



# 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<br>EGP Thousands | Dec. 31, 2020<br>EGP Thousands |
|--|-------|--------------------------------|--------------------------------|
| <b>Assets</b>  |       |                                |                                |
| 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                      |
| <b>Total assets</b>                                      |       | <b>491,343,298</b>             | <b>426,144,830</b>             |
| <b>Liabilities and equity</b>                            |       |                                |                                |
| <b>Liabilities</b>                                       |       |                                |                                |
| 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                      |
| <b>Total liabilities</b>                                 |       | <b>425,391,403</b>             | <b>366,740,204</b>             |
| <b>Equity</b>  |       |                                |                                |
| 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                     |
| <b>Total equity and net profit for the period / year</b> |       | <b>65,951,895</b>              | <b>59,404,626</b>              |
| <b>Total liabilities and equity</b>                      |       | <b>491,343,298</b>             | <b>426,144,830</b>             |

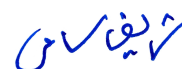
The accompanying notes are an integral part of these financial statements.

(Review report attached)

\* Including net profit for the current period



**Hussein Abaza**  
CEO & Managing Director



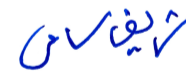
**Sherif Samy**  
Chairman

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

|  | <i>Notes</i> | <b>Last 3 Months<br/>Sep. 30, 2021<br/>EGP Thousands</b> | <b>Last 9 Months<br/>Sep. 30, 2021<br/>EGP Thousands</b> | Last 3 Months<br>Sep. 30, 2020<br>EGP Thousands | Last 9 Months<br>Sep. 30, 2020<br>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>                             |
| <b>Net interest income</b>                     |              | <b><u>6,432,572</u></b>                                  | <b><u>18,105,601</u></b>                                 | <b><u>6,355,992</u></b>                         | <b><u>18,832,889</u></b>                        |
| 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>                                |
| <b>Net fee and commission income</b>           |              | <b><u>654,251</u></b>                                    | <b><u>1,765,569</u></b>                                  | <b><u>350,533</u></b>                           | <b><u>1,336,693</u></b>                         |
| 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>                              |
| <b>Profit before income tax</b>                |              | <b><u>5,349,283</u></b>                                  | <b><u>13,998,067</u></b>                                 | <b><u>3,744,510</u></b>                         | <b><u>11,290,726</u></b>                        |
| 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>                                   |
| <b>Net profit for the period</b>               |              | <b><u>3,817,343</u></b>                                  | <b><u>9,894,685</u></b>                                  | <b><u>2,393,958</u></b>                         | <b><u>7,395,567</u></b>                         |
| <b>Earning per share</b>                       | 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

|  | <b>Last 3 Months</b><br><b>Sep. 30, 2021</b><br>EGP Thousands | <b>Last 9 Months</b><br><b>Sep. 30, 2021</b><br>EGP Thousands | Last 3 Months<br>Sep. 30, 2020<br>EGP Thousands | Last 9 Months<br>Sep. 30, 2020<br>EGP Thousands |
|--|---|---|---|---|
| <b>Net profit for the period</b>   | <b>3,817,343</b>  | <b>9,894,685</b>  | 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  |
| <b>Total comprehensive income for the period</b>   | <b>2,960,599</b>  | <b>7,244,582</b>  | 1,563,063                                       | 5,116,461                                       |

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

|   | <i>Notes</i> | <b>Sep. 30, 2021</b><br>EGP Thousands | Sep. 30, 2020<br>EGP Thousands |
|---|--------------|---------------------------------------|--------------------------------|
| <b>Cash flow from operating activities</b>  |              |                                       |                                |
| Profit before income tax  |              | 13,998,067                            | 11,290,726                     |
| <b>Adjustments to reconcile net profit to net cash provided by operating activities</b> |              |                                       |                                |
| 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                         |
| <b>Operating losses (profits) before changes in operating assets and liabilities</b>    |              | <b>15,993,590</b>                     | <b>16,459,296</b>              |
| <b>Net decrease (increase) in assets and liabilities</b>                                |              |                                       |                                |
| 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)                    |
| <b>Net cash used in (generated from) operating activities</b>                           |              | <b>48,359,284</b>                     | <b>23,741,469</b>              |
| <b>Cash flow from investing activities</b>  |              |                                       |                                |
| 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                     |
| <b>Net cash generated from (used in) investing activities</b>                           |              | <b>(57,719,196)</b>                   | <b>4,444,258</b>               |

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

|   | Sep. 30, 2021<br>EGP Thousands | Sep. 30, 2020<br>EGP Thousands |
|---|--------------------------------|--------------------------------|
| <b>Cash flow from financing activities</b>                    |                                |                                |
| 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                         |
| <b>Net cash generated from (used in) financing activities</b> | <b>(1,918,465)</b>             | <b>1,207,777</b>               |
| 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                     |
| <b>Cash and cash equivalent at the end of the period</b>      | <b>64,686,870</b>              | <b>52,288,521</b>              |
| <b>Cash and cash equivalent comprise:</b>                     |                                |                                |
| 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)                   |
| <b>Total cash and cash equivalent</b>                         | <b>64,686,870</b>              | <b>52,288,521</b>              |



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

| Sep. 30, 2020  | <u>Issued and paid<br/>up capital</u> | <u>Legal reserve</u> | <u>General reserve</u> | <u>General risk<br/>reserve</u> | <u>Capital<br/>reserve</u> | <u>Reserve for<br/>financial assets at<br/>fair value through<br/>OCI</u> | <u>Banking<br/>risks<br/>reserve</u> | <u>Retained<br/>earnings</u> | <u>Reserve for<br/>employee stock<br/>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<br/>paid up capital</u> | <u>Legal<br/>reserve</u> | <u>General<br/>reserve</u> | <u>General risk<br/>reserve</u> | <u>Capital<br/>reserve</u> | <u>Reserve for<br/>financial assets at<br/>fair value<br/>through OCI</u> | <u>Banking<br/>risks<br/>reserve</u> | <u>Retained<br/>earnings</u> | <u>Reserve for<br/>employee stock<br/>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> |
| <b>Gross Loans and advances</b>       | <b>157,129,318</b>                     | <b>-</b>                           | <b>135,604,002</b>                     | <b>786,605</b>                     |
| <b>Less:</b>                          |  |                                    |  |                                    |
| 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                                 | -                                  |
| <b>Net</b>                            | <b>139,110,172</b>                     | <b>-</b>                           | <b>118,854,880</b>                     | <b>776,980</b>                     |

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:<br/>12 months</u> | <u>Stage 2:<br/>Life time</u> | <u>Stage 3:<br/>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        |
| <b>Total</b>                      | <b>97,099,805</b>             | <b>51,499,952</b>             | <b>8,529,561</b>              | <b>157,129,318</b> |

**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        |
| <b>Total</b>                      | <b>2,114,907</b>                                      | <b>7,510,634</b>  | <b>7,958,575</b>  | <b>17,584,116</b> |

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

Sep.30, 2021

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

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

Sep.30, 2021

|                           | <u>Stage 1:<br/>12 months</u> | <u>Stage 2:<br/>Life time</u> | <u>Stage 3:<br/>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)       |
| <b>Net</b>                | <b>57,213,608</b>             | <b>31,947,389</b>             | <b>4,275</b>                  | <b>89,165,272</b> |

**Total balances of loans and facilities divided by stages:**

Dec.31, 2020

|                                   | <u>Stage 1:</u><br><u>12 months</u> | <u>Stage 2:</u><br><u>Life time</u> | <u>Stage 3:</u><br><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         |
| <b>Total</b>                      | <b>85,054,062</b>                   | <b>44,719,842</b>                   | <b>5,830,098</b>                    | <b>135,604,002</b> |

**Expected credit losses**

Dec.31, 2020

|                                   | <u>Stage 1: Expected</u><br><u>credit losses over 12</u><br><u>months</u> | <u>Stage 2: Expected</u><br><u>credit losses</u><br><u>Over a lifetime that is</u><br><u>not creditworthy</u> | <u>Stage 3: Expected</u><br><u>credit losses</u><br><u>Over a lifetime</u><br><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        |
| <b>Total</b>                      | <b>2,101,238</b>  | <b>8,778,849</b>  | <b>5,515,662</b>  | <b>16,395,749</b> |

**Loans and advances to banks divided by stages:**

Dec.31, 2020

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

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

Dec.31, 2020

|                           | <u>Stage 1:</u><br><u>12 months</u> | <u>Stage 2:</u><br><u>Life time</u> | <u>Stage 3:</u><br><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)       |
| <b>Net</b>                | <b>52,639,180</b>                   | <b>26,964,459</b>                   | <b>4,669</b>                        | <b>79,608,308</b> |

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   | -             | -                 | -             | -                | -         | -           | -             | -                 |
| <b>Ending balance</b>   | <b>19,985</b> | <b>12,519,937</b> | <b>41,527</b> | <b>5,692,451</b> | <b>-</b>  | <b>-</b>    | <b>61,512</b> | <b>18,212,388</b> |

**Individual Loans:**

|   | Stage 1        |                   | Stage 2       |                  | Stage 3        |                | Stage 1          |                   |
|---|----------------|-------------------|---------------|------------------|----------------|----------------|------------------|-------------------|
|   | 12 months      |                   | 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           | -                 |
| <b>Ending balance</b>                         | <b>787,890</b> | <b>34,661,915</b> | <b>72,331</b> | <b>3,419,244</b> | <b>284,306</b> | <b>767,941</b> | <b>1,144,527</b> | <b>38,849,100</b> |

**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)          | -                  |
| <b>Ending balance</b>   | <b>1,327,017</b> | <b>62,437,890</b> | <b>7,438,303</b> | <b>48,080,708</b> | <b>7,674,269</b> | <b>7,761,620</b> | <b>16,439,589</b> | <b>118,280,218</b> |

**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   | -              | -                 | -             | -             | -         | -           | -              | -                 |
| <b>Ending balance</b>   | <b>507,246</b> | <b>37,188,209</b> | <b>12,981</b> | <b>77,260</b> | <b>-</b>  | <b>-</b>    | <b>520,227</b> | <b>37,265,469</b> |

**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   | -            | -             | -         | -           | -         | -           | -            | -             |
| <b>Ending balance</b>   | <b>1,104</b> | <b>61,580</b> | <b>-</b>  | <b>-</b>    | <b>-</b>  | <b>-</b>    | <b>1,104</b> | <b>61,580</b> |

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   | -             | -                 | -         | -           | -         | -           | -             | -                 |
| <b>Ending balance</b>   | <b>23,331</b> | <b>10,010,027</b> | <b>-</b>  | <b>-</b>    | <b>-</b>  | <b>-</b>    | <b>23,331</b> | <b>10,010,027</b> |

**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           | -                 |
| <b>Ending balance</b>                    | <b>705,482</b> | <b>34,674,902</b> | <b>22,779</b> | <b>942,359</b> | <b>348,551</b> | <b>576,361</b> | <b>1,076,812</b> | <b>36,193,622</b> |

**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)         | -                 |
| <b>Ending balance</b>   | <b>1,395,756</b> | <b>50,379,160</b> | <b>8,756,070</b> | <b>43,777,483</b> | <b>5,167,111</b> | <b>5,253,737</b> | <b>15,318,937</b> | <b>99,410,380</b> |

**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   | -              | -                 | -         | -           | -         | -           | -              | -                 |
| <b>Ending balance</b>   | <b>619,577</b> | <b>38,454,165</b> | <b>-</b>  | <b>-</b>    | <b>-</b>  | <b>-</b>    | <b>619,577</b> | <b>38,454,165</b> |



**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    |
| <b>Loans and advances to customer</b> |                  |                  |
| <b>Corporate</b>                      |                  |                  |
| - Direct loans                        | 8,503,890        | 4,794,419        |
| <b>Total</b>                          | <b>8,503,890</b> | <b>4,794,419</b> |

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

**Sep.30, 2021**

EGP Thousands

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

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



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

**Dec.31, 2020**

EGP Thousands

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

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

**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.

| Sep.30, 2021   | EGP                | USD                | EUR              | GBP              | Other            | Total              |
|--|--------------------|--------------------|------------------|------------------|------------------|--------------------|
| Equivalent EGP Thousands   |                    |                    |                  |                  |                  |                    |
| <b>Financial assets</b>  |                    |                    |                  |                  |                  |                    |
| 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            |
| <b>Financial investments</b>   |                    |                    |                  |                  |                  |                    |
| 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          |
| <b>Total financial assets</b>  | <b>386,341,098</b> | <b>101,807,319</b> | <b>9,322,304</b> | <b>975,271</b>   | <b>1,206,633</b> | <b>499,652,625</b> |
| <b>Financial liabilities</b>   |                    |                    |                  |                  |                  |                    |
| 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          |
| <b>Total financial liabilities</b>                                     | <b>310,310,926</b> | <b>92,845,619</b>  | <b>7,697,682</b> | <b>955,870</b>   | <b>332,202</b>   | <b>412,142,299</b> |
| <b>Net on-balance sheet financial position</b>                         | <b>76,030,172</b>  | <b>8,961,700</b>   | <b>1,624,622</b> | <b>19,401</b>    | <b>874,431</b>   | <b>87,510,326</b>  |
| <b>Total financial assets as of December 31, 2020</b>                  | <b>316,459,285</b> | <b>105,766,625</b> | <b>9,029,784</b> | <b>513,923</b>   | <b>1,311,340</b> | <b>433,080,957</b> |
| <b>Total financial liabilities as of December 31, 2020</b>             | <b>253,086,441</b> | <b>95,028,728</b>  | <b>7,657,363</b> | <b>936,892</b>   | <b>270,680</b>   | <b>356,980,104</b> |
| <b>Net on-balance sheet financial position as of December 31, 2020</b> | <b>63,372,844</b>  | <b>10,737,897</b>  | <b>1,372,421</b> | <b>(422,969)</b> | <b>1,040,660</b> | <b>76,100,853</b>  |

**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       |
| <b>Financial assets</b>               |                    |                    |                    |                    |
| 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        |
| <b>Financial investments:</b>         |                    |                    |                    |                    |
| Amortized cost                        | 20,299,222         | 25,020,917         | 21,129,926         | 26,172,861         |
| <b>Total financial assets</b>         | <b>249,443,946</b> | <b>248,431,889</b> | <b>250,367,220</b> | <b>249,399,989</b> |
| <b>Financial liabilities</b>          |                    |                    |                    |                    |
| 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          |
| <b>Total financial liabilities</b>    | <b>411,832,624</b> | <b>356,649,031</b> | <b>414,427,831</b> | <b>355,738,474</b> |

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      |                              |   |   |                                |
| <b>Measured at fair value:</b>                          |                   |                              |   |   |                                |
| <b>Financial assets</b>                                 |                   |                              |   |   |                                |
| 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                              | -                              |
| <b>Total</b>  |                   | <b>212,060,717</b>           | <b>145,938,150</b>                        | <b>66,122,567</b>                       | <b>-</b>                       |
| <b>Derivative financial instruments</b>                 |                   |                              |   |   |                                |
| Financial assets  | 30-Sep-21         | 266,997                      | -   | -                                       | 266,997                        |
| Financial liabilities                                   | 30-Sep-21         | 324,863                      | -   | -                                       | 324,863                        |
| <b>Total</b>  |                   | <b>591,860</b>               | <b>-</b>                                  | <b>-</b>                                | <b>591,860</b>                 |
| <b>Assets for which fair values are disclosed:</b>      |                   |                              |   |   |                                |
| 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                    |
| <b>Total</b>  |                   | <b>178,402,035</b>           | <b>-</b>                                  | <b>21,129,926</b>                       | <b>157,272,109</b>             |
| <b>Liabilities for which fair values are disclosed:</b> |                   |                              |   |   |                                |
| 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                    |
| <b>Total</b>  |                   | <b>413,071,751</b>           | <b>-</b>                                  | <b>7,232,380</b>                        | <b>405,839,371</b>             |
|   | Dec.31, 2020      |                              |   |   |                                |
| <b>Measured at fair value:</b>                          |                   |                              |   |   |                                |
| <b>Financial assets</b>                                 |                   |                              |   |   |                                |
| 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                              | -                              |
| <b>Total</b>  |                   | <b>148,006,391</b>           | <b>108,051,809</b>                        | <b>39,954,582</b>                       | <b>-</b>                       |
| <b>Derivative financial instruments</b>                 |                   |                              |   |   |                                |
| Financial assets  | 31-Dec-20         | 248,759                      | -   | -                                       | 248,759                        |
| Financial liabilities                                   | 31-Dec-20         | 331,073                      | -   | -                                       | 331,073                        |
| <b>Total</b>  |                   | <b>579,832</b>               | <b>-</b>                                  | <b>-</b>                                | <b>579,832</b>                 |
| <b>Assets for which fair values are disclosed:</b>      |                   |                              |   |   |                                |
| 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                    |
| <b>Total</b>  |                   | <b>162,381,198</b>           | <b>-</b>                                  | <b>26,172,861</b>                       | <b>136,208,337</b>             |
| <b>Liabilities for which fair values are disclosed:</b> |                   |                              |   |   |                                |
| Other loans   | 31-Dec-20         | 7,746,946                    | -   | 7,746,946                               | -                              |
| Due to customers  | 31-Dec-20         | 339,293,107                  | -   | -                                       | 339,293,107                    |
| <b>Total</b>  |                   | <b>347,040,053</b>           | <b>-</b>                                  | <b>7,746,946</b>                        | <b>339,293,107</b>             |

**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<br/>banking</u> | <u>SME's</u>     | <u>Investments</u> | <u>Retail<br/>banking</u> | <u>Asset Liability<br/>Mangement</u> | <u>Total</u>       |
|--|------------------------------|------------------|--------------------|---------------------------|--------------------------------------|--------------------|
| <b>Net revenue according to business segment *</b> | 9,084,609                    | 1,351,526        | 4,459,026          | 5,730,556                 | 446,761                              | 21,072,478         |
| <b>Expenses according to business segment</b>      | <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> |
| <b>Profit before tax</b>                           | 5,437,049                    | 556,947          | 4,394,128          | 3,204,101                 | 405,842                              | 13,998,067         |
| <b>Tax</b>   | <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> |
| <b>Profit for the period</b>                       | <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>   |
| <b>Total assets</b>                                | <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<br/>banking</u> | <u>SME's</u>     | <u>Investments</u> | <u>Retail banking</u> | <u>Asset Liability<br/>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<br/>&amp; Sinai</u> | <u>Upper Egypt</u> | <u>Total</u>       |
|---|--------------------|------------------------------------|--------------------|--------------------|
| <b>Revenue according to geographical segment</b>  | 18,342,402         | 2,298,293                          | 431,783            | 21,072,478         |
| <b>Expenses according to geographical segment</b> | <u>(5,606,423)</u> | <u>(1,250,734)</u>                 | <u>(217,254)</u>   | <u>(7,074,411)</u> |
| <b>Profit before tax</b>                          | 12,735,979         | 1,047,559                          | 214,529            | 13,998,067         |
| <b>Tax</b>  | <u>(3,733,414)</u> | <u>(307,081)</u>                   | <u>(62,887)</u>    | <u>(4,103,382)</u> |
| <b>Profit for the period</b>                      | <u>9,002,565</u>   | <u>740,478</u>                     | <u>151,642</u>     | <u>9,894,685</u>   |
| <b>Total assets</b>                               | <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<br/>&amp; 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**

|   | <b>Last 3 Months<br/>Sep.30, 2021</b> | <b>Last 9 Months<br/>Sep.30, 2021</b> | <b>Last 3 Months<br/>Sep.30, 2020</b> | <b>Last 9 Months<br/>Sep.30, 2020</b> |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|   | <b>EGP Thousands</b>                  | <b>EGP Thousands</b>                  | <b>EGP Thousands</b>                  | <b>EGP Thousands</b>                  |
| 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)                              |
| <b>Total</b>  | <b>210,117</b>                        | <b>484,774</b>                        | <b>49,736</b>                         | <b>226,967</b>                        |

**6 . Earning per share**

|   | <b>Last 3 Months<br/>Sep.30, 2021</b> | <b>Last 9 Months<br/>Sep.30, 2021</b> | <b>Last 3 Months<br/>Sep.30, 2020</b> | <b>Last 9 Months<br/>Sep.30, 2020</b> |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
|   | <b>EGP Thousands</b>                  | <b>EGP Thousands</b>                  | <b>EGP Thousands</b>                  | <b>EGP Thousands</b>                  |
| 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)                             |
| <b>Profits attributable to shareholders</b>         | <b>3,378,349</b>                      | <b>8,756,796</b>                      | <b>2,118,653</b>                      | <b>6,582,367</b>                      |
| Weighted average number of shares                   | 1,970,242                             | 1,970,242                             | 1,970,242                             | 1,970,242                             |
| <b>Basic earning per share</b>                      | <b>1.71</b>                           | <b>4.44</b>                           | <b>1.08</b>                           | <b>3.34</b>                           |
| 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                             |
| <b>Diluted earning per share</b>                    | <b>1.70</b>                           | <b>4.42</b>                           | <b>1.07</b>                           | <b>3.32</b>                           |

**7 . Cash and balances at the central bank**

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

**8 . Due from banks**

|                                    | <b>Sep.30, 2021</b>  | <b>Dec.31, 2020</b>  |
|------------------------------------|----------------------|----------------------|
|                                    | <b>EGP Thousands</b> | <b>EGP Thousands</b> |
| Current accounts                   | 2,893,916            | 2,932,060            |
| Deposits                           | 69,121,490           | 84,088,305           |
| Expected credit losses             | (61,512)             | (23,331)             |
| <b>Total</b>                       | <b>71,953,894</b>    | <b>86,997,034</b>    |
| Central banks                      | 44,592,407           | 54,425,073           |
| Local banks                        | 8,637,377            | 1,268,079            |
| Foreign banks                      | 18,724,110           | 31,303,882           |
| <b>Total</b>                       | <b>71,953,894</b>    | <b>86,997,034</b>    |
| 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           |
| <b>Total</b>                       | <b>71,953,894</b>    | <b>86,997,034</b>    |
| Current balances                   | 71,953,894           | 86,997,034           |

**Due from banks**

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

**9 . Treasury bills and other governmental notes**

|                        | Sep.30, 2021<br>EGP Thousands | Dec.31, 2020<br>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>            |
| <b>Total</b>           | <b><u>66,374,295</u></b>      | <b><u>40,223,300</u></b>      |
| Repos - treasury bills | <u>(719,382)</u>              | <u>(758,586)</u>              |
| <b>Net</b>             | <b><u>65,654,913</u></b>      | <b><u>39,464,714</u></b>      |

**. Governmental bonds**

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

**10 . Loans and advances to banks, net**

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

**Analysis for impairment provision of loans and advances to banks**

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

**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>        |
| <b>Ending balance</b>                         | <b><u>-</u></b> | <b><u>(9,625)</u></b> |

**11 . Loans and advances to customers, net**

|  | Sep.30, 2021<br>EGP Thousands | Dec.31, 2020<br>EGP Thousands |
|--|-------------------------------|-------------------------------|
| <b>Individual</b>                                  |                               |                               |
| - 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                     |
| <b>Total 1</b>                                     | <b>38,849,100</b>             | <b>36,193,622</b>             |
| <b>Corporate</b>                                   |                               |                               |
| - 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                        |
| <b>Total 2</b>                                     | <b>118,280,218</b>            | <b>99,410,380</b>             |
| <b>Total Loans and advances to customers (1+2)</b> | <b>157,129,318</b>            | <b>135,604,002</b>            |
| <b>Less:</b>                                       |                               |                               |
| 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)                      |
| <b>Net loans and advances to customers</b>         | <b>139,110,172</b>            | <b>118,854,880</b>            |
| <b>Distributed to</b>                              |                               |                               |
| Current balances                                   | 61,850,124                    | 51,070,650                    |
| Non-current balances                               | 77,260,048                    | 67,784,230                    |
| <b>Total</b>                                       | <b>139,110,172</b>            | <b>118,854,880</b>            |

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<br>loans   | Mortgages       | Total               |
| <b>Individual Loans:</b>                     |                    |                     |                     |                 |                     |
| 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)            |
| <b>Ending balance</b>                        | <b>(9,104)</b>     | <b>(263,600)</b>    | <b>(827,251)</b>    | <b>(44,572)</b> | <b>(1,144,527)</b>  |
| <b>Corporate and Business Banking loans:</b> |                    |                     |                     |                 |                     |
|  |                    |                     | Sep.30, 2021        |                 |                     |
|  | Overdraft          | Direct loans        | Syndicated<br>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              |
| <b>Ending balance</b>                        | <b>(1,595,543)</b> | <b>(10,949,450)</b> | <b>(3,888,030)</b>  | <b>(6,566)</b>  | <b>(16,439,589)</b> |



| 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&amp;L</u>             | <u>OCI</u>                 |                       |                      |
|   | <u>EGP Thousands</u>       | <u>EGP Thousands</u>       | <u>EGP Thousands</u>  | <u>EGP Thousands</u> |
| <b>Investments listed in the market</b>     |                            |                            |                       |                      |
| 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            |
| <b>Investments not listed in the market</b> |                            |                            |                       |                      |
| Treasury bills and other governmental notes | -                          | 65,654,913                 | -                     | 65,654,913           |
| Equity instruments                          | -                          | 218,934                    | -                     | 218,934              |
| Mutual funds                                | -                          | 248,720                    | -                     | 248,720              |
| <b>Total</b>                                | <b>206,699</b>             | <b>211,854,018</b>         | <b>20,299,222</b>     | <b>232,359,939</b>   |

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&amp;L</u>             | <u>OCI</u>                 |                       |                      |
|   | <u>EGP Thousands</u>       | <u>EGP Thousands</u>       | <u>EGP Thousands</u>  | <u>EGP Thousands</u> |
| <b>Investments listed in the market</b>     |                            |                            |                       |                      |
| 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              |
| <b>Investments not listed in the market</b> |                            |                            |                       |                      |
| Treasury bills and other governmental notes | -                          | 39,464,714                 | -                     | 39,464,714           |
| Equity instruments                          | -                          | 243,596                    | -                     | 243,596              |
| Mutual funds                                | -                          | 246,272                    | -                     | 246,272              |
| <b>Total</b>                                | <b>359,959</b>             | <b>147,646,432</b>         | <b>25,020,917</b>     | <b>173,027,308</b>   |



**12.1 . Profits (Losses) on financial investments**

|   | Last 3 Months<br>Sep.30, 2021<br>EGP Thousands | Last 9 Months<br>Sep.30, 2021<br>EGP Thousands | Last 3 Months<br>Sep.30, 2020<br>EGP Thousands | Last 9 Months<br>Sep.30, 2020<br>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)                                       |
| <b>Total</b>  | <b>56,589</b>                                  | <b>634,108</b>                                 | <b>53,913</b>                                  | <b>885,918</b>                                 |

**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<br>country | Company's assets | Company's<br>liabilities (without<br>equity) | Company's<br>revenues | Company's net<br>profit (loss) | EGP Thousands<br>Investment book<br>value | Stake<br>% |
|--|----------------------|------------------|--|-----------------------|--------------------------------|---|------------|
| - 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      |
| <b>Total</b>   |                      | <b>3,322,264</b> | <b>2,187,925</b>                             | <b>514,520</b>        | <b>25,624</b>                  | <b>1,023,350</b>                          |            |

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<br>country | Company's assets | Company's liabilities<br>(without equity) | Company's revenues | Company's net<br>profit<br>(loss) | EGP Thousands<br>Investment book<br>value | Stake<br>% |
|--|----------------------|------------------|---|--------------------|-----------------------------------|---|------------|
| - 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      |
| <b>Total</b>   |                      | <b>3,351,039</b> | <b>2,241,700</b>                          | <b>902,461</b>     | <b>(94,162)</b>                   | <b>874,348</b>                            |            |

**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)         |
| <b>Cost at end of the period (2)</b>                     | <b>64,709</b> | <b>1,170,677</b> | <b>3,039,148</b> | <b>153,624</b>  | <b>918,971</b>      | <b>803,823</b>                | <b>144,355</b>                  | <b>6,295,307</b> |
| 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)         |
| <b>Accumulated depreciation at end of the period (4)</b> | <b>-</b>      | <b>493,590</b>   | <b>1,969,710</b> | <b>63,170</b>   | <b>681,094</b>      | <b>532,410</b>                | <b>99,257</b>                   | <b>3,839,231</b> |
| <b>Ending net assets (2-4)</b>                           | <b>64,709</b> | <b>677,087</b>   | <b>1,069,438</b> | <b>90,454</b>   | <b>237,877</b>      | <b>271,413</b>                | <b>45,098</b>                   | <b>2,456,076</b> |
| <b>Beginning net assets (1-3)</b>                        | <b>64,709</b> | <b>670,897</b>   | <b>926,209</b>   | <b>79,309</b>   | <b>223,322</b>      | <b>247,991</b>                | <b>47,503</b>                   | <b>2,259,940</b> |

**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)         |
| <b>Cost at end of the year (2)</b>                     | <b>64,709</b> | <b>1,129,713</b> | <b>2,541,603</b> | <b>132,023</b>  | <b>808,039</b>      | <b>700,886</b>                | <b>136,093</b>                  | <b>5,513,066</b> |
| 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)         |
| <b>Accumulated depreciation at end of the year (4)</b> | <b>-</b>      | <b>458,816</b>   | <b>1,615,394</b> | <b>52,714</b>   | <b>584,717</b>      | <b>452,895</b>                | <b>88,590</b>                   | <b>3,253,126</b> |
| <b>Ending net assets (2-4)</b>                         | <b>64,709</b> | <b>670,897</b>   | <b>926,209</b>   | <b>79,309</b>   | <b>223,322</b>      | <b>247,991</b>                | <b>47,503</b>                   | <b>2,259,940</b> |
| <b>Beginning net assets (1-3)</b>                      | <b>64,709</b> | <b>651,973</b>   | <b>881,933</b>   | <b>68,149</b>   | <b>284,557</b>      | <b>215,491</b>                | <b>35,886</b>                   | <b>2,202,698</b> |

**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        |
| <b>Total</b>                       | <b>1,542,750</b> | <b>8,815,561</b> |
| Central banks                      | 153,846          | 114,786          |
| Local banks                        | 8,096            | 5,233,885        |
| Foreign banks                      | 1,380,808        | 3,466,890        |
| <b>Total</b>                       | <b>1,542,750</b> | <b>8,815,561</b> |
| 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        |
| <b>Total</b>                       | <b>1,542,750</b> | <b>8,815,561</b> |
| 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          |
| <b>Total</b>                       | <b>403,085,553</b> | <b>340,086,524</b> |
| Corporate deposits                 | 184,393,948        | 140,253,514        |
| Individual deposits                | 218,691,605        | 199,833,010        |
| <b>Total</b>                       | <b>403,085,553</b> | <b>340,086,524</b> |
| 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        |
| <b>Total</b>                       | <b>403,085,553</b> | <b>340,086,524</b> |
| Current balances                   | 294,212,142        | 237,899,134        |
| Non-current balances               | 108,873,411        | 102,187,390        |
| <b>Total</b>                       | <b>403,085,553</b> | <b>340,086,524</b> |

**17 . Issued debt instruments**

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

**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               |
| <b>Total</b>               | <b>3,221,252</b>         | <b>190,858</b>                 | <b>(13,722)</b>                        | <b>(44,978)</b>                 | <b>(12,255)</b>         | <b>3,341,155</b>      |
| 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               |
| <b>Total</b>               | <b>2,011,369</b>         | <b>1,232,731</b>               | <b>(7,193)</b>                         | <b>(2,382)</b>                  | <b>(13,273)</b>         | <b>3,221,252</b>      |

**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:

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

Details of the outstanding tranches are as follows:

| <b>Maturity date</b> | EGP                          | EGP                      | <b><u>No. of shares in thousand</u></b> |
|----------------------|------------------------------|--------------------------|---|
|                      | <b><u>Exercise price</u></b> | <b><u>Fair value</u></b> |   |
| 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                                  |
| <b>Total</b>         |                              |                          | <b><u>56,006</u></b>                    |

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

|                       | <b><u>14th tranche</u></b> | <b><u>13th tranche</u></b> |
|-----------------------|----------------------------|----------------------------|
| 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**

|   | <b><u>Income</u></b> | <b><u>Expenses</u></b> |
|---|----------------------|------------------------|
|   | 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).



**THE BANK TO TRUST**