Art, 432 (2) CRR is asserted, as the competitive position would be weakened due to special circumstances such as size, scope and the area of business activity of the credit institution.

The risk mitigating effect of guarantees received is reflected in risk substitution or risk transfer. In principle, market risk concentrations do not exist within credit risk mitigation. Cash cover held on in-house accounts is generally accepted in the same currency as the loan only. The providers are usually the borrowers themselves. Insofar, there are no concentrations of credit risk among providers either.

13. Non-trading-book equity exposure (CRR ART. 447)

On 31st December 2022, Misr Bank-Europe GmbH had no non-trading-book equity exposure.

14. Exposure to counterparty credit risk (CRR ART. 439)

Derivative counterparty default risk items, consisting of foreign currency swaps, existed during the financial year and as of the balance sheet date. These are used by the Bank for liquidity management purposes.

On 31st December 2022, one forward foreign exchange transaction was booked with a nominal value of GBP 800k and a book value of EUR 952k. The exposure value was EUR 53k and was calculated using the standardised approach. In addition, there one forward foreign exchange transaction was booked with a nominal value of USD 25,000k and a book value of EUR 23,439k.

Furthermore, Misr Bank-Europe GmbH does not use any derivates to hedge interest and market risks emerging from general banking business as part of overall bank management of such risks.

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15. Unencumbered assets (CRR ART. 443)

The encumbered assets relate exclusively to pledged collateral for refinancing at the central bank. The bank regards assets as encumbered if not available for immediate liquidity procurement.

The encumbrance rate for 2022 was 15.06 percent (the encumbrance rate is calculated from the quotient of the sum of encumbered assets and collateral, to the total of all assets and collateral).

Table 15: Assets, encumbered and unencumbered, of Misr Bank-Europe GmbH

	Carrying amount of encumbered assets EUR in thousands			Carrying amount of non-encumbered assets EUR in thousands		
		of which: issued by other entities of the group	of which: central bank eligible		of which: issued by other entities of the group	of which: central bank eligible
Assets of the reporting institution	65,394	0	65,394	368,949	7,554	4,491
Loans on demand	0	0	0	39,407	1	0
Debt securities	30,312	0	30,312	68,305	0	0
Loans and advances other than loans on demand	35,081	0	35,081	260,224	7,553	4,491
Other assets	0	0	0	1,013	0	0

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Table 16: Sources of encumbrance of Misr Bank-Europe GmbH

	Matching liabilities, contingent liabilities or securities lent in EUR in thousands		Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered		
		of which: issued by other entities of the group		of which: collateral received re-used	of which: own debt securities encumbered
Carrying amount of selected financial liabilities	49,821	0	65,394	0	0
Deposits	49,821	0	65,394	0	0
Collateralised deposits other than repurchase agreements	49,821	0	65,394	0	0
of which: central banks	49,821	0	65,394	0	0
Total sources of encumbrance	49,821	0	65,394	0	0

16. Exposure to market risk (CRR ART. 445)

With regard to risk-bearing capacity and the adequacy of equity capital / own funds, we refer to our remarks in the section “Capital adequacy requirements”.

Due to the fact that Misr Bank-Europe GmbH is a non-trading book institution, it does not have material positions which are subject to market risks. The market risk connected to interest-bearing securities (bonds) classified as liquidity reserves, is calculated applying a scenario-based approach.

17. Operational risk (CRR ART. 446)

We refer to the comments on capital adequacy requirements for operational risks under the point “Capital adequacy requirements”.

Capital adequacy requirements for operational risk are calculated according to the Basic Indicator Approach pursuant to Art. 315 CRR.

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18. Exposure to interest rate risk on non-trading book positions (CRR ART. 448)

Interest rate risks arise from differences in the fixed-rate periods and interest rate adjustment options between all fixed and variable interest rate assets and liabilities, MBE has assigned all interest-bearing transactions to the banking book.

The interest rate risk in the banking book thus plays a key role in risk management and bank control. It is calculated quarterly. The interest-specific market risk model used was implemented in accordance with the regulatory requirements according to the BaFin Circular 06/2019 (BA). This is a present value approach that takes into account the major currencies (USD and EUR) using currency-matched swap zero-curve interest rates for the duration of the transaction using the respective stress scenarios.

For the regular evaluation of the risk relating to changes in interest rates, an interest rate shock of ± 200 basis points set by the banking regulator is used.

As at 31.12.2022, the quantitative effects were as follows:

Table 17: Interest rate shock effects as at 31 December 2022

	+200 BP, interest rate increase	-200 BP, interest rate decrease
	k EUR	k EUR
Absolute Change of NPV	-3,473	+1,612
Interest rate change in %	-6.15%	+2.85%

19. Corporate governance arrangements (CRR ART. 435)

Members of Misr Bank-Europe GmbH's executive management board do not carry out management or supervisory functions further to their roles as managing directors of the Bank.

In accordance with the provisions of the GmbHG and KWG, the managing directors are appointed by the Supervisory Board. Here, technical know-how and a balance and diversity of expertise, skills and experience play key roles.

The Bank's board of managing directors currently consists of two members with a functional distinction of responsibilities in Sales and Customer Relationship and Back-Office and Risk Management ("Markt" and "Marktfolge").

The Bank has established a risk and audit committee as a subcommittee of the supervisory board comprising mandated members of the supervisory board. The internal auditor, in addition to the managing directors, also reports regularly to the committee. The committee meets at least four times a year.

Risk management informs the executive board regularly on significant, risk-relevant issues, particularly within quarterly risk reporting. In addition, the Bank uses an extensive management information system, through which important information is

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provided in customised form regularly on a daily, weekly, monthly and / or, if required, on an ad hoc basis.

20. Remuneration policy (CRR ART. 450)

The disclosure obligations for the bank are based on § 16 InstitutsVergV, Disclosure is made on the Bank's website (www.misr.de).

Misr Bank-Europe GmbH's remuneration policy is outlined in the remuneration guideline "MBE salary and benefits policy".

The objectives of the Bank's remuneration structures and practices are geared to the following remuneration principles:

- Maximising the performance of the staff and the company
- Gaining and securing the best staff potential
- Alignment with the various business areas and the levels of responsibility
- Simple and transparent remuneration model

These remuneration principles form the basis for compliance with regulatory requirements and achieving a balanced remuneration structure. The Bank pursues these principles, not only to safeguard the interests of the staff, management and shareholders but also, to motivate the staff to act in the Bank's interests and to give their best at all times.

By far the largest number of employees at Misr Bank-Europe GmbH annual salary is contractually fixed and is paid in twelve equal monthly amounts irrespective of the business and / or revenues that an employee has transacted / earned for the Bank.

The staff's fixed remuneration is made up of:

- Gross annual salary (payable in 12 monthly amounts)
- Contribution to BVV pension scheme (variable according to employment contract)
- Additional pension components
- Allowance for meals in the form of vouchers
- The members of the executive board are entitled to use a company car for private purposes, and the related expenses are an additional component of the fixed remuneration.

The regularly applied and most important component of variable remuneration is voluntary bonus payments. The total amount of variable remuneration is primarily based on the economic success of the Bank and is limited in order to preserve the Bank's substance. Similarly, individual bonus payments are limited to a partial amount of the annual remuneration. This variable component of the total remuneration is not linked to specific targets for individual employees, but is linked on the one hand to the development of the Bank and on the other hand to the personal performance of the employee during the year, which is evaluated on the basis of defined criteria. This regulation applies to all employees, including the management of the institute.

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Due to the Bank's size and structure Risk-taker functions, in the broader sense are limited to the supervisory body, the executive board and a few employees of the bank on the 2nd management level.

In view of the small number of employees and the low share of variable remuneration in its total remuneration, the Bank refrains from disclosing the total amounts of the fixed and variable remuneration components, in line with the principles of materiality, protection and confidentiality.

In the past financial year 2022, the total fixed remuneration, including social security contributions and pension expenses, amounted to € 3.7 million.

21. Leverage (CRR ART. 451)

The following information complies with the provisions of the Delegated Regulation (EU) 2015/62 and Implementing Regulation 2016/200 governing the disclosure of the leverage ratio.

Applying the provisions of the Delegated Regulation Misr Bank-Europe GmbH's regulatory ratio as of 31 December 2022 was 8.82 %.

The following table gives an overview of the positions and the calculation,

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Table 18: Common disclosure of the leverage ratio

31.12.2022		k EUR
On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	363,055
2	Asset amounts deducted in determining Tier 1 capital	-28
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	363,027
11	Derivatives exposures	53
16	Securities financing transaction exposures (SFT)	0
19	Other off-balance sheet exposures	11,964
EU-19 a/b	On- and off-balance sheet exposures exempted pursuant to Art, 429 (14) of Regulation (EU) No 575/2013	0
Equity capital and total exposure measure		
20	Tier 1 capital	56,490
21	**Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a/b)**	**375,044**
Leverage ratio		
22	**Leverage ratio**	**15.06%**
Choice of transitional arrangements		
EU-23	Choice of transitional arrangements for the definition of the capital measure	Art,499 (1) (a) CRR

Table 19: Summary reconciliation of accounted assets and leverage ratio exposures

31.12.2022		k EUR
1	Total assets as per published financial statements	361,770
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	0
4	Adjustments for derivative financial instruments	53
5	Adjustment for securities financing transactions (SFTs)	0
6	Adjustment for off-balance sheet items (i,e, conversion to credit equivalent amounts of off-balance sheet exposures)	11,964
EU-6a	Adjustment for intra-group exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013	0
EU-6b	Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013	0
7	Other adjustments	1,257
8	**Leverage ratio total exposure measure**	**375,044**

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Table 20: Breakdown of on-balance sheet exposure positions (excluding derivatives, SFTs and exempted exposure)

31.12.2022		k EUR
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	363,053
EU-2	Trading book exposures	0
EU-3	Banking book exposures, of which: (Total of rows EU-4 to EU-12)	363,053
EU-4	Covered bonds / debentures	0
EU-5	Exposures treated as sovereign exposures	35,416
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereign exposures	8,683
EU-7	Institutions	90,596
EU-8	Secured by mortgages of immovable properties / real estate	0
EU-9	Retail exposures	0
EU-10	Corporates	224,054
EU-11	Exposures in default	3,428
EU-12	Other exposures (e,g, equity, securitisations and other non-credit obligation assets)	876

Misr Bank-Europe GmbH monitors its balance sheet development on an ongoing basis and also analyses the key balance sheet figures, including the leverage ratio. As part of the monitoring of regulatory capital resources, the debt ratio is an integral part of overall bank management.

The leverage ratio has generally risen moderately over the years in line with the Bank's growth strategy. During the course of the year - as in the year under review - there are temporary fluctuations due to special factors arising from to the Bank's refinancing structure.

22. Closing statement

With its signature, Misr Bank-Europe GmbH’s board of managing directors declares that the risk management and -controlling methods and procedures used by the Bank are appropriate to convey a comprehensive picture of the Bank’s risk profile at all times. In particular with the support of the models used, the Bank is in a position to sustainably ensure its risk-bearing capacity.

Frankfurt/Main, 22.03.2024

Dina Shehata
Managing Director

Amr Saad Imam
General Manager Corporate
Customers and Institutionals

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