



Separate Financial Statements

September 2021 - Interim Condensed



Limited Review Report on Separate Financial Statements Interim Condensed

To: The Board of Directors of Commercial International Bank (S.A.E)

Introduction

We have reviewed the accompanying condensed separate interim balance sheet of Commercial International Bank - Egypt (S.A.E) as of 30 September 2021 and the related condensed separate interim statements of income, comprehensive income, cash flows and changes in shareholders' equity for the nine months period then ended. Management is responsible for the preparation and fair presentation of these condensed separate interim financial statements in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations, our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on review engagements (2410). "Review of interim financial statements performed by the Independent Auditor of the Entity". A limited review of condensed separate interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed separate interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements are not prepared in all material respects in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations.

Emphasis of Matter Paragraph

Without qualifying our conclusion, we draw attention to note (22) to these condensed separate interim financial statements, which describes the findings of the Central Bank of Egypt (“CBE”) limited review inspection report issued during November 2020. The report covered a number of areas including instances of violation of certain provisions of applicable laws and CBE regulations. Management developed a corrective action plan to remediate the limited review inspection report findings and an implementation plan addressing the recommendations of the review conducted by an additional independent international professional services firm appointed in this regard which is subject to final approval and monitoring of the Board of Directors.

Cairo; November 11, 2021

Auditors


Tamer Abdel Tawab
Financial Regulatory Authority
Register Number “388”
PricewaterhouseCoopers Ezzaldeen, Diab & Co.
Public Accountants



Farid Samir Farid
Financial Regulatory Authority
Register Number “210”
Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors


Condensed Separate Interim Balance Sheet as at September 30, 2021

	Notes	Sep. 30, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Assets			
Cash and balances at the central bank	7	33,207,606	33,572,597
Due from banks	8	71,953,894	86,997,034
Loans and advances to banks, net	10	-	776,980
Loans and advances to customers, net	11	139,110,172	118,854,880
Derivative financial instruments		266,997	248,759
Investments			
- Financial Assets at Fair Value through P&L	12	206,699	359,959
- Financial Assets at Fair Value through OCI	12	211,854,018	147,646,432
- Amortized cost	12	20,299,222	25,020,917
- Investments in associates and subsidiaries	13	1,023,350	874,348
Other assets		10,515,647	9,095,212
Deferred tax assets (Liabilities)		449,617	437,772
Property and equipment	14	2,456,076	2,259,940
Total assets		491,343,298	426,144,830
Liabilities and equity			
Liabilities			
Due to banks	15	1,542,750	8,815,561
Due to customers	16	403,085,553	340,086,524
Derivative financial instruments		324,863	331,073
Current tax liabilities		1,962,488	859,582
Other liabilities		7,945,461	5,679,266
Issued debt instruments	17	1,556,032	-
Other loans		5,633,101	7,746,946
Provisions	18	3,341,155	3,221,252
Total liabilities		425,391,403	366,740,204
Equity			
Issued and paid up capital		19,702,418	14,776,813
Reserves		34,449,076	33,085,554
Reserve for employee stock ownership plan (ESOP)		1,542,292	1,064,648
Retained earnings *		10,258,109	10,477,611
Total equity and net profit for the period / year		65,951,895	59,404,626
Total liabilities and equity		491,343,298	426,144,830

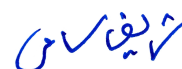
The accompanying notes are an integral part of these financial statements.

(Review report attached)

* Including net profit for the current period



Hussein Abaza
CEO & Managing Director



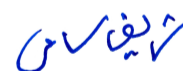
Sherif Samy
Chairman

Condensed Separate Interim Income Statement for the period ended September 30, 2021

	<i>Notes</i>	Last 3 Months Sep. 30, 2021 EGP Thousands	Last 9 Months Sep. 30, 2021 EGP Thousands	Last 3 Months Sep. 30, 2020 EGP Thousands	Last 9 Months Sep. 30, 2020 EGP Thousands
Interest and similar income		11,593,432	32,568,923	10,576,974	31,499,616
Interest and similar expense		<u>(5,160,860)</u>	<u>(14,463,322)</u>	<u>(4,220,982)</u>	<u>(12,666,727)</u>
Net interest income		<u>6,432,572</u>	<u>18,105,601</u>	<u>6,355,992</u>	<u>18,832,889</u>
Fee and commission income		1,096,988	2,895,435	660,822	2,140,039
Fee and commission expense		<u>(442,737)</u>	<u>(1,129,866)</u>	<u>(310,289)</u>	<u>(803,346)</u>
Net fee and commission income		<u>654,251</u>	<u>1,765,569</u>	<u>350,533</u>	<u>1,336,693</u>
Dividend income		18,854	82,426	62,431	88,393
Net trading income	5	210,117	484,774	49,736	226,967
Profits (Losses) on financial investments	12	56,589	634,108	53,913	885,918
Administrative expenses		<u>(1,463,520)</u>	<u>(4,382,463)</u>	<u>(1,339,447)</u>	<u>(4,184,345)</u>
Other operating (expenses) income		<u>(252,886)</u>	<u>(1,366,178)</u>	<u>(186,143)</u>	<u>(2,033,630)</u>
Impairment release (charges) for credit losses		<u>(306,694)</u>	<u>(1,325,770)</u>	<u>(1,602,505)</u>	<u>(3,862,159)</u>
Profit before income tax		<u>5,349,283</u>	<u>13,998,067</u>	<u>3,744,510</u>	<u>11,290,726</u>
Income tax expense		<u>(1,524,957)</u>	<u>(4,115,227)</u>	<u>(1,306,332)</u>	<u>(3,958,540)</u>
Deferred tax assets (Liabilities)		<u>(6,983)</u>	<u>11,845</u>	<u>(44,220)</u>	<u>63,381</u>
Net profit for the period		<u>3,817,343</u>	<u>9,894,685</u>	<u>2,393,958</u>	<u>7,395,567</u>
Earning per share	6				
Basic		1.71	4.44	1.08	3.34
Diluted		1.70	4.42	1.07	3.32



Hussein Abaza
CEO & Managing Director



Sherif Samy
Chairman

Condensed Separate Interim statement of Comprehensive Income for the period ended September 30, 2021

	Last 3 Months Sep. 30, 2021 EGP Thousands	Last 9 Months Sep. 30, 2021 EGP Thousands	Last 3 Months Sep. 30, 2020 EGP Thousands	Last 9 Months Sep. 30, 2020 EGP Thousands
Net profit for the period	3,817,343	9,894,685	2,393,958	7,395,567
Change in fair value of debt instruments measured at fair value through other comprehensive income	(700,186)	(2,374,495)	(807,000)	(2,290,581)
Transferred from reserve on disposal of financial assets at fair value through OCI	(72,956)	(177,362)	(21,575)	(76,717)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(83,602)	(98,246)	(2,320)	88,192
Total comprehensive income for the period	2,960,599	7,244,582	1,563,063	5,116,461

Condensed Separate Interim Cash flows for the period ended September 30, 2021

	<i>Notes</i>	Sep. 30, 2021 EGP Thousands	Sep. 30, 2020 EGP Thousands
Cash flow from operating activities			
Profit before income tax		13,998,067	11,290,726
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	14	636,413	503,005
Impairment charge for credit losses (Loans and advances to customers and banks)		1,385,835	3,761,572
Other provisions charges	18	190,858	972,522
Impairment charge for credit losses (due from banks)		38,181	12,395
Impairment (Released) charge for credit losses (financial investments)		(98,246)	88,192
Impairment (Released) charge for other assets		31,975	56,245
Exchange revaluation differences for financial assets at fair value through OCI		40,050	238,906
Impairment (Released) charge financial assets at fair value through OCI		-	79,126
Utilization of other provisions	18	(44,978)	(1,479)
Other provisions no longer used	18	(12,255)	(6,022)
Exchange differences of other provisions	18	(13,722)	(17,670)
Losses (profits) from selling property and equipment		(2,124)	(872)
Losses (profits) from selling financial investments	12	(643,467)	(979,144)
Shares based payments		477,644	447,694
Impairment (Released) charges of investments in associates and subsidiaries		9,359	14,100
Operating losses (profits) before changes in operating assets and liabilities		15,993,590	16,459,296
Net decrease (increase) in assets and liabilities			
Due from banks		(272,238)	(5,824,055)
Financial assets at fair value through P&L	12	153,260	74,562
Derivative financial instruments		(24,448)	(4,144)
Loans and advances to banks and customers	10 - 11	(20,847,787)	(2,311,001)
Other assets		(1,631,518)	653,639
Due to banks	15	(7,272,811)	(2,999,346)
Due to customers	16	62,999,029	26,727,228
Income tax obligations paid		(2,152,739)	(4,389,254)
Other liabilities		1,414,946	(4,645,456)
Net cash used in (generated from) operating activities		48,359,284	23,741,469
Cash flow from investing activities			
Proceeds from investments in associates.		-	750
Proceeds (payments) for investment in associates.		(158,360)	(680,836)
Payment for purchases of property, equipment and branches constructions		(669,801)	(809,475)
Proceeds from selling property and equipment		2,124	872
Proceeds from redemption of financial assets at amortized cost		4,725,376	37,493,345
Payment for purchases of financial assets at amortized cost		(3,844)	-
Payment for purchases of financial assets at fair value through OCI		(207,918,546)	(55,656,650)
Proceeds from selling financial assets at fair value through OCI		146,303,855	24,096,252
Net cash generated from (used in) investing activities		(57,719,196)	4,444,258

Condensed Separate Interim Cash flows for the period ended September 30, 2021 (Cont.)

	Sep. 30, 2021 EGP Thousands	Sep. 30, 2020 EGP Thousands
Cash flow from financing activities		
Received (Repaid) in long term loans	(2,113,845)	4,492,249
Dividend paid	(1,360,652)	(3,370,464)
Issued debt instruments	1,556,032	-
Capital increase	-	85,992
Net cash generated from (used in) financing activities	(1,918,465)	1,207,777
Net (decrease) increase in cash and cash equivalent	(11,278,377)	29,393,504
Beginning balance of cash and cash equivalent	75,965,247	22,895,017
Cash and cash equivalent at the end of the period	64,686,870	52,288,521
Cash and cash equivalent comprise:		
Cash and balances at the central bank	33,207,606	35,579,884
Due from banks	72,015,406	56,274,241
Treasury bills and other governmental notes	65,654,913	31,967,018
Obligatory reserve balance with CBE	(27,183,002)	(29,856,359)
Due from banks with maturities more than three months	(16,980,376)	(8,958,909)
Treasury bills with maturity more than three months	(62,027,677)	(32,717,354)
Total cash and cash equivalent	64,686,870	52,288,521

Condensed Separate Interim statement of changes in shareholders' equity for the period ended September 30, 2020

Sep. 30, 2020	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Total</u>
	EGP Thousands									
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	13,466	4,111,781	5,164	11,803,555	963,152	51,799,842
Capital increase	85,992	-	-	-	-	-	-	-	-	85,992
Transferred to reserves	-	590,106	7,840,287	-	1,440	-	-	(8,431,833)	-	-
Dividend paid	-	-	-	-	-	-	-	(3,370,464)	-	(3,370,464)
Net profit for the period	-	-	-	-	-	-	-	7,395,567	-	7,395,567
Transferred from reserve of financial assets at fair value through OCI	-	-	-	-	-	(76,717)	-	76,717	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(2,290,581)	-	-	-	(2,290,581)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	1,259	(1,259)	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	88,192	-	-	-	88,192
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	447,694	447,694
Ending balance	14,776,813	2,778,135	24,314,716	1,549,445	14,906	1,832,675	6,423	7,472,283	1,410,846	54,156,242

Condensed Separate Interim statement of changes in shareholders' equity for the period ended September 30, 2021

Sep. 30, 2021	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Total</u>
	EGP Thousands									
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	14,906	3,970,987	6,423	10,477,611	1,064,648	59,404,626
Capital increase	4,925,605	-	(4,925,605)	-	-	-	-	-	-	-
Transferred to reserves	-	514,939	8,420,479	-	1,094	-	-	(8,936,512)	-	-
Dividend paid	-	-	-	-	-	-	-	(1,360,652)	-	(1,360,652)
Net profit for the period	-	-	-	-	-	-	-	9,894,685	-	9,894,685
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	(177,362)	-	177,362	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(2,374,495)	-	-	-	(2,374,495)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	2,718	(2,718)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	(98,246)	-	-	-	(98,246)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	477,644	477,644
Ending balance	<u>19,702,418</u>	<u>3,293,074</u>	<u>28,260,532</u>	<u>1,549,445</u>	<u>16,000</u>	<u>1,320,884</u>	<u>9,141</u>	<u>10,258,109</u>	<u>1,542,292</u>	<u>65,951,895</u>

Notes to the condensed separate interim financial statement for the period ended September 30, 2021

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 187 branches, and 28 units employing 7194 employees on the statement of financial position date.

Commercial International Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange.

Financial statements have been approved by board of directors in November 11, 2021.

2. Summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

The separate financial statements have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008.

Also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, the bank issued condensed financial statements based on the Central Bank of Egypt instructions issued on May 5, 2020, which allow banks to issue condensed quarterly financial statements. Reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

The separate and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008, also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the period ended on September 30, 2021 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

These condensed separate interim financial statements do not include all the information and disclosures required for full annual separate financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the Bank's financial statements as at and for the year ended 31 December 2020.

In preparing these condensed separate interim financial statements, significant judgments made by the management in applying the Bank's accounting policies and the key sources of estimation were the same as those that were applied to the separate financial statements as at and for the year ended 31 December 2020.

3.1. Loans and advances

Loans and advances are summarized as follows:

	Sep.30, 2021		Dec.31, 2020	
	EGP Thousands		EGP Thousands	
	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>
Gross Loans and advances	157,129,318	-	135,604,002	786,605
Less:				
Impairment provision	17,584,116	-	16,395,749	9,625
Unamortized bills discount	55,856	-	104,176	-
Unamortized syndicated loans discount	336,969	-	210,680	-
Suspended credit account	42,205	-	38,517	-
Net	139,110,172	-	118,854,880	776,980

Impairment provision losses for loans and advances reached EGP 17,584,116 thousand.

During the year, the Bank's total loans and advances increased by 15.21%

In order to minimize the probable exposure to credit risk, the Bank focuses more on the business with large enterprises, banks or retail customers with good credit rating or sufficient collateral.

Total balances of loans and facilities to customers divided by stages:

Sep.30, 2021

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Individuals	34,661,915	3,419,244	767,941	38,849,100
Institutions and Business Banking	62,437,890	48,080,708	7,761,620	118,280,218
Total	97,099,805	51,499,952	8,529,561	157,129,318

Expected credit losses for loans and facilities to customers divided by stages:

Sep.30, 2021

	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Total</u>
Individuals	787,890	72,331	284,306	1,144,527
Institutions and Business Banking	1,327,017	7,438,303	7,674,269	16,439,589
Total	2,114,907	7,510,634	7,958,575	17,584,116

Loans, advances and expected credit losses to banks divided by stages:

Sep.30, 2021

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Time and term loans	-	-	-	-
Expected credit losses	-	-	-	-
Net	-	-	-	-

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

Sep.30, 2021

	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Total</u>
Facilities and guarantees	58,937,863	33,165,448	155,858	92,259,169
Expected credit losses	(1,724,255)	(1,218,059)	(151,583)	(3,093,897)
Net	57,213,608	31,947,389	4,275	89,165,272

Total balances of loans and facilities divided by stages:

Dec.31, 2020

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Individuals	34,674,902	942,359	576,361	36,193,622
Institutions and Business Banking	50,379,160	43,777,483	5,253,737	99,410,380
Total	85,054,062	44,719,842	5,830,098	135,604,002

Expected credit losses

Dec.31, 2020

	<u>Stage 1: Expected</u> <u>credit losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that is</u> <u>not creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Individuals	705,482	22,779	348,551	1,076,812
Institutions and Business Banking	1,395,756	8,756,070	5,167,111	15,318,937
Total	2,101,238	8,778,849	5,515,662	16,395,749

Loans and advances to banks divided by stages:

Dec.31, 2020

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Time and term loans	-	786,605	-	786,605
Expected credit losses	-	(9,625)	-	(9,625)
Net	-	776,980	-	776,980

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:

Dec.31, 2020

	<u>Stage 1:</u> <u>12 months</u>	<u>Stage 2:</u> <u>Life time</u>	<u>Stage 3:</u> <u>Life time</u>	<u>Total</u>
Facilities and guarantees	54,078,581	28,364,823	93,398	82,536,802
Expected credit losses	(1,439,401)	(1,400,364)	(88,729)	(2,928,494)
Net	52,639,180	26,964,459	4,669	79,608,308

The following table shows changes in ECL between the beginning and end of the period as a result of these factors:

Sep.30, 2021

Due from banks

	EGP Thousands							
	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	23,331	10,010,027	-	-	-	-	23,331	10,010,027
New financial assets purchased or issued	96	2,977,415	41,527	5,692,451	-	-	41,623	8,669,866
Matured or disposed financial assets	(4,148)	(1,051,335)	-	-	-	-	(4,148)	(1,051,335)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	706	583,830	-	-	-	-	706	583,830
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	19,985	12,519,937	41,527	5,692,451	-	-	61,512	18,212,388

Individual Loans:

	Stage 1		Stage 2		Stage 3		Stage 1	
	12 months		Life time		Life time		Life time	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	705,482	34,674,902	22,779	942,359	348,551	576,361	1,076,812	36,193,622
Impairment during the period	82,408	(12,987)	49,552	2,476,885	104,820	191,580	236,780	2,655,478
Write off during the period	-	-	-	-	(221,677)	-	(221,677)	-
Recoveries	-	-	-	-	52,612	-	52,612	-
Ending balance	787,890	34,661,915	72,331	3,419,244	284,306	767,941	1,144,527	38,849,100

Corporate and Business Banking loans:

	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	1,395,756	50,379,160	8,756,070	43,777,483	5,167,111	5,253,737	15,318,937	99,410,380
New financial assets purchased or issued	649,904	31,912,223	662,064	14,000,538	-	-	1,311,968	45,912,761
Matured or disposed financial assets	(426,958)	(19,213,188)	(201,197)	(6,178,072)	(2,101)	(2,101)	(630,256)	(25,393,361)
Transferred to stage 1	3,295	1,311,011	(14,762)	(550,703)	-	-	(11,467)	760,308
Transferred to stage 2	(43,732)	(2,103,540)	90,804	2,000,389	-	-	47,072	(103,151)
Transferred to stage 3	(2,816)	(4,758)	(2,362,669)	(2,554,045)	2,565,426	2,576,279	199,941	17,476
Changes in the probability of default and loss in case of default and the exposure at default	(98,440)	1,109,082	(479,608)	(4,137,976)	(68,189)	(61,929)	(646,237)	(3,090,823)
Changes to model assumptions and methodology	(148,654)	(952,100)	1,036,313	1,723,094	-	-	887,659	770,994
Recoveries	-	-	-	-	43,918	-	43,918	-
Write off during the period	-	-	-	-	(4,366)	(4,366)	(4,366)	(4,366)
Cumulative foreign currencies translation differences	(1,338)	-	(48,712)	-	(27,530)	-	(77,580)	-
Ending balance	1,327,017	62,437,890	7,438,303	48,080,708	7,674,269	7,761,620	16,439,589	118,280,218

Financial Assets at Fair Value through OCI

	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	619,398	38,390,014	-	-	-	-	619,398	38,390,014
New financial assets purchased or issued	141,699	11,761,935	12,981	77,260	-	-	154,680	11,839,195
Matured or disposed financial assets	(42,857)	(7,258,536)	-	-	-	-	(42,857)	(7,258,536)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(210,994)	(5,705,204)	-	-	-	-	(210,994)	(5,705,204)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	507,246	37,188,209	12,981	77,260	-	-	520,227	37,265,469

Amortized cost

	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2021	179	64,151	-	-	-	-	179	64,151
New financial assets purchased or issued	-	-	-	-	-	-	-	-
Matured or disposed financial assets	-	-	-	-	-	-	-	-
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	925	(2,571)	-	-	-	-	925	(2,571)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the period	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	1,104	61,580	-	-	-	-	1,104	61,580

The following table shows changes in expected ECL losses between the beginning and end of the year as a result of these factors:

Dec.31, 2020

Due from banks

	EGP Thousands							
	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2020	16,817	9,253,619	-	-	-	-	16,817	9,253,619
New financial assets purchased or issued	4,150	1,051,335	-	-	-	-	4,150	1,051,335
Matured or disposed financial assets	(3)	80,208	-	-	-	-	(3)	80,208
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	2,367	(375,135)	-	-	-	-	2,367	(375,135)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	23,331	10,010,027	-	-	-	-	23,331	10,010,027

Individual Loans:

	EGP Thousands							
	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2020	96,469	26,734,505	10,394	339,408	210,068	202,357	316,931	27,276,270
Impairment during the year	609,013	7,940,397	12,385	602,951	173,270	449,965	794,668	8,993,313
Write off during the year	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
Ending balance	705,482	34,674,902	22,779	942,359	348,551	576,361	1,076,812	36,193,622

Corporate and Business Banking loans:

	EGP Thousands							
	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Expected credit losses on 1 January 2020	1,208,722	63,749,865	5,325,121	35,158,341	4,975,113	5,059,619	11,508,956	103,967,825
New financial assets purchased or issued	503,947	22,076,357	1,497,789	17,919,504	-	-	2,001,736	39,995,861
Matured or disposed financial assets	(535,980)	(31,103,750)	(1,145,259)	(20,167,844)	(163,719)	(163,720)	(1,844,958)	(51,435,314)
Transferred to stage 1	3,369	123,050	(8,211)	(135,649)	-	-	(4,842)	(12,599)
Transferred to stage 2	(32,197)	(1,241,569)	108,422	1,209,324	-	-	76,225	(32,245)
Transferred to stage 3	-	-	(371,956)	(531,834)	479,140	538,489	107,184	6,655
Changes in the probability of default and loss in case of default and the exposure at default	(50,024)	(4,070,553)	548,069	2,123,630	(43,862)	(48,427)	454,183	(1,995,350)
Changes to model assumptions and methodology	306,509	845,760	2,881,778	8,202,011	-	-	3,188,287	9,047,771
Recoveries	-	-	-	-	121,721	-	121,721	-
Write off during the year	-	-	-	-	(132,224)	(132,224)	(132,224)	(132,224)
Cumulative foreign currencies translation differences	(8,590)	-	(79,683)	-	(69,058)	-	(157,331)	-
Ending balance	1,395,756	50,379,160	8,756,070	43,777,483	5,167,111	5,253,737	15,318,937	99,410,380

Financial Assets at Fair value through OCI

	EGP Thousands							
	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	414,395	33,728,881	-	-	-	-	414,395	33,728,881
New financial assets purchased or issued	270,021	19,326,470	-	-	-	-	270,021	19,326,470
Matured or disposed financial assets	(126,273)	(14,695,439)	-	-	-	-	(126,273)	(14,695,439)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	61,434	94,253	-	-	-	-	61,434	94,253
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	619,577	38,454,165	-	-	-	-	619,577	38,454,165

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, which indicate that payment will most likely continue. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the period / year:

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Loans and advances to customer		
Corporate		
- Direct loans	8,503,890	4,794,419
Total	8,503,890	4,794,419

3.2. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the period based on Standard & Poor's valuation and its equivalent.

Sep.30, 2021

EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	20,299,222	-	-	-	20,299,222
Not rated	-	-	-	-	-
Total	20,299,222	-	-	-	20,299,222

Sep.30, 2021

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	209,786,138	-	-	-	209,786,138
Not rated	-	-	-	-	-
Total	209,786,138	-	-	-	209,786,138

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the period based on Standard & Poor's valuation and its equivalent.

Sep.30, 2021

EGP Thousands

<u>Fair value through OCI and amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	521,331	-	-	-	521,331
Not rated	-	-	-	-	-
Total	521,331	-	-	-	521,331

3.2. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the year based on Standard & Poor's valuation and its equivalent.

Dec.31, 2020

EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	25,020,917	-	-	-	25,020,917
Not rated	-	-	-	-	-
Total	25,020,917	-	-	-	25,020,917

Dec.31, 2020

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: 12 months</u>	<u>Stage 2: Life time</u>	<u>Stage 3: Life time</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	145,974,040	-	-	-	145,974,040
Not rated	-	-	-	-	-
Total	145,974,040	-	-	-	145,974,040

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the year based on Standard & Poor's valuation and its equivalent.

Dec.31, 2020

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	619,577	-	-	-	619,577
Not rated	-	-	-	-	-
Total	619,577	-	-	-	619,577

3.3. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

						Equivalent EGP Thousands
Sep.30, 2021	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u>	<u>Total</u>
Financial assets						
Cash and balances at the central bank	30,166,788	1,906,765	549,083	75,916	509,054	33,207,606
Gross due from banks	34,092,544	33,899,536	3,005,915	881,479	135,932	72,015,406
Gross loans and advances to customers	110,735,234	42,247,016	4,128,508	17,876	684	157,129,318
Derivative financial instruments	167,071	99,926	-	-	-	266,997
Financial investments						
Gross financial investment securities	210,876,902	23,494,248	1,638,798	-	-	236,009,948
- Investments in associates and subsidiaries	302,559	159,828	-	-	560,963	1,023,350
Total financial assets	386,341,098	101,807,319	9,322,304	975,271	1,206,633	499,652,625
Financial liabilities						
Due to banks	253,523	1,263,116	16,635	4,698	4,778	1,542,750
Due to customers	309,837,254	84,288,656	7,681,047	951,172	327,424	403,085,553
Derivative financial instruments	214,916	109,947	-	-	-	324,863
Issued debt instruments	-	1,556,032	-	-	-	1,556,032
Other loans	5,233	5,627,868	-	-	-	5,633,101
Total financial liabilities	310,310,926	92,845,619	7,697,682	955,870	332,202	412,142,299
Net on-balance sheet financial position	76,030,172	8,961,700	1,624,622	19,401	874,431	87,510,326
Total financial assets as of December 31, 2020	316,459,285	105,766,625	9,029,784	513,923	1,311,340	433,080,957
Total financial liabilities as of December 31, 2020	253,086,441	95,028,728	7,657,363	936,892	270,680	356,980,104
Net on-balance sheet financial position as of December 31, 2020	63,372,844	10,737,897	1,372,421	(422,969)	1,040,660	76,100,853

3.4. Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The Board sets limits on the gaps of interest rate repricing that may be undertaken, which is monitored by the bank's Risk Management Department.

3.5. Liquidity risk

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

Liquidity Risk Management Organization and Measurement Tools

Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee (BRC) subject to provisions of Treasury Policy Guide (TPG).

Board Risk Committee (BRC): Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the Board of Directors (BoD) through periodic reports submitted by the Risk Group. The committee makes recommendations to the BoD with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management, various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

Asset & Liability Committee (ALCO): Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/reward guidelines approved by the BoD.

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group. The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile related to the Covid-19 pandemic. CIB will continue with its robust Liability strategy with reliance on customer deposits (stable funding) as the main contributor of total liabilities, and low dependency on the Wholesale Funding. CIB has ample level of High Quality Liquid Assets (HQLA) based on its LCY & FCY Sovereign Portfolio investments, which positively reflects the Bank's solid Liquidity Ratios and Basel III LCR & NSFR ratios, with a large buffer maintained above the Regulatory ratios requirements.

For September 2021 NSFR ratio record 212% (LCY 230% and FCY 165%), and LCR ratio record 878% (LCY 1039% and FCY 296%).

For December 2020 NSFR ratio record 251% (LCY 301% and FCY 168%), and LCR ratio record 1359% (LCY 1977% and FCY 337%).

For September 2021 CAR ratio record 32.10%, and 31.41% for December 2020.

For September 2021 Leverage ratio record 11.60%, and 11.62% for December 2020.

3.6. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	<u>Book value</u>		<u>Fair value</u>	
	Sep.30, 2021	Dec.31, 2020	Sep.30, 2021	Dec.31, 2020
Financial assets				
Due from banks	72,015,406	87,020,365	71,965,185	87,018,791
Gross loans and advances to banks	-	786,605	-	786,605
Gross loans and advances to customers	157,129,318	135,604,002	157,272,109	135,421,732
Financial investments:				
Amortized cost	20,299,222	25,020,917	21,129,926	26,172,861
Total financial assets	249,443,946	248,431,889	250,367,220	249,399,989
Financial liabilities				
Due to banks	1,542,750	8,815,561	1,356,080	8,698,421
Due to customers	403,085,553	340,086,524	405,839,371	339,293,107
Issued debt instruments	1,571,220	-	1,584,536	-
Other loans	5,633,101	7,746,946	5,647,844	7,746,946
Total financial liabilities	411,832,624	356,649,031	414,427,831	355,738,474

The fair value is considered in the previous note from the second and third level in accordance with the fair value standard

Due from banks

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of floating interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the assets and liabilities according to EAS.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 September 2021:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the bank can access at the measurement date.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - Unobservable inputs for the asset or liability.

	Date of Valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
	Sep.30, 2021				
Measured at fair value:					
Financial assets					
Financial Assets at Fair Value through P&L	30-Sep-21	206,699	206,699	-	-
Financial Assets at Fair Value through OCI	30-Sep-21	211,854,018	145,731,451	66,122,567	-
Total		212,060,717	145,938,150	66,122,567	-
Derivative financial instruments					
Financial assets	30-Sep-21	266,997	-	-	266,997
Financial liabilities	30-Sep-21	324,863	-	-	324,863
Total		591,860	-	-	591,860
Assets for which fair values are disclosed:					
Amortized cost	30-Sep-21	21,129,926	-	21,129,926	-
Loans and advances to banks	30-Sep-21	-	-	-	-
Loans and advances to customers	30-Sep-21	157,272,109	-	-	157,272,109
Total		178,402,035	-	21,129,926	157,272,109
Liabilities for which fair values are disclosed:					
Issued debt instruments	30-Sep-21	1,584,536	-	1,584,536	-
Other loans	30-Sep-21	5,647,844	-	5,647,844	-
Due to customers	30-Sep-21	405,839,371	-	-	405,839,371
Total		413,071,751	-	7,232,380	405,839,371
	Dec.31, 2020				
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-20	359,959	359,959	-	-
Financial Assets at Fair value through OCI	31-Dec-20	147,646,432	107,691,850	39,954,582	-
Total		148,006,391	108,051,809	39,954,582	-
Derivative financial instruments					
Financial assets	31-Dec-20	248,759	-	-	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
Total		579,832	-	-	579,832
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-20	26,172,861	-	26,172,861	-
Loans and advances to banks	31-Dec-20	786,605	-	-	786,605
Loans and advances to customers	31-Dec-20	135,421,732	-	-	135,421,732
Total		162,381,198	-	26,172,861	136,208,337
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	339,293,107	-	-	339,293,107
Total		347,040,053	-	7,746,946	339,293,107

4. Segment analysis
4.1. By business segment

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- Investment – incorporating financial instruments Trading, structured financing, Corporate leasing, and merger and acquisitions advice.
- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Others – Including other banking business, such as assets and liabilities management.

Transactions between the business segments are on normal commercial terms and conditions.

EGP Thousands

Sep.30, 2021	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Net revenue according to business segment *	9,084,609	1,351,526	4,459,026	5,730,556	446,761	21,072,478
Expenses according to business segment	<u>(3,647,560)</u>	<u>(794,579)</u>	<u>(64,898)</u>	<u>(2,526,455)</u>	<u>(40,919)</u>	<u>(7,074,411)</u>
Profit before tax	5,437,049	556,947	4,394,128	3,204,101	405,842	13,998,067
Tax	<u>(1,593,812)</u>	<u>(163,263)</u>	<u>(1,288,091)</u>	<u>(939,248)</u>	<u>(118,968)</u>	<u>(4,103,382)</u>
Profit for the period	<u>3,843,237</u>	<u>393,684</u>	<u>3,106,037</u>	<u>2,264,853</u>	<u>286,874</u>	<u>9,894,685</u>
Total assets	<u>136,150,810</u>	<u>2,460,309</u>	<u>237,637,995</u>	<u>37,894,096</u>	<u>77,200,088</u>	<u>491,343,298</u>

* Represents the net interest income and other income.

Sep.30, 2020	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Revenue according to business segment	8,235,533	1,148,487	6,236,574	5,090,367	476,911	21,187,872
Expenses according to business segment	<u>(6,501,819)</u>	<u>(647,559)</u>	<u>(241,672)</u>	<u>(2,504,740)</u>	<u>(1,356)</u>	<u>(9,897,146)</u>
Profit before tax	1,733,714	500,928	5,994,902	2,585,627	475,555	11,290,726
Tax	<u>(672,715)</u>	<u>(170,250)</u>	<u>(2,011,790)</u>	<u>(878,777)</u>	<u>(161,627)</u>	<u>(3,895,159)</u>
Profit for the period	<u>1,060,999</u>	<u>330,678</u>	<u>3,983,112</u>	<u>1,706,850</u>	<u>313,928</u>	<u>7,395,567</u>
Total assets at 31 December 2020	<u>137,464,591</u>	<u>1,067,415</u>	<u>182,133,166</u>	<u>35,348,914</u>	<u>70,130,744</u>	<u>426,144,830</u>

4.2. By geographical segment

EGP Thousands

Sep.30, 2021	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	18,342,402	2,298,293	431,783	21,072,478
Expenses according to geographical segment	<u>(5,606,423)</u>	<u>(1,250,734)</u>	<u>(217,254)</u>	<u>(7,074,411)</u>
Profit before tax	12,735,979	1,047,559	214,529	13,998,067
Tax	<u>(3,733,414)</u>	<u>(307,081)</u>	<u>(62,887)</u>	<u>(4,103,382)</u>
Profit for the period	<u>9,002,565</u>	<u>740,478</u>	<u>151,642</u>	<u>9,894,685</u>
Total assets	<u>458,616,905</u>	<u>25,541,283</u>	<u>7,185,110</u>	<u>491,343,298</u>

Sep.30, 2020	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	18,359,488	2,264,371	564,013	21,187,872
Expenses according to geographical segment	<u>(8,635,257)</u>	<u>(1,071,326)</u>	<u>(190,563)</u>	<u>(9,897,146)</u>
Profit before tax	9,724,231	1,193,045	373,450	11,290,726
Tax	<u>(3,362,755)</u>	<u>(405,480)</u>	<u>(126,924)</u>	<u>(3,895,159)</u>
Profit for the period	<u>6,361,476</u>	<u>787,565</u>	<u>246,526</u>	<u>7,395,567</u>
Total assets at 31 December 2020	<u>395,946,324</u>	<u>22,705,248</u>	<u>7,493,258</u>	<u>426,144,830</u>

5 . Net trading income

	Last 3 Months Sep.30, 2021	Last 9 Months Sep.30, 2021	Last 3 Months Sep.30, 2020	Last 9 Months Sep.30, 2020
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Profit (Loss) from foreign exchange transactions	57,007	463,928	63,656	268,714
Profit (Loss) from forward foreign exchange deals revaluation	147,215	38,528	(2,536)	51,215
Profit (Loss) from interest rate swaps revaluation	18	(1,519)	927	(6,822)
Profit (Loss) from currency swap deals revaluation	7,642	11,318	774	(8,738)
Profit (Loss) from financial assets at fair value through P&L	(1,765)	(27,481)	(13,085)	(77,402)
Total	210,117	484,774	49,736	226,967

6 . Earning per share

	Last 3 Months Sep.30, 2021	Last 9 Months Sep.30, 2021	Last 3 Months Sep.30, 2020	Last 9 Months Sep.30, 2020
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Net profit for the year, available for distribution	3,817,343	9,894,685	2,393,958	7,395,567
Board member's bonus	(57,260)	(148,420)	(35,909)	(73,643)
Staff profit sharing	(381,734)	(989,469)	(239,396)	(739,557)
Profits attributable to shareholders	3,378,349	8,756,796	2,118,653	6,582,367
Weighted average number of shares	1,970,242	1,970,242	1,970,242	1,970,242
Basic earning per share	1.71	4.44	1.08	3.34
By issuance of ESOP earning per share will be:				
Average number of shares including ESOP shares	1,980,063	1,980,063	1,980,063	1,980,063
Diluted earning per share	1.70	4.42	1.07	3.32

7 . Cash and balances at the central bank

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Cash	6,024,604	5,962,217
Obligatory reserve balance with CBE		
- Current accounts	27,183,002	27,610,380
Total	33,207,606	33,572,597
Non-interest bearing balances	33,207,606	33,572,597

8 . Due from banks

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	2,893,916	2,932,060
Deposits	69,121,490	84,088,305
Expected credit losses	(61,512)	(23,331)
Total	71,953,894	86,997,034
Central banks	44,592,407	54,425,073
Local banks	8,637,377	1,268,079
Foreign banks	18,724,110	31,303,882
Total	71,953,894	86,997,034
Non-interest bearing balances	1,134,624	1,573
Floating interest bearing balances	9,707,113	8,872,165
Fixed interest bearing balances	61,112,157	78,123,296
Total	71,953,894	86,997,034
Current balances	71,953,894	86,997,034

Due from banks

	Stage 1	Stage 2
Gross due from banks	66,322,955	5,692,451
Expected credit losses	(19,985)	(41,527)
Net due from banks	66,302,970	5,650,924

9 . Treasury bills and other governmental notes

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
91 Days maturity	4,447,450	22,426
182 Days maturity	8,157,550	98,825
364 Days maturity	57,419,304	42,049,022
Unearned interest	<u>(3,650,009)</u>	<u>(1,946,973)</u>
Total	<u>66,374,295</u>	<u>40,223,300</u>
Repos - treasury bills	<u>(719,382)</u>	<u>(758,586)</u>
Net	<u>65,654,913</u>	<u>39,464,714</u>

. Governmental bonds

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
	<u>Financial Assets at Fair Value through OCI</u>	<u>Financial Assets at Fair Value through OCI</u>
Governmental bonds	140,185,244	105,998,913
Repo	<u>(3,535,324)</u>	<u>(7,472,925)</u>
Net	<u>136,649,920</u>	<u>98,525,988</u>

10 . Loans and advances to banks, net

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
Time and term loans	-	786,605
Impairment provision	<u>-</u>	<u>(9,625)</u>
Net	<u>-</u>	<u>776,980</u>
Current balances	<u>-</u>	<u>776,980</u>

Analysis for impairment provision of loans and advances to banks

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
Beginning balance	(9,625)	(4,516)
Additions / releases during the period / year	<u>9,625</u>	<u>(5,109)</u>
Ending balance	<u>-</u>	<u>(9,625)</u>

Analysis for impairment provision of loans and advances to banks

	Stage 2	Stage 2
Beginning Balance	(9,625)	(4,516)
Additions / releases during the period / year	<u>9,625</u>	<u>(5,109)</u>
Ending balance	<u>-</u>	<u>(9,625)</u>

11 . Loans and advances to customers, net

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Individual		
- Overdraft	1,188,838	1,511,221
- Credit cards	5,391,579	4,864,404
- Personal loans	30,003,889	27,792,367
- Real estate loans	2,264,794	2,025,630
Total 1	38,849,100	36,193,622
Corporate		
- Overdraft	29,694,148	23,541,904
- Direct loans	47,980,114	44,736,272
- Syndicated loans	40,595,723	31,110,813
- Other loans	10,233	21,391
Total 2	118,280,218	99,410,380
Total Loans and advances to customers (1+2)	157,129,318	135,604,002
Less:		
Unamortized bills discount	(55,856)	(104,176)
Unamortized syndicated loans discount	(336,969)	(210,680)
Impairment provision	(17,584,116)	(16,395,749)
Suspended credit account	(42,205)	(38,517)
Net loans and advances to customers	139,110,172	118,854,880
Distributed to		
Current balances	61,850,124	51,070,650
Non-current balances	77,260,048	67,784,230
Total	139,110,172	118,854,880

Analysis of the expected credit losses on loans and advances to customers by type during the period / year was as follows:

	EGP Thousands				
	Sep.30, 2021				
	Overdrafts	Credit cards	Personal loans	Mortgages	Total
Individual Loans:					
Beginning balance	(9,559)	(242,278)	(762,850)	(62,125)	(1,076,812)
Release / charge during the period	456	(77,768)	(177,021)	17,553	(236,780)
Written off during the period	-	79,516	142,161	-	221,677
Recoveries	(1)	(23,070)	(29,541)	-	(52,612)
Ending balance	(9,104)	(263,600)	(827,251)	(44,572)	(1,144,527)
Corporate and Business Banking loans:					
			Sep.30, 2021		
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,319,514)	(10,533,928)	(3,459,950)	(5,545)	(15,318,937)
Release / charge during the period	(281,737)	(430,838)	(445,084)	(1,021)	(1,158,680)
Written off during the period	-	4,366	-	-	4,366
Recoveries	-	(43,918)	-	-	(43,918)
foreign currencies translation differences	5,708	54,868	17,004	-	77,580
Ending balance	(1,595,543)	(10,949,450)	(3,888,030)	(6,566)	(16,439,589)

Dec.31, 2020	<u>Individual</u>				<u>EGP Thousands</u>
	<u>Overdraft</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real estate loans</u>	<u>Total</u>
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Released (charged) released during the year	(4,146)	(153,532)	(616,314)	(20,676)	(794,668)
Write off during the year	-	23,080	52,881	-	75,961
Recoveries during the year*	-	(21,050)	(20,124)	-	(41,174)
Ending balance	<u>(9,559)</u>	<u>(242,278)</u>	<u>(762,850)</u>	<u>(62,125)</u>	<u>(1,076,812)</u>
Dec.31, 2020	<u>Corporate</u>				<u>Total</u>
	<u>Overdraft</u>	<u>Direct loans</u>	<u>Syndicated loans</u>	<u>Other loans</u>	<u>Total</u>
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Released (charged) released during the year	(395,734)	(2,826,161)	(752,474)	(3,446)	(3,977,815)
Write off during the year	-	132,224	-	-	132,224
Recoveries during the year*	-	(121,721)	-	-	(121,721)
Exchange revaluation difference	11,043	110,212	36,076	-	157,331
Ending balance	<u>(1,319,514)</u>	<u>(10,533,928)</u>	<u>(3,459,950)</u>	<u>(5,545)</u>	<u>(15,318,937)</u>

*From previously written off amounts

12. Financial investments securities

Sep.30, 2021

	<u>Financial Assets at</u>	<u>Financial Assets at</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>Fair Value through</u>	<u>Fair Value through</u>		
	<u>P&L</u>	<u>OCI</u>		
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	136,649,920	20,299,222	156,949,142
Securitized bonds	-	7,481,305	-	7,481,305
Equity instruments	-	200,226	-	200,226
Portfolio managed by others	206,699	-	-	206,699
Sukuk	-	1,400,000	-	1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	65,654,913	-	65,654,913
Equity instruments	-	218,934	-	218,934
Mutual funds	-	248,720	-	248,720
Total	206,699	211,854,018	20,299,222	232,359,939

Dec.31, 2020

	<u>Financial Assets at</u>	<u>Financial Assets at</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>Fair Value through</u>	<u>Fair Value through</u>		
	<u>P&L</u>	<u>OCI</u>		
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	98,525,988	25,020,917	123,546,905
Securitized bonds	-	7,983,338	-	7,983,338
Equity instruments	-	480,792	-	480,792
Portfolio managed by others	359,959	-	-	359,959
Sukuk	-	701,732	-	701,732
Investments not listed in the market				
Treasury bills and other governmental notes	-	39,464,714	-	39,464,714
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
Total	359,959	147,646,432	25,020,917	173,027,308

12.1 . Profits (Losses) on financial investments

	Last 3 Months Sep.30, 2021 EGP Thousands	Last 9 Months Sep.30, 2021 EGP Thousands	Last 3 Months Sep.30, 2020 EGP Thousands	Last 9 Months Sep.30, 2020 EGP Thousands
Profit (Loss) from selling FVOCI financial instruments	128,630	643,467	54,424	979,144
Released (Impairment) charges of FVOCI	(72,957)	-	(511)	(79,126)
Released (Impairment) charges of investments in associates and subsidiaries	916	(9,359)	-	(14,100)
Total	56,589	634,108	53,913	885,918

13 . Investments in associates and subsidiaries
Sep.30, 2021
Subsidiaries

- CVenture Capital
- Damietta shipping & marine services
- Mayfair Bank

Associates

- TCA Properties
- Al Ahly Computer
- Fawry Plus
- International Co. for Security and Services (Falcon)

Total

	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	EGP Thousands Investment book value	Stake %
- CVenture Capital	Egypt	143,940	1,829	490	(2,207)	159,828	99.99
- Damietta shipping & marine services	Egypt	29,126	2,124	1,737	1,065	97,991	49.95
- Mayfair Bank	Kenya	1,890,256	1,280,778	95,584	2,744	560,963	51.00
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	66,362	37,516	37,969	4,955	23,108	39.34
- Fawry Plus	Egypt	115,816	96,742	47,078	5,791	14,100	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,076,764	768,936	331,662	13,276	9,000	30.00
Total		3,322,264	2,187,925	514,520	25,624	1,023,350	

Dec.31, 2020
Subsidiaries

- CVenture Capital
- Damietta shipping & marine services
- Mayfair Bank

Associates

- Al Ahly Computer
- Fawry Plus
- International Co. for Security and Services (Falcon)

Total

	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	EGP Thousands Investment book value	Stake %
- CVenture Capital	Egypt	146,693	613	743	(6,331)	159,828	99.99
- Damietta shipping & marine services	Egypt	81,416	5,095	38,521	33,558	122,366	49.95
- Mayfair Bank	Kenya	1,856,285	1,242,561	295,723	(118,241)	560,963	51.00
- Al Ahly Computer	Egypt	82,094	49,824	49,254	7,140	22,191	39.34
- Fawry Plus	Egypt	122,518	143,914	45,506	(11,011)	-	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,062,033	799,693	472,714	723	9,000	30.00
Total		3,351,039	2,241,700	902,461	(94,162)	874,348	

14 . Property and equipment

	Sep.30, 2021							EGP Thousands
	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	
Cost at Jan 01, 2021 (1)	64,709	1,129,713	2,541,603	132,023	808,039	700,886	136,093	5,513,066
Additions during the period	-	45,973	501,061	21,601	139,627	115,024	9,263	832,549
Disposals during the period	-	(5,009)	(3,516)	-	(28,695)	(12,087)	(1,001)	(50,308)
Cost at end of the period (2)	64,709	1,170,677	3,039,148	153,624	918,971	803,823	144,355	6,295,307
Accumulated depreciation at beginning of the period (3)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Depreciation for the period	-	39,783	357,832	10,456	125,072	91,602	11,668	636,413
Disposals during the period	-	(5,009)	(3,516)	-	(28,695)	(12,087)	(1,001)	(50,308)
Accumulated depreciation at end of the period (4)	-	493,590	1,969,710	63,170	681,094	532,410	99,257	3,839,231
Ending net assets (2-4)	64,709	677,087	1,069,438	90,454	237,877	271,413	45,098	2,456,076
Beginning net assets (1-3)	64,709	670,897	926,209	79,309	223,322	247,991	47,503	2,259,940

Property and equipment

	Dec.31, 2020							EGP Thousands
	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	
Cost at Jan 01, 2020 (1)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	113,828	4,871,432
Additions during the year	-	71,822	393,202	22,234	79,972	142,227	25,286	734,743
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Cost at end of the year (2)	64,709	1,129,713	2,541,603	132,023	808,039	700,886	136,093	5,513,066
Accumulated depreciation at beginning of the year (3)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Current year depreciation	-	52,898	348,926	11,074	141,207	109,727	13,669	677,501
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Accumulated depreciation at end of the year (4)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Ending net assets (2-4)	64,709	670,897	926,209	79,309	223,322	247,991	47,503	2,259,940
Beginning net assets (1-3)	64,709	651,973	881,933	68,149	284,557	215,491	35,886	2,202,698

15 . Due to banks

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	1,343,676	392,725
Deposits	199,074	8,422,836
Total	1,542,750	8,815,561
Central banks	153,846	114,786
Local banks	8,096	5,233,885
Foreign banks	1,380,808	3,466,890
Total	1,542,750	8,815,561
Non-interest bearing balances	1,169,319	232,019
Floating bearing interest balances	120,513	871,427
Fixed interest bearing balances	252,918	7,712,115
Total	1,542,750	8,815,561
Current balances	1,542,750	8,815,561

16 . Due to customers

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Demand deposits	136,842,853	107,404,782
Time deposits	78,621,281	57,875,676
Certificates of deposit	100,775,309	100,130,108
Saving deposits	83,079,351	70,737,586
Other deposits	3,766,759	3,938,372
Total	403,085,553	340,086,524
Corporate deposits	184,393,948	140,253,514
Individual deposits	218,691,605	199,833,010
Total	403,085,553	340,086,524
Non-interest bearing balances	58,791,306	49,899,904
Floating interest bearing balances	21,191,392	33,533,480
Fixed interest bearing balances	323,102,855	256,653,140
Total	403,085,553	340,086,524
Current balances	294,212,142	237,899,134
Non-current balances	108,873,411	102,187,390
Total	403,085,553	340,086,524

17 . Issued debt instruments

	<u>interest rate</u>		Sep.30, 2021	Dec.31, 2020
	Sep.30, 2021	Dec.31, 2020	EGP Thousands	EGP Thousands
Fixed rate bonds with 5 years maturity				
Green bonds (USD)	Fixed rate	-	1,556,032	-
Total			1,556,032	-
Non current balances			1,556,032	-
Total			1,556,032	-

18 . Provisions

Sep.30, 2021	<u>Beginning balance</u>	<u>Charged amounts</u>	<u>Exchange revaluation difference</u>	<u>Utilized during the year</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	52,604	-	851	(43,615)	(2,859)	6,981
Provision for contingent	2,928,494	190,858	(25,455)	-	-	3,093,897
Provision for other claim	240,154	-	10,882	(1,363)	(9,396)	240,277
Total	3,221,252	190,858	(13,722)	(44,978)	(12,255)	3,341,155
Dec.31, 2020	<u>Beginning balance</u>	<u>Charged during the year</u>	<u>Exchange revaluation difference</u>	<u>Utilized during the year</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	66,106	-	(44)	(185)	(13,273)	52,604
Provision for contingent	1,790,692	1,143,171	(5,369)	-	-	2,928,494
Provision for other claim	154,571	89,560	(1,780)	(2,197)	-	240,154
Total	2,011,369	1,232,731	(7,193)	(2,382)	(13,273)	3,221,252

19 . Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date, otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting period (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest (True up model). The fair value for such equity instruments is measured using the Black-Scholes pricing model.

Details of the rights to share outstanding during the year are as follows:

	Sep.30, 2021	Dec.31, 2020
	<u>No. of shares in thousand</u>	<u>No. of shares in thousand</u>
Outstanding at the beginning of the period / year	38,498	36,479
Granted during the period / year	17,661	15,046
Forfeited during the period / year	(153)	(1,591)
Exercised during the period / year	-	(11,437)
Outstanding at the end of the period / year	<u>56,006</u>	<u>38,497</u>

Details of the outstanding tranches are as follows:

Maturity date	EGP	EGP	<u>No. of shares in thousand</u>
	<u>Exercise price</u>	<u>Fair value</u>	
2021	10.00	40.98	12,272
2022	10.00	37.99	11,375
2023	10.00	54.67	14,698
2024	10.00	39.51	17,661
Total			<u>56,006</u>

The fair value of granted shares is calculated using Black-Scholes pricing model with the following:

	<u>14th tranche</u>	<u>13th tranche</u>
Exercise price	10	10
Current share price	59.19	83.02
Expected life (years)	3	3
Risk free rate %	13.63%	13.66%
Dividend yield%	0.00%	1.50%
Volatility%	25.27%	24.52%

Volatility is calculated based on the daily standard deviation of returns for the last five years.

20 . Legal claims

- There is a number of existing cases against the bank on September 30, 2021 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

21 . Transactions with related parties

All banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

21.1 . Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans, advances and other assets	1,063,334
Deposits	83,424
Contingent liabilities	79,998

21.2 . Other transactions with related parties

	<u>Income</u>	<u>Expenses</u>
	EGP Thousands	EGP Thousands
International Co. for Security & Services	13	148,797
CVenture Capital	89	309
Fawry plus	591	-
Mayfair bank	420	-
Damietta shipping & marine services	1	877
Al ahly computer	3	-
TCA Properties	96,142	325

22 . Important events

- On August 16, 2021 issued and Paid in Capital increased by an amount of EGP 4,925,605 thousand to reach EGP 19,702,418 thousand, according to Ordinary General Assembly Meeting decision on March 15 ,2020, by distribution of one share for every three outstanding shares from General Reserve.
- During the first quarter of 2021, the Bank established TCA properties, in partnership with Talaat Mostafa Group, after obtaining all necessary approvals from regulatory authorities. The share of Commercial International Bank is 37%, and no financial statements of the company have been issued yet.
- On 10 November 2020 CBE issued its report to the Bank and it covered a number of areas that needed immediate remediation covering the Internal Control Environment, Credit facilities and provisions, Governance and Compliance and also referred to instances of violations of certain provisions of the applicable laws (Articles 57, 64 and 111 of Law 88 for year 2003, and Articles 19 and 42 of the Executive Regulation of the said law), and other instances of violations of CBE regulations The Bank's management applied its judgement and experience and included in the financial statements for the year ended 31 December 2020, their assessment of the impact of the CBE findings, including credit losses and legal and other charges. The Board of the Bank assessment is that the design of the internal controls over financial reporting remain appropriate and continue to operate effectively to ensure fair presentation of the financial position of the Bank and its financial performance. Management developed a corrective action plan for the CBE to address all the findings and to further enhance regulatory compliance and strengthen controls.
 Additionally, as directed by the Non-Executive Directors, an independent international professional services firm was appointed to conduct an in depth review of the Bank's controls and lending functions with a view to addressing specific and related areas from the CBE inspection report (communicated in November 2020), based on best practice and to further enhance regulatory compliance and strengthen controls at CIB, as part of the Bank's commitment to enhancing risk management and the governance culture at the Bank. The said review started in early January 2021 and was completed in April 2021. The outcomes of this exercise and related recommendations – addressing organization, policies & procedures, training and technology - were discussed with the Directors and executive management before being formally submitted. Management has finalized an implementation plan addressing the recommendations and time frame and has assessed there is no further financial impact subsequent to that determined for the year ended 31 December 2020. This implementation plan is approved and will be monitored by the Board of Directors.
- The Board of Directors, in its meeting held on March 30, 2021, approved to launch a Green Bond Program at a value of \$100 million, in cooperation with the International Finance Corporation and in light of what the Extraordinary General Assembly had previously approved in its meeting held on March 15, 2020. In 2020, the Bank signed an agreement with the International Finance Corporation, by which the Commercial International Bank would be the first private sector institution to issue green bonds in Egypt. As per the agreement, tradable non-convertible green bonds will be issued for a period of five (5) years, with a value of \$100,000,000 (Only One Hundred Million US Dollars), with a nominal value of \$ 1,000 (Only One Thousand US Dollars) per bond.
 Bond proceeds will be allocated exclusively to financing or refinancing - in whole or in part - green assets that comply with the specifications encompassing that the Bank would grant loans/investments to its clients only to finance projects and expenditures that support the transition to a low-carbon economy and that would have a positive environmental impact, while aligning with the eligibility standards for private green bonds at the Commercial International Bank.
- **IMPACT OF COVID-19**
 The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various fiscal and stimulus measures across the globe to counter possible adverse implications.
- **BUSINESS CONTINUITY PLANNING**
 The Bank is closely monitoring the situation and taking rightful measures to ensure the safety and security of the bank's staff and an uninterrupted service to its customers. Remote working arrangements have been implemented and part of the Bank staff are working from home in line with government directions. Business continuity plans are in place. The Bank has taken measures to ensure that services levels are maintained, customer complaints are resolved, and the Bank continues to serve its customers as they would do in normal conditions. CIB regularly conducts stress tests to assess the resilience of the statement of position and the capital adequacy. CIB is closely monitoring the situation and has activated its risk management practices managing the potential business disruption COVID-19 outbreak may have on its operations and financial performance.
- **IMPACT ON EXPECTED CREDIT LOSSES**
 In the determination of the impact over the ECL, CIB has considered the potential impact of the uncertainties considering the available information caused by the Covid-19 pandemic and taken into account the economic support and relief measures taken by the Central Bank of Egypt. The Bank has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for ECL measurement. In addition, the Bank has analyzed the risk of the credit portfolio by focusing on economic sector wise segmentation analysis using both a top-down approach and the Bank own experience. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in our ECL estimates. In addition to the assumptions outlined above, CIB has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk (SICR) leading to reclassifying loans from stage 1 to stage 2 and assessing the indicators of impairment for the exposures in potentially affected sectors. The Bank has reassessed its ECL models, underlying assumptions including relevant available macroeconomic data, and the judgmental overlays on the basis of macroeconomic variations reflected in models pertaining to particular industries rather than on customer-account basis.
 The impact of current uncertain economic environment is judgmental and management will keep assessing the current position and its related impact regularly. It should be also considered that the assumptions used about economic forecasts are subject to high degree of inherent uncertainty and therefore the actual outcome may be significantly different from forecasted information. CIB has considered potential impacts of the current economic volatility in determination of the reported amounts of the bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.
- **LIQUIDITY MANAGEMENT**
 The Bank's approach is to maintain a prudent Liquidity position with a Liability driven strategy, as almost the entire funding base is customer based rather than wholesale funding; which is a core component of the Risk Appetite. This is coupled with ample amounts of Liquid Assets. To limit potential Liquidity shocks, the Bank has a well-established Contingency Funding Plan (CFP), where Liquidity Risk is assessed in line with all Regulatory and Internal Liquidity Measurements, and Basel II and III requirements; including Liquidity Stress Testing; and Basel III Ratios; Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR).



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