



Consolidated Financial Statements

September 2021-Interim Condensed



Limited Review Report on Consolidated Financial Statements Interim Condensed

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

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Commercial International Bank - Egypt (S.A.E) as of 30 September 2021 and the related condensed consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated 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 consolidated 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



Tamer Abdel Tawab
Financial Regulatory Authority
Register Number “388”

**PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants**



Auditors



Farid Samir Farid
Financial Regulatory Authority
Register Number “210”

**Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors**



Condensed Consolidated 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	33,326,348	33,768,549
Due from banks	8	72,234,555	87,426,301
Loans and advances to banks, net	10	-	776,980
Loans and advances to customers, net	11	139,923,206	119,570,005
Derivative financial instruments		267,016	248,759
Investments			
- Financial Assets at Fair Value through P&L	12	206,699	359,959
- Financial Assets at Fair Value through OCI	12	212,487,239	148,118,372
- Amortized cost	12	20,533,947	25,285,225
- Investments in associates	13	331,602	139,871
Other assets		10,582,643	9,175,525
Goodwill	23	147,839	178,782
Intangible assets	24	37,146	44,920
Deferred tax assets (Liabilities)		445,594	437,772
Property and equipment	14	2,508,417	2,311,147
Total assets		493,032,251	427,842,167
Liabilities and equity			
Liabilities			
Due to banks	15	1,546,050	8,817,535
Due to customers	16	404,203,107	341,169,450
Derivative financial instruments		324,863	331,073
Current tax liabilities		1,962,488	859,582
Other liabilities		8,002,075	5,735,269
Issued debt instruments	17	1,556,032	-
Other loans		5,633,101	7,746,946
Provisions	18	3,343,071	3,223,501
Total liabilities		426,570,787	367,883,356
Equity			
Issued and paid up capital		19,702,418	14,776,813
Reserves		34,459,488	33,094,580
Reserve for employee stock ownership plan (ESOP)		1,542,292	1,064,648
Retained earnings *		10,301,362	10,539,715
Total equity and net profit for the period / year		66,005,560	59,475,756
Minority interest		455,904	483,055
Total minority interest, equity and net profit for the period / year		66,461,464	59,958,811
Total liabilities and equity		493,032,251	427,842,167

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 Consolidated 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		11,637,222	32,654,016	10,598,726	31,521,368
Interest and similar expense		(5,179,478)	(14,499,387)	(4,235,829)	(12,681,144)
Net interest income		6,457,744	18,154,629	6,362,897	18,840,224
Fee and commission income		1,099,130	2,900,853	663,330	2,142,547
Fee and commission expense		(442,713)	(1,129,949)	(310,289)	(803,346)
Net fee and commission income		656,417	1,770,904	353,041	1,339,201
Dividend income		18,854	57,451	14,431	40,393
Net trading income	5	212,228	490,787	51,001	228,232
Profits (Losses) on financial investments	12	56,596	658,483	53,913	885,918
Administrative expenses		(1,492,421)	(4,438,232)	(1,352,498)	(4,200,518)
Other operating (expenses) income		(255,488)	(1,370,707)	(187,946)	(2,035,158)
Goodwill amortization	23	(10,314)	(30,943)	(11,921)	(20,302)
Intangible assets amortization	24	(2,591)	(7,774)	-	-
Impairment release (charges) for credit losses		(303,307)	(1,323,521)	(1,603,212)	(3,862,866)
Bank's share in the profits of associates		6,560	18,354	17,333	24,327
Profit before income tax		5,344,278	13,979,431	3,697,039	11,239,451
Income tax expense		(1,525,115)	(4,115,929)	(1,306,332)	(3,958,540)
Deferred tax assets (Liabilities)		(6,983)	11,861	(44,220)	63,381
Net profit for the period		3,812,180	9,875,363	2,346,487	7,344,292
Minority interest		(220)	(1,932)	(2,100)	(2,100)
Bank shareholders		3,812,400	9,877,295	2,348,587	7,346,392
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 Consolidated 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	3,812,180	9,875,363	2,346,487	7,344,292
Change in fair value of debt instruments measured at fair value through other comprehensive income	(700,186)	(2,375,618)	(807,000)	(2,292,039)
Transferred from reserve on disposal of financial assets at fair value through OCI	(72,956)	(177,362)	(21,575)	(76,717)
Cumulative foreign currencies translation differences	(3,490)	(2,636)	460	1,314
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	2,951,946	7,221,501	1,516,052	5,065,042
As follows:				
Bank's shareholders	2,952,166	7,223,433	1,518,152	5,067,142
Minority interest	(220)	(1,932)	(2,100)	(2,100)
Total comprehensive income for the period	2,951,946	7,221,501	1,516,052	5,065,042

Condensed Consolidated 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 from continued operations		13,979,431	11,239,451
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	14	636,413	558,536
Impairment charge for credit losses (Loans and advances to customers and banks)		1,383,887	3,761,456
Other provisions charges	18	190,525	974,522
Impairment charge for credit losses (due from banks)		37,880	13,218
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
Goodwill amortization	23	58,448	20,302
Intangible assets amortization	24	14,685	-
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)
Profits from selling property and equipment		(2,124)	(872)
Losses (profits) from selling financial investments	12	(643,467)	(979,144)
Impairment (Released) charges of investments in associates and subsidiaries		(15,016)	14,100
Shares based payments		477,644	447,694
Bank's share in the profits of associates		(18,354)	(24,327)
Operating losses (profits) before changes in operating assets and liabilities		16,002,776	16,462,234
Net decrease (increase) in assets and liabilities			
Due from banks		(272,238)	(5,972,551)
Financial assets at fair value through P&L	12	153,260	74,562
Derivative financial instruments		(24,448)	(3,735)
Loans and advances to banks and customers	10 - 11	(20,943,748)	(2,977,814)
Other assets		(1,611,672)	592,680
Due to banks	15	(7,271,485)	(2,990,512)
Due to customers	16	63,033,657	27,878,364
Income tax obligations paid		(2,153,441)	(4,389,254)
Other liabilities		1,706,495	(4,589,999)
Net cash used in (generated from) operating activities		48,619,156	24,083,975
Cash flow from investing activities			
Proceeds from Investments in associates.		-	750
Proceeds (payments) for investment in associates.		(158,360)	-
Payment for purchases of property, equipment and branches constructions		(677,464)	(921,312)
Proceeds from selling property and equipment		2,124	872
Proceeds from redemption of financial assets at amortized cost		4,753,398	37,493,345
Payment for purchases of financial assets at amortized cost		(2,617)	-
Payment for purchases of financial assets at fair value through OCI		(208,509,917)	(55,823,590)
Proceeds from selling financial assets at fair value through OCI		147,101,717	24,041,845
Proceeds from investment in subsidiaries.		-	194,722
Net cash generated from (used in) investing activities		(57,491,119)	4,986,632

Condensed Consolidated 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	(10,790,428)	30,278,384
Beginning balance of cash and cash equivalent	75,796,375	22,895,017
Cash and cash equivalent at the end of the period	65,005,947	53,173,401
Cash and cash equivalent comprise:		
Cash and balances at the central bank	33,326,348	35,786,423
Due from banks	72,296,624	56,934,238
Treasury bills and other governmental notes	65,656,846	32,133,958
Obligatory reserve balance with CBE	(27,265,818)	(30,004,955)
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	65,005,947	53,173,401

Condensed Consolidated 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>Reserve for transactions under common control</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>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</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	11,881,657	963,152	2,501	51,880,445	-	51,880,445
Capital increase	85,992	-	-	-	-	-	-	-	-	-	-	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)	-	(3,370,464)
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	343,954	343,954
Net profit of the period	-	-	-	-	-	-	-	-	7,346,392	-	-	7,346,392	(2,100)	7,344,292
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	-	-	-	-	-	-	(2,292,039)	-	-	-	-	(2,292,039)	-	(2,292,039)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	1,259	(1,259)	-	-	-	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	-	88,192	-	-	-	-	88,192	-	88,192
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	447,694	-	447,694	-	447,694
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(1,187)	(1,187)	-	(1,187)
Balance at the end of the period	<u>14,776,813</u>	<u>2,778,135</u>	<u>24,314,716</u>	<u>1,549,445</u>	<u>-</u>	<u>14,906</u>	<u>1,831,217</u>	<u>6,423</u>	<u>7,501,210</u>	<u>1,410,846</u>	<u>1,314</u>	<u>54,185,025</u>	<u>341,854</u>	<u>54,526,879</u>

Condensed Consolidated 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>Reserve for transactions under common control</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>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
	EGP Thousands													
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	8,183	14,906	3,975,514	6,423	10,539,715	1,064,648	(3,684)	59,475,756	483,055	59,958,811
Capital increase	4,925,605	-	(4,925,605)	-	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	514,939	8,420,479	1,461	-	1,094	-	-	(8,937,973)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,360,652)	-	-	(1,360,652)	-	(1,360,652)
Minority Interest share	-	-	-	-	-	-	-	-	-	-	-	-	(25,219)	(25,219)
Net profit of the period	-	-	-	-	-	-	-	-	9,877,295	-	-	9,877,295	(1,932)	9,875,363
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	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(2,375,618)	-	-	-	-	(2,375,618)	-	(2,375,618)
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)	-	(98,246)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	477,644	-	477,644	-	477,644
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	1,048	1,048	-	1,048
Balance at the end of the period	<u>19,702,418</u>	<u>3,293,074</u>	<u>28,260,532</u>	<u>1,550,906</u>	<u>8,183</u>	<u>16,000</u>	<u>1,324,288</u>	<u>9,141</u>	<u>10,301,362</u>	<u>1,542,292</u>	<u>(2,636)</u>	<u>66,005,560</u>	<u>455,904</u>	<u>66,461,464</u>

Notes to the condensed consolidated 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.

The bank owns investments in subsidiaries “C-Ventures”, “May Fair” and “Damietta Shipping” in which the bank’s shares are 99.99%, 51% and 49.95% respectively.

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 consolidated financial statements have been prepared in accordance with the Central Bank of Egypt approved by the Board of Directors on December 16, 2008 consistent with the principles referred to.

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.

These condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated 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 consolidated 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 consolidated financial statements as at and for the year ended 31 December 2020.

2.2. Basis of consolidation

The basis of the consolidation is as follows:

- Eliminating all balances and transactions between the Bank and group companies.
- The cost of acquisition of subsidiary companies is based on the company's share in the fair value of assets acquired and obligations outstanding on the acquisition date.
- Minority shareholders represent the rights of others in subsidiary companies.

3.1. Loans and advances

Loans and advances are summarized as follows:

	Sep.30, 2021 EGP Thousands		Dec.31, 2020 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	157,979,468	-	136,358,191	786,605
Less:				
Impairment provision	17,621,232	-	16,434,813	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	139,923,206	-	119,570,005	776,980

Impairment provision losses for loans and advances reached EGP 17,621,232 thousand

During the period, the Bank's total loans and advances increased by 15.19%.

In order to minimize the propable 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:

EGP Thousands

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	34,735,793	3,429,427	779,922	38,945,142
Institutions and Business Banking	63,073,206	48,183,655	7,777,465	119,034,326
Total	97,808,999	51,613,082	8,557,387	157,979,468

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	789,066	72,348	293,370	1,154,784
Institutions and Business Banking	1,335,720	7,445,232	7,685,496	16,466,448
Total	2,124,786	7,517,580	7,978,866	17,621,232

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	59,050,351	33,165,448	155,858	92,371,657
Expected credit losses	(1,726,171)	(1,218,059)	(151,583)	(3,095,813)
Net	57,324,180	31,947,389	4,275	89,275,844

Total balances of loans and facilities to customers 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	34,766,758	947,900	584,536	36,299,194
Institutions and Business Banking	50,932,314	43,863,497	5,263,186	100,058,997
Total	85,699,072	44,811,397	5,847,722	136,358,191

Expected credit losses for loans and facilities to customers divided by stages:
Dec.31, 2020

	<u>Stage 1: Expected</u> <u>credit losses over 12</u> <u>months</u>	<u>Stage 2: Expected credit</u> <u>losses</u> <u>Over a lifetime that is not</u> <u>creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Individuals	711,711	25,326	356,726	1,093,763
Institutions and Business Banking	1,403,518	8,760,972	5,176,560	15,341,050
Total	2,115,229	8,786,298	5,533,286	16,434,813

Loans, advances and expected credit losses 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	54,127,625	28,364,823	93,398	82,585,846
Expected credit losses	(1,441,650)	(1,400,364)	(88,729)	(2,930,743)
Net	52,685,975	26,964,459	4,669	79,655,103

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

Sep.30, 2021

EGP Thousands

Due from banks	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	24,189	10,440,152	-	-	-	-	24,189	10,440,152
New financial assets purchased or issued	652	2,977,415	41,527	5,692,452	-	-	42,179	8,669,867
Matured or disposed financial assets	(5,005)	(1,051,335)	-	-	-	-	(5,005)	(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	20,542	12,950,062	41,527	5,692,452	-	-	62,069	18,642,514

Individual 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	711,711	34,766,759	25,326	947,899	356,726	584,536	1,093,763	36,299,194
Impairment during the period	77,355	(30,966)	47,022	2,481,528	105,709	195,386	230,086	2,645,948
Write off during the period	-	-	-	-	(221,677)	-	(221,677)	-
Recoveries	-	-	-	-	52,612	-	52,612	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	789,066	34,735,793	72,348	3,429,427	293,370	779,922	1,154,784	38,945,142

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	1,403,518	50,932,314	8,760,972	43,863,497	5,176,560	5,263,186	15,341,050	100,058,997
New financial assets purchased or issued	655,489	31,994,385	664,954	14,017,471	18	-	1,320,461	46,011,856
Matured or disposed financial assets	(427,254)	(19,213,188)	(201,990)	(6,178,072)	(2,436)	(1,793)	(631,680)	(25,393,053)
Transferred to stage 1	8,407	1,311,011	(14,861)	(550,703)	(1,413)	-	(7,867)	760,308
Transferred to stage 2	(46,874)	(2,103,540)	94,628	2,000,389	-	-	47,754	(103,151)
Transferred to stage 3	(8,222)	(4,758)	(2,365,854)	(2,554,045)	2,585,972	2,582,367	211,896	23,564
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	(149,566)	(952,100)	1,035,703	1,723,094	(17,038)	-	869,099	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	1,335,720	63,073,206	7,445,232	48,183,655	7,685,496	7,777,465	16,466,448	119,034,326

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 ECL losses between the beginning and end of the year as a result of these factors:

Dec.31, 2020	EGP Thousands							
	Stage 1		Stage 2		Stage 3		Total	
	12 months		Life time		Life time			
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	16,817	9,253,619	-	-	-	-	16,817	9,253,619
Provision for credit losses on 1 May 2020 (MAYFAIR)	383	430,125	-	-	-	-	383	430,125
New financial assets purchased or issued	5,100	1,051,335	-	-	-	-	5,100	1,051,335
Matured or disposed financial assets	(386)	80,208	-	-	-	-	(386)	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	(92)	-	-	-	-	-	(92)	-
Ending balance	24,189	10,440,152	-	-	-	-	24,189	10,440,152
Individual 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 2020	96,469	26,734,504	10,394	339,408	210,068	202,357	316,931	27,276,269
Provision for credit losses on 1 May 2020 (MAYFAIR)	1,536	91,857	281	5,540	7	8,175	1,824	105,572
Impairment during the year	613,706	7,940,398	14,651	602,951	181,438	449,965	809,795	8,993,314
Write off during the year	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
Ending balance	711,711	34,766,759	25,326	947,899	356,726	584,536	1,093,763	36,299,194
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 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
Provision for credit losses on 1 May 2020 (MAYFAIR)	4,155	542,142	1,411	86,014	630	9,449	6,196	637,605
New financial assets purchased or issued	508,339	22,087,369	1,499,691	17,919,504	6,440	-	2,014,470	40,006,873
Matured or disposed financial assets	(544,213)	(31,103,750)	(1,145,259)	(20,167,844)	(161,746)	(163,720)	(1,851,218)	(51,435,314)
Transferred to stage 1	6,739	123,050	(8,211)	(135,649)	-	-	(1,472)	(12,599)
Transferred to stage 2	(29,584)	(1,241,569)	106,755	1,209,324	-	-	77,171	(32,245)
Transferred to stage 3	1,465	-	(370,819)	(531,834)	479,547	538,489	110,193	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)	-	(77,564)	-	(69,059)	-	(155,213)	-
Ending balance	1,403,518	50,932,314	8,760,972	43,863,497	5,176,560	5,263,186	15,341,050	100,058,997
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 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
Loans and advances to	EGP Thousands	EGP Thousands
Corporate		
- Direct loans	9,343,041	5,537,596
Total	9,343,041	5,537,596

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.

	EGP Thousands				
Sep.30, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Individually impaired	Total
<u>Amortized cost</u>					
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	20,533,947	-	-	-	20,533,947
Not rated	-	-	-	-	-
Total	20,533,947	-	-	-	20,533,947

	EGP Thousands				
Sep.30, 2021	Stage 1: 12 months	Stage 2: Life time	Stage 3: Life time	Individually impaired	Total
<u>Fair value through OCI</u>					
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	210,186,158	-	-	-	210,186,158
Not rated	-	-	-	-	-
Total	210,186,158	-	-	-	210,186,158

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.

	EGP Thousands				
Sep.30, 2021	Stage 1: Expected credit losses over 12 months	Stage 2: Expected credit losses Over a lifetime that is not creditworthy	Stage 3: Expected credit losses Over a lifetime Credit default	Individually impaired	Total
<u>AAA</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	25,285,225	-	-	-	-	25,285,225
Not rated	-	-	-	-	-	-
Total	25,285,225	-	-	-	-	25,285,225

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	146,212,769	-	-	-	-	146,212,769
Not rated	-	-	-	-	-	-
Total	146,212,769	-	-	-	-	146,212,769

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	30,188,062	1,923,747	550,674	77,116	586,749	33,326,348
Gross due from banks	34,092,544	34,058,902	3,007,676	882,814	254,688	72,296,624
Gross loans and advances to customers	110,735,233	42,411,357	4,128,508	17,876	686,494	157,979,468
Derivative financial instruments	167,071	99,945	-	-	-	267,016
Financial investments						
Gross financial investment securities	211,139,678	23,494,248	1,638,798	-	605,170	236,877,894
Investments in associates	331,602	-	-	-	-	331,602
Total financial assets	386,654,190	101,988,199	9,325,656	977,806	2,133,101	501,078,952
Financial liabilities						
Due to banks	252,550	1,264,097	19,935	4,690	4,778	1,546,050
Due to customers	309,836,280	84,339,575	7,681,237	953,738	1,392,277	404,203,107
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	310,308,979	92,897,519	7,701,172	958,428	1,397,055	413,263,153
Net on-balance sheet financial position	76,345,211	9,090,680	1,624,484	19,378	736,046	87,815,799
Total financial assets as of December 31, 2020	316,524,511	106,062,225	9,033,162	520,241	2,091,583	434,231,722
Total financial liabilities as of December 31, 2020	253,086,441	95,036,585	7,659,514	942,946	1,339,518	358,065,004
Net on-balance sheet financial position as of December 31, 2020	63,438,070	11,025,640	1,373,648	(422,705)	752,065	76,166,718

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	72,296,624	87,426,301	72,245,845	87,448,058
Gross loans and advances to banks	-	786,605	-	786,605
Gross loans and advances to customers	157,979,468	136,358,191	158,111,260	136,164,909
Financial investments:				
Amortized cost	20,533,947	25,285,225	21,364,651	26,437,169
Total financial assets	250,810,039	249,856,322	251,721,756	250,836,741
Financial liabilities				
Due to banks	1,546,050	8,817,535	1,359,380	8,700,395
Due to customers	404,203,107	341,169,450	407,057,671	340,481,150
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	412,953,478	357,733,931	415,649,431	356,928,491

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	212,487,239	146,362,739	66,124,500	-
Total		212,693,938	146,569,438	66,124,500	-
Derivative financial instruments					
Financial assets	30-Sep-21	267,016	-	19	266,997
Financial liabilities	30-Sep-21	324,863	-	-	324,863
Total		591,879	-	19	591,860
Assets for which fair values are disclosed:					
Amortized cost	30-Sep-21	21,364,651	-	21,100,677	263,974
Loans and advances to banks	30-Sep-21	-	-	-	-
Loans and advances to customers	30-Sep-21	158,111,260	-	-	158,111,260
Total		179,475,911	-	21,100,677	158,375,234
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	407,057,671	-	-	407,057,671
Total		414,290,051	-	7,232,380	407,057,671
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	148,118,372	108,161,597	39,956,775	-
Total		148,478,331	108,521,556	39,956,775	-
Derivative financial instruments					
Financial assets	31-Dec-20	248,950	-	191	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
Total		580,023	-	191	579,832
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-20	26,340,253	-	26,172,861	167,392
Loans and advances to banks	31-Dec-20	786,605	-	-	786,605
Loans and advances to customers	31-Dec-20	136,164,909	-	-	136,164,909
Total		163,291,767	-	26,172,861	137,118,906
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	341,579,117	-	-	341,579,117
Total		349,326,063	-	7,746,946	341,579,117

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

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Sep.30, 2021						
Net revenue according to business segment *	9,154,103	1,351,526	4,466,628	5,731,590	446,761	21,150,608
Expenses according to business segment	(3,729,880)	(794,579)	(72,577)	(2,531,290)	(40,919)	(7,169,245)
Profit before tax	5,424,223	556,947	4,394,051	3,200,300	405,842	13,981,363
Tax	(1,594,498)	(163,263)	(1,288,091)	(939,248)	(118,968)	(4,104,068)
Profit for the period	3,829,725	393,684	3,105,960	2,261,052	286,874	9,877,295
Total assets	136,523,527	2,460,309	238,413,240	38,435,087	77,200,088	493,032,251

*Represents the net interest income and other income

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Sep.30, 2020						
Revenue according to business segment	8,196,352	1,148,487	6,237,688	5,094,927	476,911	21,154,365
Expenses according to business segment	(6,508,476)	(647,559)	(242,507)	(2,512,916)	(1,356)	(9,912,814)
Profit before tax	1,687,876	500,928	5,995,181	2,582,011	475,555	11,241,551
Tax	(672,715)	(170,250)	(2,011,790)	(878,777)	(161,627)	(3,895,159)
Profit for the period	1,015,161	330,678	3,983,391	1,703,234	313,928	7,346,392
Total assets at 31 December 2020	137,873,519	1,067,415	182,713,109	36,057,380	70,130,744	427,842,167

4.2. By geographical segment

	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
Sep.30, 2021					
Revenue according to geographical segment	18,404,158	2,298,293	431,783	16,374	21,150,608
Expenses according to geographical segment	(5,685,269)	(1,250,734)	(217,254)	(15,988)	(7,169,245)
Profit before tax	12,718,889	1,047,559	214,529	386	13,981,363
Tax	(3,734,100)	(307,081)	(62,887)	-	(4,104,068)
Profit for the period	8,984,789	740,478	151,642	386	9,877,295
Total assets	458,396,777	25,541,283	7,185,110	1,909,081	493,032,251
	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
Sep.30, 2020					
Revenue according to geographical segment	18,314,566	2,264,371	564,013	11,415	21,154,365
Expenses according to geographical segment	(8,635,257)	(1,071,326)	(190,563)	(15,668)	(9,912,814)
Profit before tax	9,679,309	1,193,045	373,450	(4,253)	11,241,551
Tax	(3,362,755)	(405,480)	(126,924)	-	(3,895,159)
Profit for the period	6,316,554	787,565	246,526	(4,253)	7,346,392
Total assets at 31 December 2020	395,769,335	22,705,248	7,493,258	1,874,326	427,842,167

5 . Net trading income

	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 foreign exchange transactions	53,466	461,635	64,752	269,810
Profit (Loss) from forward foreign exchange deals revaluation	152,867	46,834	(2,367)	51,384
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	212,228	490,787	51,001	228,232

6 . Earning per share

	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 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

* Based on separate financial statement profits.

7 . Cash and balances at the central bank

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
Cash	6,060,530	6,023,849
Obligatory reserve balance with CBE		
- Current accounts	27,265,818	27,744,700
Total	33,326,348	33,768,549
Non-interest bearing balances	33,326,348	33,768,549

8 . Due from banks

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
Current accounts	2,906,803	2,950,002
Deposits	69,389,821	84,500,488
Expected credit losses	(62,069)	(24,189)
Total	72,234,555	87,426,301
Central banks	44,592,407	54,425,073
Local banks	8,905,988	1,681,684
Foreign banks	18,736,160	31,319,544
Total	72,234,555	87,426,301
Non-interest bearing balances	1,147,511	19,515
Floating interest bearing balances	9,707,113	8,872,165
Fixed interest bearing balances	61,379,931	78,534,621
Total	72,234,555	87,426,301
Current balances	72,234,555	87,426,301

Due from banks

	Stage 1	Stage 2
Gross due from banks	66,604,173	5,692,451
Expected credit losses	(20,542)	(41,527)
Net due from banks	66,583,631	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	22,425
182 Days maturity	8,157,550	98,825
364 Days maturity	57,421,237	42,083,940
Unearned interest	<u>(3,650,009)</u>	<u>(1,948,912)</u>
Total	<u>66,376,228</u>	<u>40,256,278</u>
Repos - treasury bills	<u>(719,382)</u>	<u>(758,586)</u>
Net	<u>65,656,846</u>	<u>39,497,692</u>

. Governmental bonds

	Sep.30, 2021 EGP Thousands <u>Financial Assets at Fair Value through OCI</u>	Dec.31, 2020 EGP Thousands <u>Financial Assets at Fair Value through OCI</u>
Governmental bonds	140,555,689	106,208,507
Repo	<u>(3,535,324)</u>	<u>(7,472,925)</u>
Net	<u>137,020,365</u>	<u>98,735,582</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	-	(9,625)

11 . Loans and advances to customers, net

	Sep.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
Individual		
- Overdraft	1,193,515	1,519,369
- Credit cards	5,391,579	4,864,404
- Personal loans	30,084,688	27,882,072
- Real estate loans	2,275,360	2,033,349
Total 1	38,945,142	36,299,194
Corporate		
- Overdraft	29,864,089	23,698,784
- Direct loans	48,564,281	45,228,009
- Syndicated loans	40,595,723	31,110,813
- Other loans	10,233	21,391
Total 2	119,034,326	100,058,997
Total Loans and advances to customers (1+2)	157,979,468	136,358,191
Less:		
Unamortized bills discount	(55,856)	(104,176)
Unamortized syndicated loans discount	(336,969)	(210,680)
Impairment provision	(17,621,232)	(16,434,813)
Suspended credit account	(42,205)	(38,517)
Net loans and advances to customers	139,923,206	119,570,005
Distributed to		
Current balances	62,183,916	51,383,948
Non-current balances	77,739,290	68,186,057
Total	139,923,206	119,570,005

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				
Individual Loans:					
	<u>Overdrafts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Mortgages</u>	<u>Total</u>
Beginning balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
Release / charge during the period	932	(77,768)	(170,644)	17,394	(230,086)
Written off during the period	-	79,516	142,161	-	221,677
Recoveries	(1)	(23,070)	(29,541)	-	(52,612)
Ending balance	(12,663)	(263,599)	(833,629)	(44,893)	(1,154,784)
Corporate and Business Banking loans:					
			<u>Syndicated</u>		
	<u>Overdraft</u>	<u>Direct loans</u>	<u>loans</u>	<u>Other loans</u>	<u>Total</u>
Beginning balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)
Impairment	(282,365)	(434,956)	(445,084)	(1,021)	(1,163,426)
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	(1,597,645)	(10,974,205)	(3,888,032)	(6,566)	(16,466,448)
			<u>Individual</u>		<u>EGP Thousands</u>
Dec.31, 2020					
	<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)
Acquired during the year (MAYFAIR)	(14)	-	(1,673)	(137)	(1,824)
Released (charged) released during the year	(8,167)	(153,531)	(627,396)	(20,701)	(809,795)
Write off during the year	-	23,080	52,881	-	75,961
Recoveries during the year*	-	(21,050)	(20,124)	-	(41,174)
Ending balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
			<u>Corporate</u>		
Dec.31, 2020					
	<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)
Acquired during the year (MAYFAIR)	(154)	(6,042)	-	-	(6,196)
Released (charged) released during the year	(397,054)	(2,838,640)	(752,474)	(3,446)	(3,991,614)
Write off during the year	-	132,224	-	-	132,224
Recoveries during the year*	-	(121,721)	-	-	(121,721)
Exchange revaluation difference	11,043	108,096	36,074	-	155,213
Ending balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)

*From previously written off amounts

12 . Financial investments securities

Sep.30, 2021

	<u>Financial Assets at Fair Value through P&L</u>	<u>Financial Assets at Fair Value through OCI</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	137,020,365	20,533,947	157,554,312
Securitized bonds	-	7,508,947	-	7,508,947
Equity instruments	-	433,427	-	433,427
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	-	65,656,846	-	65,656,846
Equity instruments	-	218,934	-	218,934
Mutual funds	-	248,720	-	248,720
Total	206,699	212,487,239	20,533,947	233,227,885

Dec.31, 2020

	<u>Financial Assets at Fair Value through P&L</u>	<u>Financial Assets at Fair Value through OCI</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	98,735,582	25,255,909	123,991,491
Securitized bonds	-	8,008,811	-	8,008,811
Equity instruments	-	714,003	-	714,003
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	-	39,468,376	29,316	39,497,692
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
Total	359,959	148,118,372	25,285,225	173,763,556

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	923	15,016	-	(14,100)
Total	56,596	658,483	53,913	885,918

13 . Investments in associates

	<u>Company's</u> <u>country</u>	<u>Company's assets</u>	<u>Company's</u> <u>liabilities (without</u> <u>equity)</u>	<u>Company's</u> <u>revenues</u>	<u>Company's net</u> <u>profit (loss)</u>	EGP Thousands <u>Investment book</u> <u>value</u>	<u>Stake %</u>
Sep.30, 2021							
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	66,362	37,516	37,969	4,955	30,590	39.34
- Fawry Plus	Egypt	115,816	96,742	47,078	5,791	15,461	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,076,764	768,936	331,662	13,276	127,191	30.00
Total		1,258,942	903,194	416,709	24,022	331,602	

	<u>Company's</u> <u>country</u>	<u>Company's assets</u>	<u>Company's</u> <u>liabilities (without</u> <u>equity)</u>	<u>Company's revenues</u>	<u>Company's net</u> <u>profit (loss)</u>	EGP Thousands <u>Investment book</u> <u>value</u>	<u>Stake %</u>
Dec.31, 2020							
- Al Ahly Computer	Egypt	82,094	49,824	49,254	7,140	27,724	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	112,147	30.00
Total		1,266,645	993,431	567,474	(3,148)	139,871	

14 . Property and equipment

	<u>Sep.30, 2021</u>							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	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Additions during the period	-	47,146	501,061	21,601	139,627	115,024	9,224	833,683
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	1,175,416	3,085,117	155,084	943,520	836,397	142,936	6,403,179
Accumulated depreciation at beginning of the period (3)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
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)	-	494,396	1,994,126	64,410	688,722	552,145	100,963	3,894,762
Ending net assets (2-4)	64,709	681,020	1,090,991	90,674	254,798	284,252	41,973	2,508,417
Beginning net assets (1-3)	64,709	673,657	947,762	79,529	240,243	260,830	44,417	2,311,147

Property and equipment

	<u>Dec.31, 2020</u>							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	115,594	4,873,198
Additions during the year	-	75,388	439,171	23,694	104,521	174,801	22,140	839,715
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	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
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	-	53,704	373,342	12,314	148,835	129,462	15,375	733,032
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Accumulated depreciation at end of the year (4)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Ending net assets (2-4)	64,709	673,657	947,762	79,529	240,243	260,830	44,417	2,311,147
Beginning net assets (1-3)	64,709	651,973	881,933	68,149	284,557	215,491	37,652	2,204,464

15 . Due to banks

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	1,343,676	392,725
Deposits	202,374	8,424,810
Total	1,546,050	8,817,535
Central banks	153,846	114,786
Local banks	8,096	5,233,885
Foreign banks	1,384,108	3,468,864
Total	1,546,050	8,817,535
Non-interest bearing balances	1,169,319	232,019
Floating bearing interest balances	120,513	871,427
Fixed interest bearing balances	256,218	7,714,089
Total	1,546,050	8,817,535
Current balances	1,546,050	8,817,535

16 . Due to customers

	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Demand deposits	136,974,950	107,514,953
Time deposits	79,638,703	58,877,291
Certificates of deposit	100,675,850	100,027,684
Saving deposits	83,145,561	70,806,502
Other deposits	3,768,043	3,943,020
Total	404,203,107	341,169,450
Corporate deposits	184,810,990	140,615,573
Individual deposits	219,392,117	200,553,877
Total	404,203,107	341,169,450
Non-interest bearing balances	59,027,395	50,113,153
Floating interest bearing balances	21,257,602	33,602,396
Fixed interest bearing balances	323,918,110	257,453,901
Total	404,203,107	341,169,450
Current balances	296,547,996	240,170,103
Non-current balances	107,655,111	100,999,347
Total	404,203,107	341,169,450

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	2,930,743	190,525	(25,455)	-	-	3,095,813
Provision for other claim	240,154	-	10,882	(1,363)	(9,396)	240,277
Total	3,223,501	190,525	(13,722)	(44,978)	(12,255)	3,343,071
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	1,145,420	(5,369)	-	-	2,930,743
Provision for other claim	154,571	89,560	(1,780)	(2,197)	-	240,154
Total	2,011,369	1,234,980	(7,193)	(2,382)	(13,273)	3,223,501

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</u>	<u>No. of shares in</u>
	<u>thousand</u>	<u>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		No. of shares in thousand
	Exercise price	Fair value	
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:

	14th tranche	13th tranche
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

	Income	Expenses
	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 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).

23 . Goodwill

	Mayfair Bank
	Sep.30, 2021
	EGP Thousands
Acquisition cost	560,963
Net assets value	(354,676)
Goodwill	206,287

	Mayfair Bank	Mayfair Bank
	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Goodwill at acquisition date	206,287	206,287
Amortization	(58,448)	(27,505)
Net book value	147,839	178,782

According to Central Bank of Egypt regulation issued on Dec 16, 2008, an amortization of 20% annually has been applied on Goodwill starting from acquisition date.

24 . Intangible assets

	Mayfair Bank	Mayfair Bank
	Sep.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Intangible Assets at acquisition date	51,831	51,831
Amortization	(14,685)	(6,911)
Net book value	37,146	44,920



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