THE BANK TO TRUST

CHAMPIONING A LEGACY

Annual Report **2021**

’21

CIB plays a significant role in **helping individuals live better lives and corporate clients** build businesses that create meaningful jobs.

Supporting Egyptian

CHAMPIONS

For years, CIB has dedicated tremendous resources to back Egypt’s most prolific squash players as result of its deep commitment to supporting Egyptian homegrown talent and championing a legacy.

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01

CIB INTRODUCTION

3%

increase in revenues

CIB is dedicated to creating outstanding **stakeholder value and providing superior** customer service solutions.

At a Glance

CIB is Egypt's leading private-sector bank. It is an award-winning institution dedicated to creating outstanding stakeholder value and providing superior customer service solutions to a broad range of clients. The Bank furnishes clients with innovative solutions that satisfy their banking needs and facilitate their financial lives. Its dynamic business model and commitment to fully integrating superior technology into its products and services allow it to maintain its market leadership and offer staff an engaging work environment, while generating mounting value. The Bank serves an expansive network of retail customers, high-net-worth (HNW) individuals, and enterprises and institutions that drive the Egyptian economy. With a well-established network of 215 branches and banking units and a workforce comprising 7,307 employees, CIB provides tailored, client-centric services to clients in the corporate, commercial, retail, wealth, and small and medium enterprise (SME) spheres, while working to deliver the most streamlined, efficient banking service offering in the Egyptian market. CIB also operates two representative offices, one in Dubai and the other in Addis Ababa, as channels driving business through these key markets while capitalizing on the synergies inherent in the Bank's business model as a means of driving value for clients. The Bank has three strategic subsidiaries: CVentures, Mayfair CIB Bank, and Damietta Shipping Marine Services (DSMS), in which CIB's shares are 99.9%, 51%, and 49.95%, respectively. In addition to CIB's strategic subsidiaries, the Bank has direct ownership in four associates: Al Ahly Computer Equipment Company (ACE), TCA Properties, Falcon Group, and Fawry Plus, in which it owns 39.34%, 37%, 30%, and 14.99%, respectively. For several years, CIB has also enjoyed the titles of Most Profitable Bank Operating in Egypt and the Bank of Choice for over 500 of Egypt's largest corporations. It has been awarded numerous accolades from prestigious bodies throughout the year, including Forbes World's Best Employers in 2021.

CIB serves an expansive network of retail customers, high-net-worth (HNW) individuals, and enterprises and institutions that drive the Egyptian economy.

2021 KEY FACTS

215
Branches

7,307
Employees

26.7 EGP/BN
Revenues

+1.6
million clients

1,284
ATMs

89.7 EGP/BN
Average Market Cap

Financial **Highlights**

	FY21 Consolidated	FY20 Consolidated	FY19 Consolidated	FY18 Consolidated	FY17 Consolidated	FY21	FY20	FY19	FY18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Common Share Information Per Share															
Earning Per Share (EPS)[1]						6.10	6.26	7.33	7.26	5.76	4.56	3.58	3.55	2.67	2.42
Book Value (BV/No of Share)						34.98	40.20	35.26	29.26	24.43	18.44	14.39	16.31	13.46	18.94
Share Price (EGP)[2]															
High						64.0	59.5	83.5	96.5	88.8	73.6	47.4	51.3	45.4	39.8
Low						41.0	59.0	82.7	67.0	71.1	30.8	28.9	32.6	27.4	21.1
Closing						52.0	59.2	83.0	74.1	77.4	76.4	38.1	49.2	32.6	34.6
Shares Outstanding (millions)						1,970.2	1,477.7	1,469	1,167	1,162	1,154	1,147	908	900	597
Market Capitalization (EGP millions)						102,453	87,464	121,963	86,439	89,865	88,155	43,692	44,673	29,330	20,646
Value Measures															
Price to Earnings Multiple (P/E)						8.5	9.5	11.3	10.2	13.4	16.8	10.6	13.9	12.2	14.3
Dividend Yield (based on closing share price)						2.62%	0.00%	1.51%	1.35%	1.29%	0.65%	1.97%	2.44%	3.07%	3.62%
Dividend Payout Ratio						20.0%	0.0%	15.6%	15.3%	15.4%	9.7%	18.5%	29.9%	34.4%	33.9%
Market Value to Book Value Ratio						1.49	1.47	2.35	2.53	3.17	4.14	2.65	3.02	2.42	1.83
Financial Results (EGP millions)															
Net Operating Income[3]	26,696	25,881	23,019	20,379	14,890	26,755	25,839	23,018	20,351	15,192	11,370	10,165	7,717	6,206	5,108
Provision for Credit Losses - Specific	1,680	5,019	1,435	3,076	1,742	1,677	4,989	1,435	3,076	1,742	893	1,682	589	916	610
Provision for Credit Losses - General															
Total Provisions	1,680	5,019	1,435	3,076	1,742	1,677	4,989	1,435	3,076	1,742	893	1,682	589	916	610
Non Interest Expense	6,183	5,626	5,049	4,224	3,119	6,096	5,553	5,045	4,223	3,119	2,433	2,028	1,705	1,450	1,445
Net Profits	13,272	10,238	11,801	9,582	7,516	13,420	10,300	11,804	9,556	7,550	5,951	4,641	3,648	2,615	2,203

[1] Based on net profit available for distribution (after deducting staff profit share and board bonus) and unadjusted to stock dividends and ESOP.
[2] Unadjusted to stock dividends
[3] 2016, 2015 and 2014 excluding CI Capital profit (Discontinued Operations)

	FY21 Consolidated	FY20 Consolidated	FY19 Consolidated	FY18 Consolidated	FY17 Consolidated	FY21	FY20	FY19	FY18	FY 17	FY 16	FY 15	FY 14	FY 13	FY 12
Financial Measures															
Cost : Income	22.81%	20.71%	21.59%	20.33%	20.79%	22.44%	20.47%	21.58%	20.35%	20.38%	21.26%	19.69%	22.91%	22.89%	28.01%
Return on Average Common Equity (ROAE)[4]	21.66%	19.20%	29.49%	33.14%	32.45%	21.90%	19.35%	29.55%	33.13%	32.71%	34.03%	32.80%	30.25%	24.77%	24.18%
Net Interest Margin (NII/ average interest earning assets)						5.67%	6.75%	6.48%	6.43%	4.97%	5.47%	5.74%	5.41%	5.36%	4.74%
Return on Average Assets (ROAA)	2.88%	2.53%	3.26%	3.03%	2.69%	2.93%	2.55%	3.26%	3.02%	2.72%	2.70%	2.90%	2.87%	2.54%	2.47%
Regular Workforce Headcount						7,308	7,071	6,900	6,759	6,551	6,422	5,983	5,403	5,193	4,867
Balance Sheet and Off Balance Sheet Information (EGP millions)															
Sheet Information (EGP millions)															
Cash Resources and Securities (Non. Governmental)[5]	136,211	131,858	63,270	69,068	63,684	136,502	131,708	63,226	69,030	63,673	73,035	34,097	19,430	16,646	16,764
Net Loans and Acceptances	145,887	120,347	119,946	106,377	88,428	145,078	119,632	119,946	106,377	88,428	86,152	57,211	49,398	41,970	41,877
Assets	498,236	427,842	386,742	342,461	294,782	496,651	426,145	386,697	342,423	294,771	263,852	179,193	143,647	113,752	94,405
Deposits	407,242	341,169	304,448	285,297	250,723	406,101	340,087	304,484	285,340	250,767	231,965	155,370	122,245	96,940	78,835
Common Shareholders Equity	68,848	59,476	51,880	34,228	28,439	68,928	59,405	51,800	34,147	28,384	21,276	16,512	14,816	12,115	11,311
Average Assets	463,039	407,292	364,602	318,622	281,163	461,398	406,421	364,560	318,597	279,312	221,523	161,420	128,700	104,079	90,017
Average Interest Earning Assets	411,014	363,922	328,296	290,869	257,931	409,075	362,981	328,296	290,869	258,315	203,625	145,835	117,133	94,605	79,834
Average Common Shareholders Equity	64,162	55,678	43,054	31,334	24,907	64,166	55,602	42,973	31,265	24,830	18,894	15,664	13,465	11,713	10,116
Balance Sheet Quality Measures															
Equity to Risk-Weighted Assets[4]	27.50%	28.97%	24.32%	16.93%	15.59%	27.53%	28.94%	24.28%	16.89%	15.56%	13.28%	15.74%	15.84%	15.50%	15.69%
Risk-Weighted Assets (EGP billions)	234	201	199	186	169	234	201	199	186	169	150	96	84	70	65
Tier 1 Capital Ratio[6]	26.87%	28.09%	23.59%	16.16%	14.93%	26.87%	28.09%	23.59%	16.16%	14.93%	12.90%	15.01%	15.70%	15.23%	14.33%
Adjusted Capital Adequacy Ratio[6]	29.86%	31.41%	26.07%	19.09%	18.03%	29.86%	31.41%	26.07%	19.09%	18.03%	13.97%	16.06%	16.77%	16.32%	15.71%

[4] Total Equity after Profit Appropriation
[5] Including CBE Deposit Auctions
[6] After Profit Appropriation.

Leadership

Board of Directors

Mr. Sherif Samy

Non-Executive Chairman

Mr. Sherif Samy is an experienced senior executive and advisor in the areas of financial markets and services, investment, and corporate governance. He is currently Non-Executive Chairman of a real estate asset management company and serves on the boards of directors of the state's project finance arm, the National Investment Bank, the Universal Health Insurance Authority, and several listed and privately-held companies in the education, venture capital, fund management, and private equity sectors. Additionally, he is a member of the Investment Board of the National Pension Fund and the UAE Securities and Commodities Authority's International Advisory Board, as well as a member of the Board of Trustees at the French University in Egypt.

Mr. Samy served a four-year term, ending in 2017, as Chairman of Egypt's independent non-banking Financial Regulatory Authority (FRA), where he achieved a major legislative and regulatory leap in capital markets, insurance, mortgage, leasing, private pensions, factoring, and microfinance.

He served on the board of the Central Bank of Egypt from 2013 to 2017 and its Monetary Policy Committee, and he chaired its Audit Committee. He was also Chairman of the Financial Services Institute and the Egyptian Institute of Directors and a member of the board of the country's National Payment Council and its Anti-Money Laundering Unit.

In 2014, Mr. Samy was the first Egyptian to be elected to the board of the International Organization of Securities Commissions (IOSCO); he was reelected for a second term in 2016. He was also elected President of the Union of Arab Securities Authorities in 2016/2017. Prior to that, he was the Managing Director of Banque Misr's investment arm, Misr Capital, and a board member of Banque du Caire. Starting 2007, he was appointed for several consecutive terms to the board of the investment promotion agency (GAFI).

Mr. Samy started his professional career with global consulting firm, Accenture, working at its Chicago, Riyadh, and Beirut offices. He graduated from Alexandria University's Faculty of Commerce with high distinction and attended numerous executive programs at leading business schools in the USA and Europe in the areas of strategy, management, and investment.

Mr. Hussein Abaza

Chief Executive Officer and Managing Director

Mr. Hussein Abaza leads strategy and operations at CIB, Egypt's premier private sector bank serving over a million customers, including corporate clients from among Egypt's largest 500 institutions.

Mr. Abaza has been Chief Executive Officer and Managing Director since 24 June 2021, and Chief Executive Officer and a Member of the Board of Directors since March 2017. He assumed this position after a six-year run as CEO of Institutional Banking. Prior to this, Mr. Abaza was the Bank's Chief Operating Officer and, from 2001 to 2010, its Chief Risk Officer responsible for managing credit, market, and operational risk across CIB.

Mr. Abaza is also a member of the Bank's award-winning investor relations program, which has helped CIB grow its market capitalization over tenfold since 2008.

Previously, he served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001.

Mr. Abaza joined CIB after obtaining his BA in Business Administration from the American University in Cairo. He has pursued post-graduate training and education in Belgium, Switzerland, London, and New York.

H.E. Dr. Amani Abou-Zeid

Lead Director, Non-Executive Independent Director of the Board, Member of the Risk Committee and Sustainability Committee, Chair of the Governance and Nomination Committee

Dr. Amani Abou-Zeid is the twice-elected African Union Commissioner in charge of Infrastructure, Energy, and Digitalization. For over 30 years, Dr. Abou-Zeid has served in leadership positions in international organizations and has amassed a remarkable mix of experience across continents and stakeholders.

Dr. Abou-Zeid led and launched numerous African continental programs and initiatives, including Single African Air Transport Market, African Single Electricity Market, and First African Digital Transformation Strategy. She also developed the second 10-year Programs for Infrastructure Development in Africa, thus delivering on the African Union Agenda 2063.

Prior to her current post, she managed AfDB's largest operational portfolio and implemented national and continental multi-sectoral development programs, including implementing the world's largest solar power plant.

An Egyptian national, Dr. Abou-Zeid has a multidisciplinary education, with a BSc in Electrical Engineering from Cairo University, an MBA from Université Senghor, an MPA from Harvard University and a PhD in Social and Economic Development from the University of Manchester.

Dr. Abou-Zeid was selected multiple times as one of the Most Influential African Women, and one of the Most Reputable Africans. She was awarded the Order of Ouissam Alaouite from H.M. King of Morocco, named "Personalité d'avenir" by France, and received the "Outstanding Alumni Award" from the University of Manchester, UK — some of numerous international awards and recognitions.

Dr. Abou-Zeid is member of the prestigious Global Leaders Broadband Commission for Sustainable Development, the Global Commission for Urgent Action on Energy Efficiency, and the Stewardship Board for System Initiative on Shaping the Future of Energy.

Dr. Abou-Zeid sets an example for women in STEM, leadership, and decision-making positions. She has long been named and recognized as a champion of gender equality and women empowerment.

Dr. Abou-Zeid is passionate about classical music, plays piano, is a certified alpinist, and competes for top positions in desert car rallies, among other interests and activities.

Mrs. Magda Habib

Non-Executive Independent Director of the Board, Member of Audit Committee, Operation and Technology Committee, and Compensation Committee

Mrs. Magda Habib is the co-founder and Chief Executive Officer of Dawi Clinics, a chain of primary care clinics established in Egypt in 2016. She has vast experience in the technical, information technology, electronic payments, and smart banking solutions fields. She draws upon 25 years of expertise in various managerial arenas, including strategic brand management, consumer and retail marketing, corporate communications, and investor relations.

She was also a co-founder, board member, and Chief Commercial, Marketing, and Strategy Officer at Fawry Banking and Payment Technology Services. Mrs. Habib helped establish Fawry as the leading electronics payment platform in Egypt, with more than 50,000 payment points nationwide. Her journey with Fawry culminated with a successful exit to a consortium of private equity funds in 2015.

Prior to Fawry, Mrs. Habib spent nine years as a member of Raya Holding's executive team, where she played a key role in the merging and development of Raya Group, as well as being responsible for the creation and development of the Raya brand during its evolution into one of Egypt's leading technology players.

Mrs. Habib obtained an MBA from INSEAD, France. She holds a BSc with Honors in Computer Science from AUC.

Mr. Paresh Sukthankar

Non-Executive Independent Director of the Board; Member of Audit Committee, Risk Committee, and Governance and Nomination Committee

Mr. Paresh Sukthankar has been a banker for over three decades. He was part of the core team that founded HDFC Bank Ltd. in 1995 and helped transform it into one of India's leading, most respected financial institutions. At HDFC Bank, Mr. Sukthankar contributed to various key areas, including credit, risk management, finance, human resources, investor relations, corporate communications, and corporate social responsibility. He also led the teams managing HDFC Bank's two acquisitions and its equity capital issuances in the domestic and international markets. Mr. Sukthankar was inducted on the Bank's board as Executive Director in 2007 and was promoted to the post of Deputy Managing Director in 2014. Mr. Sukthankar resigned from HDFC Bank in 2018.

Mr. Sukthankar is a member of various committees formed by Reserve Bank of India and Indian Banks' Association. Prior to joining HDFC Bank, Mr. Sukthankar worked in Citibank from 1985 to 1994 in various departments, including corporate banking, risk management, and financial control. Mr. Sukthankar is currently Lead Partner in Sanaksh Advisors LLP, a firm he founded to provide advisory services to private equity, venture capital, and other entities. He is also a member of the Board of Management of the Jamnalal Bajaj Institute of Management Studies, University of Mumbai; the Advisory Board of two NGOs, Project Mumbai and KSWA's Yuva Parivartan; and the Academic Advisory Council of the College of Supervisors of the Reserve Bank of India.

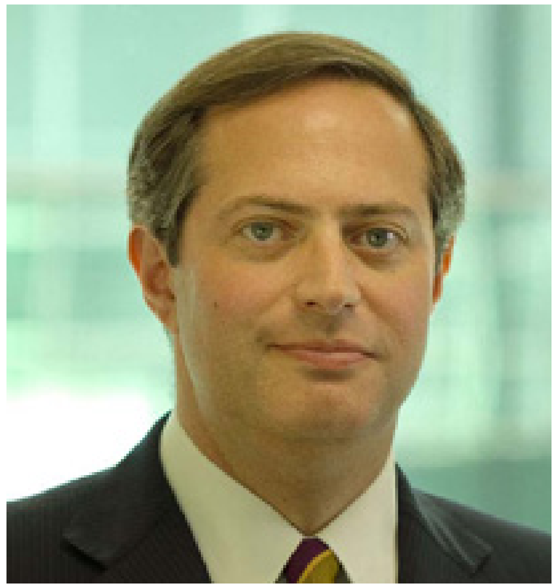
Mr. Sukthankar received a BCom from Sydenham College and an MBA from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He has also completed the Advanced Management Program (AMP) from Harvard Business School.

Mr. Rajeev Kakar

Non-Executive Independent Director of the Board, Chair of the Operations and Technology Committee and the Compensation Committee, Member of Governance and Nomination Committee

Mr. Rajeev Kakar is a seasoned banker, business founder, entrepreneur, and corporate board member with over three decades of global banking experience and expertise in financial services. He specializes in Emerging Local Corporate/Commercial/MSME/Retail Banking, across multiple countries, with focus on high-growth emerging markets in the Asia Pacific/China, Europe, Indian Sub-Continent, MENA/GCC, and Central/Eastern Europe regions. Mr. Kakar has a strong track record of successfully operating large banks and financial institutions and leading business turnarounds, with a demonstrated ability to conceptualize and execute multi-country business strategies, lead acquisitions and business/digital transformations, launch greenfield financial services businesses, and deliver profitability over a sustained period, while contributing to the community and serving on several boards across different countries.

He started his career at Citibank NA, where he worked for two decades and, in his last role, served as the Regional Head and CEO for Citibank's Turkey, Middle East, and Africa region until 2006. He moved on to become the Global Co-Founder of Fullerton Financial Holdings, Singapore, where he served for 13 years on the Global Management Board as its Executive Vice President and Global Head of Consumer Banking, and was CEO-CEEMEA region of Fullerton Financial from 2006 to 2017. He is also the founder of Dunia Finance LLC, Fullerton's UAE subsidiary, where he served as Founder Managing Director and CEO until 2018. Mr. Kakar also serves on the boards of several banks and financial institutions, namely Eurobank Ergasias SA (Greece), Gulf International Bank (GIB Bahrain), Gulf International Bank (GIB Saudi Arabia), Commercial International Bank (Egypt), and UTI Asset Management Company (India). He has also been a member of the Global Advisory Board of the University of Chicago's Booth School of Business since 2009.



Mr. Jay-Michael Baslow

Non-Executive Independent Director of the Board, Chair of the Risk Committee and Sustainability Committee, Member of the Compensation Committee

Mr. Jay-Michael Baslow brings to the Board a variety of banking experience acquired during the past four decades. Mr. Baslow spent the last 16 years of his career in Risk Management at J.P. Morgan, covering a range of sectors. Prior to his 2019 retirement, he was the Head of EMEA Risk Management for the bank's Wealth Management organization and the Chief Risk Officer of J.P. Morgan International Bank Ltd, its London-based private bank. Prior to that, Mr. Baslow worked in Credit Risk Management, covering a variety of corporate and financial sectors and EMEA regions, including over three years based in Dubai as Head of MENA Credit Risk and then returning to London as the Head of EMEA Emerging Markets Credit Risk.

During the late 1990s, Mr. Baslow was an Investment Banking Client Executive at Chase Securities, covering global telecommunications operators and equipment manufacturers from the bank's New York headquarters. He started his career with Chemical Bank in the 1980s, first as a technologist and then as a real estate investment banking analyst.

In addition to his banking experience, Mr. Baslow was a strategy consultant in the Media & Telecoms industry at Booz Allen Hamilton. He co-founded Frictionless Commerce Incorporated, a strategic sourcing software startup in Cambridge, MA, where he was Chief Financial Officer and a member of the Board. He was also the Associate Dean for Resource Development at Harvard Medical School, overseeing the major gifts and planned giving operations.

Mr. Baslow received a BA in Mathematics from the University of Pennsylvania and an MBA in Finance from the university's Wharton School.

Mr. Tarek Rouchdy

Non-Executive Independent Director of the Board, Chair of the Audit Committee, Member of the Operations and Technology Committee and Sustainability Committee

Boasting four decades of experience with local, regional, and international banks and financial institutions, Mr. Tarek Rouchdy brings a wealth of knowledge and experience in internal audit, controls, and risk management. He currently manages his consulting firm and is a Commissioner of the UK's Independent Commission for Aid Impact.

Mr. Rouchdy's professional career spans Egypt, Europe, Africa, and the Arab region. He is a former Head of Internal Audit at the European Bank for Reconstruction and Development and the African Development Bank. He also worked at the Italian International Bank in London and the Bank of Nova Scotia, among others.

Mr. Rouchdy holds a BA in Economics from the American University in Cairo. He is an Associate of the Chartered Institute of Bankers, an Associate and Fellow of the Chartered Association of Certified Accountants, and he holds a Diploma in Corporate Treasury Management from the Chartered Institute of Corporate Treasurers.

Executive Management

Mr. Hussein Abaza
Chief Executive Officer and Managing Director

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Previously, he served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001.

Mr. Abaza joined CIB after obtaining his BA in Business Administration from the American University in Cairo. He has pursued post-graduate training and education in Belgium, Switzerland, London, and New York.

Mr. Mohamed Sultan
Chief Operating Officer

Mr. Mohamed Sultan joined CIB as Head of Consumer Operations in 2008, and within six months, he was appointed Head of the Operations Group. In September 2014, Mr. Sultan was appointed Head of Operations and IT before assuming his role as COO.

Under his leadership and management, the Operations Group was significantly developed, resulting in major expansions within the operations function. New divisions were established, serving the expansion of the business or merging several operations divisions, including Corporate Services, Alternative Channels, and Real Estate and Facility Management.

In his continuous efforts to enhance the Bank's internal and external customer experience in alignment with CIB's overall objectives and strategic goals, multiple departments were established, including Treasury Middle Office, Operations Control Management, Retail Operations, Customer Care and Experience, as well as the Sustainable Development Department.

His vision brought about the establishment of the Security and Resilience Management Group, with a clear strategic mandate to develop and firmly establish the Bank's business continuity and cyber security management capabilities. Under his leadership, CIB has obtained multiple reputable certifications in the Security and Resilience Management domains, including ISO 22301:2012 for Business Continuity Management, ISO 27001:2013 for Information Security Management, and PCI – DSS (Payment Cards Industry – Data Security Standards) Certification, positioning CIB as a pioneer and leader among peer financial institutions in the market.

In 2015 and 2016, Mr. Sultan led a major transformation strategy in the IT Department, adding significant value to existing technology and enhanced infrastructure. The aim was a more solid foundation that provides superior services to customers and allows the business to grow smoothly as the Bank moves forward. Mr. Sultan has also been leading programs under the Bank's Strategic and Digital Transformational Agenda and has played a significant role in expediting the adoption of digital technologies with the aim of maintaining CIB's role as a market leader in this domain. He is currently leading the initiative of adopting an Agile Operating model in the bank along with the ongoing digital transformation.

Prior to joining CIB, Mr. Sultan held the positions of Vice President of Branch Operations and Control Management at Mashreq Bank and Country Operations Head at the National Bank of Oman. He attended several leadership programs in top business schools, and he is also an alumnus of INSEAD Business School.

Mr. Amr El Ganainy
Chief Executive Officer - Institutional Banking

Mr. Amr El Ganainy is an esteemed financial industry executive, with over 35 years of experience. Since graduation from the Faculty of Commerce, Cairo University, in 1985, he pursued his first career step as a Senior Dealer at Suez Canal Bank in 1987, before moving to Export Development Bank as a Chief Dealer in 1994.

In 1996, he joined United Bank of Egypt as part of the new management team tasked with revamping the bank as Treasurer and Head of Correspondent Banking. Mr. El Ganainy joined CIB in 2004 as part of the General Management team to lead the Financial Institutions Group, which, under his leadership, comprised Correspondent Banking, Non-Bank Financial Institutions, and Development Finance.

This success was a continuation of his prior excellence in achieving turnaround stories for organizations. Mr. El Ganainy is JP Morgan – London Credit certified since 2005. He has laid the foundation for the Institutional Banking division at CIB through his strong business relationships in the market on the local and regional fronts. He was tasked by CIB's management in 2010 to build a Global Customer Relationship Management team.

He has been the CEO of Institutional Banking at CIB since his appointment in 2017. Through providing strategic vision, direction, leadership, and guidance to this division, he has worked toward short- and medium-term strategic objectives, while aligning with the Bank's philosophy, mission, and overall strategy.

International Exposure and Affiliations

Mr. El Ganainy's exposure has stretched globally; he was the first Egyptian and youngest Chairman of the InterArab Cambist Association (ICA) based in Beirut, Lebanon. He is also a Founder of ACI Egypt, a non-profit, non-political association engaged in professional trading, broking, operations, regulatory, and compliance activities in foreign exchange, money fixed income, and derivatives markets. He served as Chairman for two terms and has remained a member.

Mr. El Ganainy is an active member at the Institute of International Finance (IIF), representing CIB at annual IMF and IIF meetings. These diverse experiences warranted him invitations to AMCHAM and BEBA, among other international tourism conferences across the Middle East, Europe, and the USA.

Mr. El Ganainy represents CIB in the Boards of Directors of a number of affiliate institutions, chairing the Board of Directors of Falcon Group, which overperformed under his leadership. He also represented CIB on the CI Capital Board of Directors, another successful affiliation of the Bank.

With his renowned reputation and widely acclaimed experience, Mr. El Ganainy served as board member in large corporations in Egypt spanning the aviation, financial services, and telecommunications industries. He was also elected to serve on the board of Misr for Central Clearing, Depository, and Registry Co. for five consecutive terms since 2005.

Mr. Ahmed Issa

Chief Executive Officer of Retail Banking, Member of the Management Committee

Mr. Ahmed Issa is the Chief Executive Officer of Retail Banking and a Member of the Management Committee at CIB. He is responsible for strategy formulation and execution across CIB's consumer banking and business banking.

Starting his banking career in 1993 in CIB branches, Mr. Issa attended CIB's industry-leading credit course in 1994 and was later promoted through the ranks within CIB's corporate banking and investment banking divisions between 1995 and 2001. In 2001, he took a two-year study break to earn an MBA degree at UNC-Chapel Hill. He returned in 2003 to establish CIB's Strategic Planning division.

During his career, he took on notable positions, such as Head of Research at CIBC; Managing Director of CI Capital Investment Banking; Head of Financial Institutions Group at CIB Corporate Banking; Group CFO at CIB; Chairman of Corplease, the leading lease finance company in Egypt; Chairman of Falcon Group, Egypt's largest security company; and the first Head of Strategic Planning at CIB.

He is an elected Director at the American Chamber of Commerce in Egypt and the previous Chair of its Banking Committee (2020/2021). He is an Independent Director of the Board of Directors of EgyptAir Holding Company and Information Technology Industry Development Agency (ITIDA). Mr. Issa is also a member of the Mastercard MENA Leadership Council and a volunteer mentor for startups through Endeavor Egypt.

Ms. Hanan El Borollossy

Acting Chief Risk Officer

With more than 30 years of banking experience, Ms. Hanan El Borollossy joined CIB's Corporate Banking Department in 1991 and attended CIB's Credit Course in 1992 to begin her career as a credit analyst. Her responsibilities gradually expanded to include strategic and managerial functions required for her assigned portfolios.

In 2017, she was appointed as Deputy Chief Risk Officer overlooking CIB's integrated Enterprise Risk Management (ERM) framework through managing and developing all key financial risk areas, including Credit Risk and Assets and Liabilities Management Risk. These included market, liquidity, and interest rate risks, as well as non-financial risks, such as operation, strategic, conduct, vendor management, IT, reputation, and social and environmental risks.

In January 2020, she was appointed as Acting Chief Risk Officer to lead a highly collaborative and proactive risk function that is able to navigate an increasingly complex business and regulatory environment through the integration of overall risk concepts and frameworks into the Bank's strategy, while applying best practice methodologies and applications to mitigate those risks.

Ms. El Borollossy is a key member in senior committees in the Bank and is the Chairperson of the Non-Financial Risks and Compliance Committee, Business Banking Risk Committee, and Consumer Risk Committee.

Throughout her career, Ms. El Borollossy was chosen to represent the Bank by serving on the boards of several companies and affiliates, and she was Chairperson of Commercial Life Insurance Company (CIL).

Ms. El Borollossy received her BA in Economics and Political Science from the American University of Cairo (AUC) in 1983. She has since attended different postgraduate studies and trainings in different corporate, investment, marketing, leadership, risk, and strategic management areas provided by reputable international financial institutions, including INSEAD, DC Gardner, and Euromoney.

Ms. Nevin Wefky

Chief Executive Officer, Corporate Credit and Investment

After graduating from the German School in Cairo (GUC) in 1981 and receiving her BA in Business Administration, with the highest honors, from the American University in Cairo (AUC) in 1985, Ms. Wefky joined CIB in 1986 and finished the Credit Course in February 1987. She then joined the Corporate Banking Group. Throughout her banking career, Ms. Wefky completed various post-graduate training courses in the USA, the UK, and Europe, covering different areas, such as corporate, risk, investment, and strategic leadership.

In March 2017, Ms. Wefky was appointed Deputy CEO, Institutional Banking, handling both the Corporate Banking Group and the Global Customer Relations Group. She is currently the President of Corporate Credit and Investment in December 2017, handling the Corporate Credit Banking Group, Direct Investment Group, and Debt Capital Market Group. She joined the Bank's Management Committee in October 2020 and was appointed Chief Executive Officer of Corporate Credit and Investment in February 2021.

Under her leadership, the Bank's corporate loan book has more than quadrupled in the last 10 years. Ms. Wefky is currently overseeing a transformation project for the corporate functions across the value chain, aiming to migrate the entire corporate lending cycle to an electronic solution, thus streamlining all business, risk, and operation processes and paving the way for future CIB employees to continue leading the corporate finance market.

Throughout her career, Ms. Wefky was chosen to represent CIB as a board member, Managing Director, and Chairman at several affiliates. She is an active member in several committees within the Bank, such as the High Lending and Investment Committee, Asset and Liability Management Committee, Non-Financial Risks and Compliance Committee, and Pricing Concession Committee.

What We Do

Institutional Banking

Corporate Banking and Global Customer Relations Group

Widely recognized as Egypt's prominent corporate bank, CIB serves enterprises ranging from industry leading corporates to medium-sized businesses.

Debt Capital Markets

Global product knowledge, local expertise, and capital resources make CIB an Egyptian industry leader in project finance, syndicated loans, securitization, bonds, and structured finance. CIB's project finance and syndicated loan teams facilitate market access for large borrowers, providing them with world-class services at exceptional execution times.

Direct Investment

As a local player that adheres to international standards, CIB actively participates in carefully selected direct investment opportunities in Egypt and across the region, maximizing return on investment.

Financial Institution Group

CIB provides a diverse, tailored set of services designed to suit the needs of banking and non-banking financial institutions.

Treasury and Capital Market Services

CIB delivers world-class services in the areas of cash and liquidity management, capital markets, foreign exchange, and derivatives.

Strategic Relations Group

CIB is dedicated to servicing institutional clients through the Strategic Relations Group (SRG). Highly qualified relationship managers provide customers—including, but not limited to, sovereign diplomatic missions—with exclusive, personalized services catering to their unique business needs.

Enterprise and Governmental Relations Group

Enterprise and Governmental Relations provides world-class, value-accretive services to top-tier local and regional companies under state-owned enterprises, governmental entities, or sovereign authorities. It also creates new business for CIB's other lines of business by offering clients various corporate, digital, and consumer products and services.

Global Transaction and Digital Banking

The Bank's Global Transaction and Digital Banking Group manages all corporate and consumer digital channels to fully integrate the Bank into clients' daily lives. It develops simple, reliable, and consultative digital experiences that meet customers' needs anytime, anywhere, and on any device.

Retail Banking

Consumer Banking

The Consumer Banking division is central to CIB's dynamic service offering, providing a broad range of retail clients in different customer segments—Prime, Plus, Wealth, or Private—an extensive bundle of products and services that are tailored to meet their needs. These products are diversified from personal to specialized lending solutions, cash management services to credit and debit card offerings.

Business Banking

The Business Banking segment serves over 72,000 SMEs with revenues ranging from EGP 1 million up to EGP 200 million through a network of over a hundred experienced relationship managers. The division works with clients across the industry, providing market-leading services and innovative, bespoke solutions for small and medium enterprises, as it works to cement CIB's position as a bank of choice for business owners.

Representative Offices, Strategic Subsidiaries, and Associates

Dubai Representative Office

CIB launched its UAE operations in 2005, offering a full range of products to retail and corporate clients. The office focuses on attracting and channeling inbound investments and cementing relationships with reputable GCC corporations with investment or planned investments in Egypt and Africa. The office also targets high-net-worth individuals and business banking clients with an appetite for the Egyptian market. The office creates a bridge between the GCC and Egypt by building and maintaining relationships with large corporate clients and financial institutions in the GCC to boost the corporate and trade finance business in Egypt. These strategic alliances are key to the Bank's expansion strategy, allowing it to leverage unique opportunities beyond Egypt.

Addis Ababa Representative Office

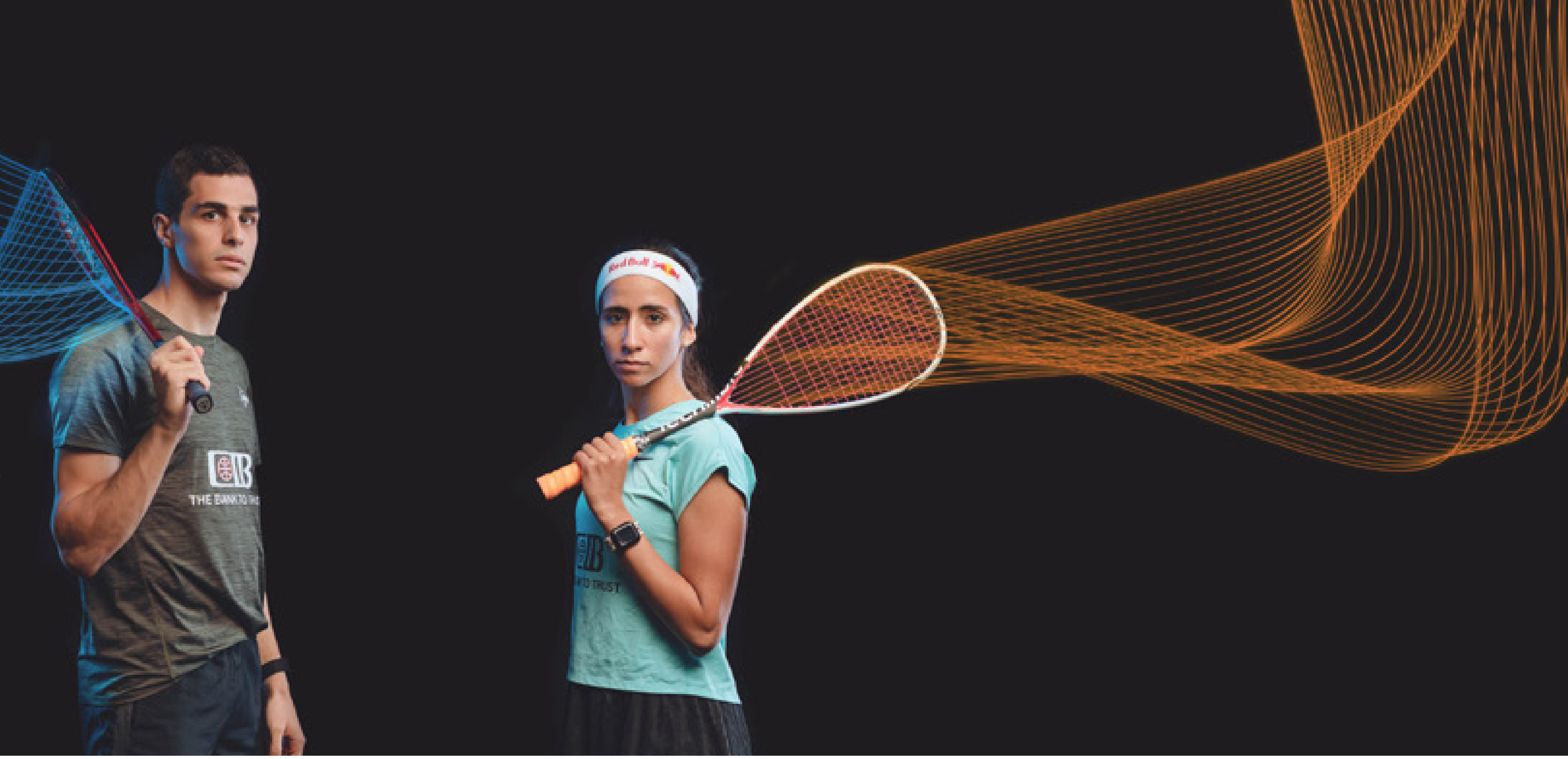
CIB established its Ethiopia Representative Office in April 2019 in Kirkos Sub City, Addis Ababa. The office has been fully operational since 19 July 2019. It works closely with Egyptian corporations operating in Ethiopia, as well as international and local financial institutions, to offer creative solutions for their foreign and local financing needs. The office maintains and builds relationships with Egyptian expatriates in Ethiopia and focuses on developing strong ties with Ethiopian banks to pave the way for establishing on-the-ground market intelligence within the country.

CIB's dynamic business model and commitment to **fully integrating superior technology into its products and services** allow it to maintain its market leadership

CVentures

CVentures is Egypt's first corporate venture capital firm owned by a bank and focused primarily on investing in category-defining companies in financial technology spaces with the potential to create meaningful change in financial services. CVentures primarily participates in Series A and Series B investment rounds, as well as seed investment rounds in core financial applications including, but not limited to, capital markets and payments, money transfers and remittances, digital lending and financial data platforms, artificial intelligence, data analytics and machine learning, security and enterprise IT, insuretech, blockchain, marketing and customer experience, alternative finance, regtech, and digital banking solutions.

CIB is focused on creating both **financial and non-financial value for all its stakeholders** — from shareholders to customers, employees to the communities it serves.



Mayfair CIB Bank (MCIB)

CIB acquired 51% of Mayfair Bank Kenya, now known as Mayfair CIB Bank (MCIB), in April 2020—the first cross-border acquisition by CIB into Sub-Saharan Africa. Since then, CIB has focused on financing activities through MCIB, with special focus on growing the Egypt-Kenya trade corridor, building a bridge for Egyptian large corporates and SMEs to do business and even set up shop in the hub of Eastern Africa and serve multinational and local SMEs in Kenya.

Damietta Shipping and Marine Services (DSMS)

Damietta Shipping and Marine Services (DSMS) is a shareholding company established in 1986 through a public offering. CIB acquired a 32% stake in the company in July 2018, which it raised to 49.95% in October 2020. DSMS is a small-sized company, with minimal operations focusing on marine services, mainly container repairs, fuel tank rentals, and electricity generators.

Falcon Group

Falcon Group provides a plethora of services including, but not limited to, security services, money transfer, technical systems, security products, public services and project management, and tourism and concierge services to a variety of industries, such as the industrial, commercial, tourism, and public sectors. The Group provides state-of-the-art, holistic solutions tailored to every client's specific requirements. Falcon Group's key strength lies in its single-point-of-contact solutions that ensure it provides consistent services at the highest quality, lowest risk, and with great flexibility at a reasonable cost.

Fawry Plus

Fawry Plus was established in 2017 as a joint venture between CIB, Banque Misr, Fawry, and ACIS to become Egypt's first banking agent and forerunner in the nation's strategy to achieve financial inclusion. Fawry Plus seeks to provide a wide array of banking and financial services to consumers and businesses through a network of retail branches across Egypt, with a focus on urban and undeserved regions. Fawry Plus branches provide banking services, including limited KYC services as well as a document collection services for mobile wallet registration, prepaid, credit card issuance, and loan issuance. Other services include mail and bank correspondence collection, loan and credit card payments, cash withdrawals and deposits, and various bill payments, including utilities, telecom, subscription fees, taxes, and fines.

Al Ahly Computer Equipment Company (ACE)

Established in October 1996 as a joint stock company, Al Ahly Computer Equipment Company (ACE) has a long track record in the field of trading and maintenance of specialized information technology hardware. The company is well-positioned as the system integrator of choice for the government, major banks, and large institutions. ACE sources its original hardware products from recognized companies in the field, such as Sedco, Fujitsu, HP, and Cisco. In 2020, ACE worked with numerous prominent institutions and was awarded a mega tender project from one of the largest national banks in Egypt. Despite tough market conditions arising from the COVID-19 pandemic, the company's management successfully increased its maintenance contracts to offset the decline in trading activity, ensuring revenue and the sustainability of profitability. For the coming year, ACE looks to continue focusing on enhancing its maintenance experience and expanding its client base, along with introducing new products and exploring additional strategic technology partnerships. The ultimate objective is to increase the company's market share and value against competitors.

TCA Properties

TCA Properties is an SPV under Talaat Moustafa Group, established through its subsidiary Alexandria Company for Real Estate Investment (AREI) and its parent company TMG for Real Estate Touristic Investment. The SPV will be specialized in real estate commercial business activities, including the acquisition, leasing, and selling of commercial real estate units, buildings, and/or spaces, and it will be managed by Alexandria Company for Projects Management.

CIB's Stock

CIB continues to hold the highest weight on the EGX30, accounting for 36.78% of the index.

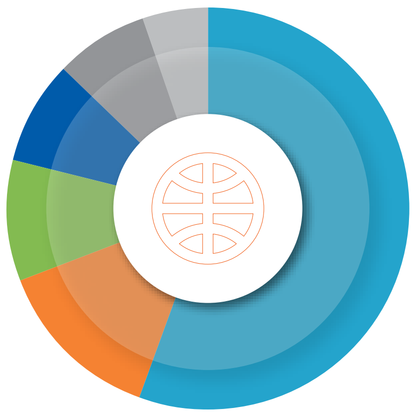
Since the Bank began offering its shares to the public in 1995, it has become the biggest constituent on the Egyptian Exchange (EGX). Investors and analysts view CIB's stock as a proxy for the Egyptian market, with the Bank acting as a mirror for the local banking sector. The economy's growth prospects are generally depicted in the credit outlook, while retail banking is seen as portraying the longer-term story of financial inclusion. In 1996, CIB became the first Egyptian bank to offer its shares on international markets, with a GDR program on the London Stock Exchange (LSE). In 2001, CIB marked another first by being the first Egyptian bank to register its shares on the NYSE in the form of ADR Level 1 program. In 2012, the Bank began trading on OTCQX International Premier, a segment of the OTCQX marketplace reserved for international-leading, non-US companies listed on a qualified international exchange and providing their home country disclosure to US investors.

Throughout 2021, Egypt's stock market faced major challenges, both on the macroeconomic side, impacted by COVID-19, and on the regulatory front, shedding light on COMI's performance as well. COMI kicked off the year with an open price of EGP 44.3 and ended it at EGP 52.81, a 19.2% y-o-y change. As of August 2021, a stock dividend was distributed, on which one free share was dispersed for every three shares held by a shareholder. This led to an increase in the number of shares to 1,970,241,790 from 1,477,681,340. Capital eventually reached 19,702,417,900, up from 14,776,813,400.

The main highlight of 2021 is COMI's price surpassing the dip that occurred in October 2020, reaching a peak of EGP 54.15 in November 2021 vs. EGP 50 in October 2020, a c.8% increase. In 2021, CIB's price reached a trough of EGP 36.6. The average VWAP during the year was EGP 45.50, with an average daily volume of more than 2 million shares and an average market capitalization of EGP 89.665 billion. CIB is widely covered by leading research houses, both locally and internationally; 19 institutions regularly issued research reports on the bank during 2021.

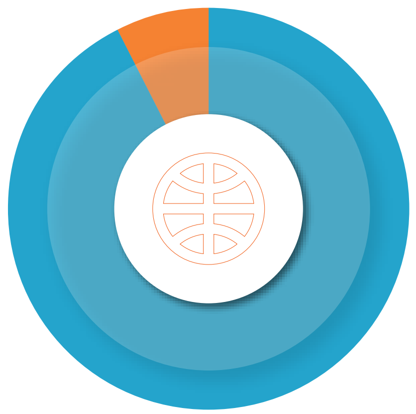
By year-end, the Bank's GDR outstanding position reached 439,905,231 shares, representing 22.3% of issued shares, and its ADR outstanding position recorded 23,873,987 shares, representing 1.2% of issued shares. CIB continues to hold the highest weight on the EGX30, accounting for 36.78% of the index, and the highest free float at 93.5%. CIB's stock is one of Egypt's most liquid stocks, as it is considered the most valuable financial institution.

Breakdown of Shareholders by Region
(As of December 2021)



North America	44.81%
Africa	28.93%
Continental Europe	8.21%
GCC	8.11%
UK and Ireland	5.05%
Rest of the world	4.89%

Breakdown of Shareholders by Type
(As of December 2021)



Institutions	92.69%
Individuals	7.31%

Investor Relations

The Bank's Investor Relations (IR) division maintains a proactive investor relations program to keep shareholders and investors abreast of developments impacting the Bank's performance. The team and senior management alike dedicate significant time to one-on-one meetings, road shows, investor conferences, and conference calls, sparing no effort in providing the investment community with transparent disclosures while simultaneously ensuring analysts have the information they need to maintain a balanced coverage of the Bank's shares.

Throughout 2021, the Bank's Investor Relations (IR) division dedicated its efforts to accommodate all conferences and calls to which CIB was invited. The team attended 14 virtual conferences, roadshows, and forums, and it accommodated 157 meetings. It met with 405 companies and 571 investors/analysts incorporating a wide range of international, regional, and local institutions. Toward the end of 2021, six funds visited Egypt and met with CIB at its headquarters.

During the year, disclosures, including regular updates and releases, continued to be periodically made available on CIB's IR website, as well as the EGX, LSE, and OTCQX portals in a timely manner that ensures fair access to information for investors from around the world, allowing them to make informed investment decisions. Thanks to the team's continued efforts to further enhance the program, CIB was awarded the Leading Corporate for Investor Relations in Egypt in MENA's largest investor relations event, which was organized by the Middle East Investor Relations Association (MEIRA) in partnership with Extel. This is the eighth consecutive year in which CIB receives at least one award from MEIRA.

Our History

Commercial International Bank (CIB) was founded in 1975 as Chase National Bank, a joint venture between Chase Manhattan Bank and the National Bank of Egypt (NBE), with ownership of 49% and 51%, respectively. In 1987, Chase divested its ownership stake as part of a shift in its international strategy. NBE acquired that stake, renaming the former joint venture Commercial International Bank (CIB). Over time, NBE's ownership stake in CIB declined, falling to 19% in 2006. That year, a consortium led by Ripplewood Holdings acquired NBE's remaining stake. In July 2009, Actis, a Pan-African private equity firm specializing in emerging markets, acquired 50% of the Ripplewood Consortium's stake. In December 2009, Actis became the single largest shareholder in CIB with a 9.09% stake after Ripplewood sold its remaining share of 4.7% on the open market. The emergence of Actis as the predominant shareholder marked a successful transition in the Bank's strategic partnership. In March 2014, Actis undertook a partial realization of its investment in CIB by selling 2.6% of its stake on the open market, maintaining its seat on the board. In May 2014, the private equity firm sold its remaining 6.5% stake to several wholly-owned subsidiaries of Fairfax Financial Holdings, making the latter the sole strategic shareholder in CIB. Fairfax is represented on CIB's Board of Directors by a non-executive member.

1975

- Established as Chase National Bank: the first joint venture bank in Egypt
- Becomes the first Egyptian bank to introduce an Institutional Banking Risk Rating Model

1977

- Becomes first private sector bank to create a dedicated division providing 24/7 banking services to shipping clients, with a primary focus on business in the Suez Canal

1987

- Chase Manhattan divests its stake in the Bank, and the Bank changes its name to Commercial International Bank (CIB)

1993

- Concludes Egypt's largest initial public offering (IPO) for a domestic bank, which was 1.5x oversubscribed, selling 1.5 million shares in a span of 10 days and generating EGP 390 million in proceeds

1991

- First Egyptian commercial bank to arrange debt swap transactions
- First bank to launch a smart card center in Egypt

1989

- Selected by BSP to become its agent in Egypt

1994

- First bank in Egypt to connect with the international SWIFT network

1996

- First Egyptian bank to have a Global Depository Receipt (GDR) program on the London Stock Exchange

1996

- First Egyptian bank to link to SWIFT via CITA
- Concludes first and largest EUR-syndicated loan
- Becomes first private sector bank with investment rating (after Luxor incident), rated BBB by Fitch IBCA

1998

- First private sector bank with investment rating (after Luxor incident), rated BBB by S&P
- First bank to link its database to Misr for Central Clearing, Depository, and Registry (MCDR) Company
- First Egyptian bank to form a Board of Directors Audit Committee

2001

- First Egyptian bank to register its shares on the New York Stock Exchange in the form of American Depository Receipts (ADR) Level 1 program
- First bank to introduce FX cash services for five currencies through ATM

2005

- First bank in Egypt to launch a page on Bloomberg for local debt securities

2006

- First to adopt a pricing policy according to client risk rating to abide by Basel II requirements
- First Egyptian bank to execute a EGP 200 million repo transaction in the local market
- First and largest Egyptian bank to provide securitization trustee services

2007

- Only Bank in Egypt chosen by UNIFEM and World Bank to participate in the Gender Equity Model (GEM)

2008

- First bank to use Value at Risk (VaR) for trading and banking book for internal risk management requirements, despite there being no regulatory requirements

2009

- First regional bank to introduce unique concierge and Mastercard emergency services
- Only Egyptian bank recognized as 'Best Bank in Egypt' by four publications—Euromoney, Global Finance, EMEA Finance, and the Banker—in the same year

2010

- First Egyptian bank to establish a Global Transaction Service Department
- The only bank in Egypt able to retain one of the top two positions in the primary and secondary markets for Treasury Bills and Treasury Bonds
- First and only Egyptian bank to enforce business continuity standards
- CIB Foundation becomes the first in Egypt to have its annual budget institutionalized as part of its founding institution's bylaws, as CIB shareholders unanimously agree to dedicate 1% of annual net profit to the Foundation

2011

- CIB-TCM becomes pioneer in trading in almost 114 new and unconventional currencies

2012

- First Egyptian bank to officially establish a Sustainable Development Department

2013

- First Egyptian bank to upgrade its ADRs to trade on the OTCQX platform
- First Egyptian bank to sign an agreement with Bolero International, joining the Bolero multi-bank service for guarantees
- First Egyptian bank to establish an ERM framework and roadmap
- First Egyptian bank to use RAROC
- First Egyptian bank to introduce an interactive multimedia platform that offers customers the option of interacting with call center agents over video calls

2014

- First Egyptian bank to sign an agreement with MCDR company to issue debit cards for investors to collect cash dividends
- Launches first co-branded credit card, Mileseverywhere, with national carrier EgyptAir
- Introduces the first interactive social media platform in the Egyptian banking industry
- The first block trading transaction on the EGX takes place when Actis sells its 6.5% stake in CIB to Fairfax

2015

- First Egyptian bank to successfully pass external quality assurance on its Internal Audit Department
- Generates highest FX income in 10 years among private-sector banks in Egypt
- First Egyptian bank to recognize conduct risk and establish a framework

2016

- Launches mobile banking application
- First Egyptian bank recognized as an active member of the United Nations Environmental Program — Financial Initiative
- Receives Socially Responsible Bank of the Year 2016 award from African Banker

2017

- Becomes the only Egyptian bank ranked on the FTSE4Good Sustainability Index

2018

- First Middle Eastern company to be analyzed in a case study conducted by the Leadership Institute of the London Business School
- Establishes CVentures, Egypt's first corporate venture capital firm primarily focused on investing in transformational fintech startups
- Receives ISO22301:2012 certification for Business Continuity Management by PECB, a global provider of training, examination, audit, and certification standards, in partnership with EGYBYTE, a leader in the MENA market for IT service management
- Ranks first on the EGX's sustainability index (S&P/EGX ESG) for the fifth year in a row since 2014

2019

- Included on the 2019 Bloomberg Gender-Equality Index (GEI), becoming the first Arab and African company to be named to the index out of the 230 companies. Bloomberg GEI is the world's only comprehensive investment-quality data source on gender equality
- Became the only representative from Egypt's private sector to join the Digital Economy Task Force (DETF)
- Launched CIB's Chatbot named Zaki, which uses artificial intelligence, becoming the first bank in Egypt to introduce a chatbot that supports both English and colloquial Arabic
- Became a founding signatory to the United Nations Environment Program Financial Initiative (UNEP-FI) Principles for Responsible Banking
- Recognized by Forbes among the top 500 employers globally coming in 90th place—within the top 100 companies in the world

2020

- Acquires 51% of a Kenyan bank, now known as Mayfair CIB Bank Limited in Kenya, through a capital increase for a total transaction value of USD 35.35 million
- Included in the 2020 Bloomberg Gender Equality Index (GEI), becoming the only company in Egypt and one of just a handful from Africa to be included in the index, which features 325 companies representing 42 countries across 50 industries with a demonstrable commitment to the global advancement of women in the workplace
- Ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World, ranking highest of the four Egyptian companies on the list

2021

- Issues green bond worth USD 100 million, making it the first bank to issue green bonds in the private sector
- Ranked 24th on Forbes Middle East's Top 100 Listed Companies in the Arab World
- Becomes a founding member of the Net-Zero Banking Alliance

Awards

1993 – 1998

Six-time Recipient of Best Bank in Egypt award by Euromoney

2005

First Egyptian bank to win the JP Morgan Quality Recognition Award

2006 – 2012

Seven-time Recipient of JP Morgan Quality Recognition Award

2013

First Egyptian bank to win the JP Morgan Quality Recognition Award

2016

- Socially Responsible Bank of the Year by African Banker
- Best Bank in Egypt Supporting Women-Owned and Women-Run Businesses by the American Chamber of Commerce in Egypt
- Achievement in Liquidity Risk and Operational Risk for the Middle East and Africa by Asian Banker
- Best Retail Risk Management Initiative by Asian Banker
- Most Active Issuing Bank in Egypt in 2015 by the European Bank for Reconstruction and Development
- Middle East Most Effective Recovery by BCI

2017

- World's Best Bank in the Emerging Markets by Euromoney, the first bank in the Middle East and Africa to win this award
- First Egyptian bank to be named Best Bank in the Middle East by Euromoney

2018

- World's Best Emerging Markets Bank by Global Finance, the second consecutive year in which CIB has been awarded this title by an international institution; CIB is the first bank in Egypt and the Middle East to win this prestigious award

2019

First Egyptian bank to win the JP Morgan Quality Recognition Award

In recognition of its outstanding services, **CIB was Best Bank** by Global Finance in 2021.

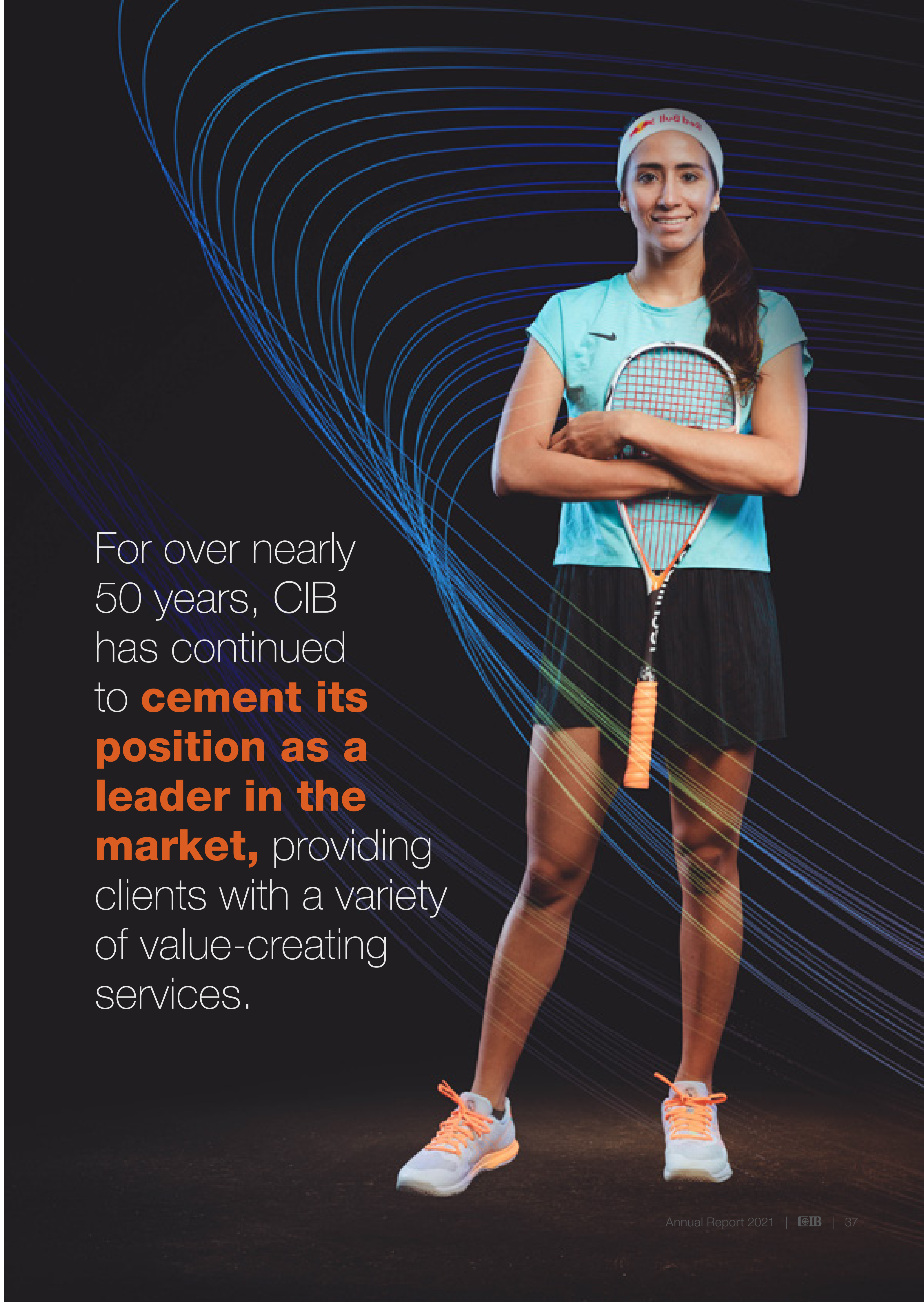
2020

- World's Best Bank in the Emerging Markets award by Global Finance
- Best Foreign Exchange Provider in Egypt award by Global Finance
- Best Treasury and Cash Management Providers in Egypt award by Global Finance
- Best Emerging Markets Bank award by Global Finance
- Best Private Bank in Egypt award by Global Finance
- Best Bank in Egypt award by Global Finance
- Middle East's Best Bank for Corporate Responsibility award by Euromoney
- Best Regional Bank in North Africa award by African Banker
- Best Domestic Bank in Egypt award by Asiamoney
- Best Digital Bank in Egypt award by Asiamoney
- Pan-Africa Sustainability Award by EMEA Finance
- The World's Best Consumer Digital Banks in the Middle East 2020
  - Best Consumer Digital Bank
  - Best Integrated Consumer Banking Site
  - Best Online Product Offerings
  - Best Website Design
  - Best Mobile Banking App
  - Best Information Security and Fraud Management
  - Most Innovative Digital Bank
  - Best Open Banking APIs

- The World's Best Corporate/Institutional Digital Banks in the Middle East 2020
  - Best Online Investment Management Services
  - Best Online Treasury Services
  - Best Online Portal
  - Best Integrated Corporate Banking Site
  - Best Information Security and Fraud Management
  - Best Mobile Banking Adaptive Site
  - Most Innovative Digital Bank
  - Best Open Banking APIs

2021

- Best Bank by Global Finance
- Best Digital Bank in Egypt by Global Finance
- Best Treasury, Cash Management, Best Trade Finance Provider in Egypt by Global Finance
- Best in Financial Leadership in Sustaining Communities by Global Finance
- Best Transaction Banking by Digital Banker
- Best Bank for Payment Services by Digital Banker
- Best Bank for Cash Management by Digital Banker
- Best Supplier Financing by Digital Banker
- Best Financial Chain Initiative in Egypt by Digital Banker
- Best Bank in Egypt by Euromoney
- Best Digital Bank in Africa by The Banker
- Sustainable Bank of the Year by African Banker
- Most Innovative Bank in Pan-Africa by EMEA Finance
- Best Domestic Bank in Egypt by Asiamoney
- Best CSR Initiative in Asia and Middle East by MEED
- Forbes World's Best Employers list for 2021



For over nearly 50 years, CIB has continued to **cement its position as a leader in the market,** providing clients with a variety of value-creating services.

02

02

STRATEGIC DIRECTION

89.7 EGP/BN

average market cap

CIB's strategy focuses on strengthening its core business to serve current and potential customers in the corporate, SME, and retail segments.

Our Strategy

By putting our customers first, we lead **the market with agility and integrity**

Shifting market dynamics and regulations accelerated by the pandemic have necessitated the recalibration of CIB's strategy and execution tactics. The Bank thus expedited its digital transformation efforts and adoption of an agile operating model. Its client-centric approach and dynamic strategic pivot allows it to lead the market and ultimately drive value for both customers and shareholders. CIB is keenly aware of the integral role artificial intelligence, blockchain, cloud, and data play in the banking industry. As such, the Bank has invested heavily in upgrading its infrastructure, digitizing and automating its products and services to streamline customer experience, utilizing data analytics for decision-making, and developing employees' skillsets to match changing business needs and emerging trends.

Through agility and integrity, the Bank efficiently allocates and utilizes its resources to best serve its strategic priorities. Despite macroeconomic uncertainties, CIB is focused on creating both financial and non-financial value for all its stakeholders—from shareholders to customers, employees to the communities it serves.

VISION

To be at the forefront of change, building for the future, and turning aspirations into reality

MISSION

To transform traditional financial services into simple and accessible solutions by investing in people, data, and digitalization to serve tomorrow's needs today

Based on its mission and vision statements, CIB's strategy focuses on the following growth drivers:

Our Values

- Customers first
- Lead the market
- Agility
- Integrity

Our Pillars

- Segmentation – developing innovative products tailored to the customer's needs while relying on behavioral analysis
- Customer Experience – leveraging behavioral analytics and technology to improve customer experience
- Operational Efficiency – ensuring a streamlined approach to provide an exceptional customer experience through process re-engineering and straight-through processing
- Digitalization of the Customer Journey – developing our digital capabilities and transactional banking

Core Business

CIB's strategy focuses on strengthening its core business by enhancing operational efficiency and expanding its local reach to serve current and potential customers in the corporate, SME, and retail segments, while simultaneously tapping into financial inclusion opportunities. Focus will continue to be on data analytics, digital channels, and behavioral segmentation to create unique value propositions with individual needs in mind. CIB's projected growth in its customer base and number of processed transactions will be more reliant on investments in digital channels and innovative solutions to enhance customer experience and lower transactional costs. To minimize operational costs and efficiently serve low-income segments, product offerings and customer interactions will be conducted through alternative channels—the Bank's e-wallet, digital platforms, and ATMs network. This will allow CIB to expand its reach across Egypt, sustainably onboard previously unbanked individuals, and source analysis of viable new business opportunities. The distribution and acquisition strategy will be based on further analyzing customer demographics using data analytics to identify appropriate locations, awareness campaigns, and service offerings.

Responsible Banking

Considering its leading position in the Egyptian banking sector, CIB is committed to operating sustainably and responsibly, not only to drive value for all stakeholders but also to lead by example in the sector in which it operates. CIB is keenly aware of the environmental, social, and economic impacts of the Bank's operations and portfolio. It works actively to drive economic value and job creation through its financial inclusion efforts and seeks to become a climate positive and carbon neutral bank by preventing, mitigating, or reducing the negative social and environmental impacts of its direct operations, supply chain, and lending portfolio. At the same time, CIB offers innovative and preferentially priced green financing products with an eye to becoming Egypt's leading green bank.

Organizational Development

Human capital development continues to play a vital role in CIB's success. The Bank is committed to providing employees with a safe and secure working environment to enhance their level of satisfaction, engagement, loyalty, and commitment. As a commitment to our employees, CIB will continue to focus on linking competencies to performance management at all levels to support employee development plans and link them to more personalized training needs.

Digital Disruption

Speeding-up the adoption of digital technologies and changing the way we do business was crucial to overcoming the effect of the pandemic. CIB accelerated its digital transformation, with efforts focused on laying the foundation for the "Bank of the Future", which includes robotic process automation, operations centralization, service digitalization, and channel enhancements. CIB will continue to digitize its internal processes to lower cost-to-serve and turn-around time, while adopting an agile culture for faster execution and flexibility. This will not only improve customer experience but also result in productivity gains and cost optimization.

Developing its digital capabilities to encourage financial inclusion, offering tailor-made products and services through appropriate distribution channels, and building a bank-wide culture of agility will allow the Bank to maximize customer value.

CIB will continue to strengthen its security controls and build a resilient cyber security environment to better face incumbent risks. The use of data analytics will also help identify emerging risks and allow the Bank to take better preventative measures.

Geographical Expansion

To become a regional financial services provider and diversify its operations, balance sheet structure, and sources of income, CIB continues to view Sub-Saharan Africa, particularly East Africa, as a key market opportunity for its cross-border expansion. The region houses some of the world's fastest growing economies, and its geographical location, historic and cultural ties with Egypt, and macroeconomic potential poise it for significant opportunity. Since entering the region in 2017, it has been a key platform for growth for CIB and an opportunity to replicate the strides taken toward digital transformation and financial inclusion in its home market.

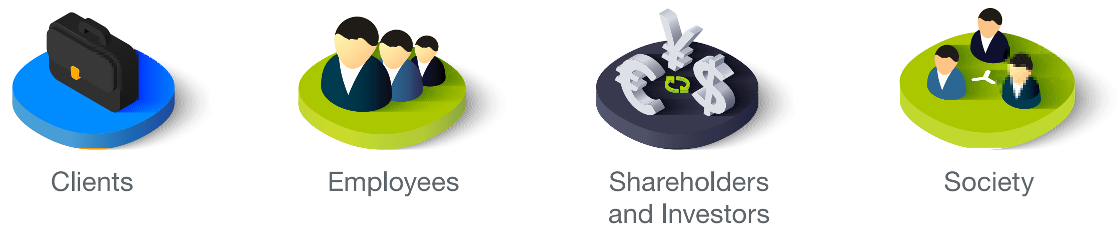
CIB continues to position itself as a business hub for Egypt and East Africa, with a focus on both corporates and SMEs. CIB's expansion plan will capitalize on its investment in digital platforms, allowing for faster penetration and easier setup with minimum effort and negligible operational cost. CIB will continue to assess potential markets and suitable entry methods for each while considering an asset-light strategy that will complement its Africa expansion aspirations.

We actively work to drive **economic value and job creation** through our financial inclusion efforts.

Value Creation Model

Value creation remains one of the main pillars of CIB's strategy. The Bank works diligently to create value for its shareholders, customers, employees, and society. To do this, it efficiently utilizes its key resources to best serve its strategic priorities, taking into account all prevailing macroeconomic driving forces. This results in both financial and non-financial value for CIB's stakeholders.

Key Stakeholders



Resources (Input)	Value Created (Outcome)	
Financial Capital Strong financial capital is always reinvested in the Bank's activities.	• EGP 13.27 billion in consolidated net income • EGP 13.42 billion standalone revenues • EGP 68.8 billion net worth • EGP 498.2 billion total assets • EGP 407.2 billion total deposits • EGP 102.46 billion market capitalization • 21.7% ROAE • 5.12% NPLs • 22.8% cost/income	**Financial Performance** • Ranked number one bank among all Egyptian private sector banks in terms of revenues, net worth, total assets, and deposits • The largest market capitalization in the Egyptian banking sector, and one of the highest ROEs • One of the lowest efficiency ratios among Egyptian private sector banks
Human Capital CIB's in-depth expertise across different industries is mainly rooted in its skilled, specialized, and dedicated employees.	• 7,307 total workforce as of year-end • 30% of staff are women, well above Egypt's 21% average • 420,273 training hours provided to all employees • First private bank to acquire Egyptian Gender Equity Seal (EGES), guided by the World Bank Gender Equity Model (GEM)	**Human Capital** • Highly skilled staff capable of sustaining CIB's path of success and maintaining the Bank's leading position within the market

Resources (Input)	Value Created (Outcome)	
Responsible Banking Integrating environmental, social, and governance aspects into the Bank's policies, operations, culture, products, and services to achieve sustainable development and act as an advocate of responsible banking.	• Issued Egypt's first corporate green bond • First bank in Egypt to support the task force for Climate Related Financial Disclosures (TCFD) • First Egyptian bank to conduct a debit and credit life cycle assessment • First Egyptian bank to conduct an Environmental and Social Impact Assessment on borrowing SME clients • Founding signatory to the UNEP-FI Principles for Responsible Banking • Founding member to the Net-Zero Banking Alliance	• Constituent of the FTSE4 Good Index for the sixth consecutive year • Included in the 2022 Bloomberg Gender Equality Index (GEI) for the fourth consecutive year, after being the first Arab and African company listed on the 2019 Bloomberg GEI—the world's only comprehensive investment quality data source on gender equality • Co-Chair of the Closing Gender Gap Accelerator, supported by the World Economic Forum (WEF) • Included in the new Low Carbon Select Index in the Middle East and North Africa (MENA), recently launched by the Arab Federation of Exchanges (AFE) and data provider Refinitiv
Innovation and Technology Innovation is chiseled in CIB's DNA, and the Bank is at the forefront of the market in offering simple, fast, and contextual experiences to its customers with a special focus on digitalization.	• Largest ATM network among private banks at 1,284 ATMs, with high cash deposit and withdrawal transaction migration rates from branches (96.3% and 99%, respectively) • A 107% y-o-y increase in mobile banking transaction volume, amounting to EGP 136.3 billion, and a 30% y-o-y increase in number of online banking customers • CIB is the first bank in the market to avail digital registrations for Smart Wallet, maintaining a market competitive activity rate of 18% (90 days), with a 160% y-o-y increase in transaction value, amounting to EGP 7.2 billion (over 10.7 million transactions). It also recorded a 19% y-o-y increase in number of customers • CIB ranks first in the Egyptian banking sector in domestic payments over ACH • A 103% y-o-y increase in corporate internet banking transaction volumes and a 40% y-o-y increase in number of cash management product transactions. Transactions' value amounted to EGP 511.4 billion • CIB ranks first in the Egyptian market in the e-governmental payment space. Corporate payment services (CPS) saw a 104% y-o-y increase in transaction volume, amounting to EGP 23.4 billion. It also saw a 69% y-o-y increase in number of customers • CIB ranks first in the Egyptian market for number of securitization SPVs launched in 2021 at 11 SPVs, amounting to EGP 10.3 billion	• Expanding in digital banking platforms through availing more services to enhance customer experience and sales efficiency and manage costs • Continuously upgrading the Bank's infrastructure and cyber security capabilities to provide a seamless customer experience in a safe environment

Resources (Input)	Value Created (Outcome)	
Service Excellence and Brand Recognition CIB has long-standing relationships with clients that are built on the concepts of trust, customer centricity, and rights. The Bank's core values enable it to preserve and strengthen its brand positioning in the financial services market in Egypt as the largest private bank, the best bank for corporate and retail services, and a leader in digital transformation.	**NPS in 2021:** • Overall – 28 • Wealth – 28 • Plus – 29 • Prime – 27 • Corporate – 38 (vs. 37.9 NPS ME Benchmark) • Business Banking – 23 (vs. 37.9 NPS ME Benchmark) **CSAT in 2021 (vs. 8 ME Benchmark):** • Smart Wallet – 8.7 • Mobile Banking – 8.6 • Internet Banking – 8.6 • ATMs – 8.3	**Service Excellence and Brand Recognition** • Since 2014, CIB has been monitoring its service performance through a service index, ensuring sustained, high customer satisfaction levels as part of its overarching strategy • Ranked 24th on Forbes Middle East's Top 100 Listed Companies in the Arab World

Chairman's Note

Dear shareholders,

Despite yet a second year of world turbulence due to COVID-19, the disruptive supply chain challenges, and the inflationary pressures accelerating in the last months of 2021, CIB's Board of Directors (BOD) is proud of the Bank's achievements as presented in this report.

Throughout the year, the Board of Directors intensified its efforts to maintain the highest governance standards and further promote a prudent risk culture.

Sustainability was, and remains, a priority on the BOD's agenda. The new realities brought about by climate change, COVID-19, and income inequalities mean a new approach is required to collectively tackle the challenges at hand. Many countries, Egypt included, have begun to feel the effects of climate change in earnest, and as global investor focus on ESG intensifies, Egypt is becoming more in-tune with the importance of responsible investing. The FRA has issued new guidelines for reporting ESG metrics, as we lay the groundwork for more standardized reporting on these metrics.

CIB has long understood the importance of fostering a sustainable development transition in Egypt and has remained ahead of the curve when it comes to sustainable finance. We are a proud founding signatory of the UNEP-FI Principles for Responsible Banking, which define the framework through which banks can set their sustainability strategies in alignment with Sustainable Development Goals (SDGs) and the 2015 Paris Climate Agreement. This year, CIB celebrated two years of the PRB, with a number of noteworthy achievements on the responsible banking front. We released the business banking (SMEs) portfolio impact assessment in March and established a new Sustainable Finance governance framework. CIB also joined the Net-Zero Banking Alliance (NZBA) during the year.

Among our major achievements of the year, CIB issued Egypt's first ever green bond, valued at USD 100 million. The issuance is a reflection of CIB's position as a long-time supporter and committed believer in sustainable finance and the role corporations must play in seeking sustainable and comprehensive solutions to mitigate climate change. The bond comes as Egypt prepares to host COP27, which will focus on securing and de-risking financing to help emerging markets meet climate commitments.

CIB's Board of Directors, and the thousands of dedicated CIB men and women, will continue to work tirelessly to create shared value and maximize the positive societal impact of our business.

On behalf of the Board of Directors, I hope 2022 will witness more achievements and will be a year of positive sustainable transformation and development as well

Sherif Samy
Non-Executive Chairman

CIB has long understood the **importance of fostering a sustainable development transition in Egypt** and has remained ahead of the curve when it comes to sustainable finance.

CEO's Note

Looking back on the year just ended and the past five years of my tenure as CEO of this institution, I am reminded not just of how much we have accomplished but how we have persisted—time and time again—in the face of challenges. Having to weather what was arguably one of the most unprecedented times in recent history, measuring our success in numbers or in operational milestones now feels wholly inadequate. To me, our success this year was reflected in the value our innovative products and systems have driven for clients, the dedication our people have shown when serving those clients, and the tangible impact we have left on the community in which we do business. It is these fundamental pillars that not only helped us stand today as a stronger bank but also positioned us at the forefront of change for the industry as a whole.

We are fortunate to have been operating in a sector that has strong foundations, supported by smart fiscal policies that have ensured ample liquidity and capitalization prior to the outbreak. The Egyptian government curbed inflation and countered impacts on forex flows through a series of preventative measures to boost economic activity, which has paid off in spades. Egypt remains one of the few emerging markets that not only maintained positive GDP growth from 2019 to 2021 but is also one of only a handful pegged by the IMF for growth despite projections that global growth would dip into 2022.

Against this operating climate, we have invested substantially in our digital infrastructure, the effect of which is twofold: outstanding optimization across the Bank that has led to significant cost synergies and allowing us to deliver innovative digital service solutions to our clients. For the first time, we hit over one million users on our online digital retail channels—a twofold increase and an achievement that paved the way for our ranking as the top Egyptian bank for commercial, domestic e-payment transactions.

As we continue to optimize our client servicing, we have expanded both our retail and corporate client base and portfolio during the year, with a particular focus on small- and medium-sized businesses as part of our five-year financial inclusion strategy. SMEs in Egypt contribute less than a quarter of GDP, despite accounting for 80% of the country's enterprises and the lion's share of employment opportunities. It is for this reason that we continue to funnel resources into providing this vital segment of the economy with bespoke products and tech-enabled services to, in turn, fuel the economic growth engine.

We have also worked to replicate these successes beyond our borders. We ended our first full year of operations having owned 51% of Mayfair CIB Bank in Kenya, which marked our entry into one of the most compelling markets in Africa and the lynchpin of our strategy to position ourselves as a hub for business banking in East Africa.

As we embark on these new strategies, we continue to embed responsible banking principles at the core of everything we do. As a founding signatory of the UNEP-FI's Principles for Responsible Banking, we are keenly aware of the role we play in steering the industry toward sustainable business strategies and ESG disclosure practices. The year also saw us become a founding member of the Net-Zero Banking Alliance (NZBA), hosted by the United Nations Environment Programme Finance Initiative (UNEP-FI). CIB is among 43 of the world's biggest banks focused on delivering the banking sector's climate commitments in alignment with Paris Agreement goals. Leading the development of Egypt's green bond market, CIB issued Egypt's first corporate Green Bond in partnership with the International Finance Corporation, designing a financial instrument that will enable Egypt's private sector to drive the country's transition to a green economy. With the help of our dedicated and talented team of over 7,000 CIBians, we will continue to tackle head-on the most pressing environmental and social challenges facing Egypt today.

It is this exceptional team of people who are in no uncertain terms the driving force behind our outstanding performance this year. These are the men and women who serve our customers and communities, manage our risks, create our innovative product offerings, map out our investments, and lead the Bank with stalwart vision for sustainable growth. Their commitment to this institution during even the most challenging of circumstances is unmatched, and I am proud to work with them day in and out to carve out our road to growth.

With these pillars in place, I am optimistic that the next twelve months will see growth we have anticipated in previous years. We are entering 2022 with the foundations in place to capitalize on the upswing and mitigate challenges ahead, having achieved solid revenue growth and profitability. Our solid capital base, sound asset quality, and conservative provisioning has fortified our balance sheet, which, in turn, will allow us to continue to drive value for both our individual and corporate clients.

In closing, I would like to express my gratitude to all our stakeholders—from our partners and affiliates, clients, stockholders, regulators, my fellow board members, to each and every one of our employees. While we know that the road to recovery is seldom even, our unique combination of agility, strength, and grit gives me hope that we will continue to enable individuals, businesses, and economies to thrive in the year ahead.

Hussein Abaza
CEO and Managing Director

BOD Report

Macroeconomic Environment: A year of Adjustment

While the world has been grappling with a pandemic for a year and a half, causing global ambiguity, economies have been forced to adopt a reliance-based approach to prevent, avoid, withstand, and absorb the impacts of this rapidly changing situation. 2021 was a year of adjustment to the new realities brought about by COVID-19.

Fortunately, Egypt's macroeconomic environment has remained resilient in the aftermath of the pandemic, although long-standing issues remain. Macroeconomic reforms have aided the economy's stabilization in recent years, allowing the country to mitigate the health and social impacts of the pandemic, while safeguarding economic stability and investor confidence.

The repercussions of the pandemic have, nevertheless, challenged this recent progress, negatively impacting consumption and the main contributors to Egypt's foreign currency inflows, namely tourism, the Suez Canal, and exports. However, with easing restrictions on cross-border travel and the return of direct flights into the country, along with the mass rollout of vaccination campaigns, Egypt's tourism sector is gradually recovering.

Despite the impact of COVID-19 on tourism, Suez Canal revenues, and exports, the country's international reserves remained more than adequate at USD 40.935 billion as of the end of December 2021. Remittances have also helped offset the impact of the decline in tourism receipts on the current account, rising to USD 31.4 billion in this fiscal year vs. USD 27.76 billion as of the same period of the previous year. The stability of inflows over the past years is expected to continue. With the anticipated recovery of global trade, Suez Canal and export revenues are set to pick up accordingly.

In light of the above, and especially in these unprecedented global circumstances, Egypt's government was keen to keep the country's sovereign instruments attractive for foreign investors to maintain a high FCY balance. Egypt's sovereign instruments have remained extremely attractive to foreign investors due to their high yields in light of the exchange rate stability. The country's real rates continue to be the highest in the world, at 3.8% according to Bloomberg, which tracks rates offered by 50 countries, followed by Vietnam and Turkey at 2.8%.

With Egypt's inclusion in the JP Morgan GBI-EM bond index starting January 2022, the country's sovereigns will gain more access to foreign investors, instigating further increases in foreign currency inflows. Egyptian bonds are expected to constitute c.1.8% of the index weight, with 14 categories valued at USD 26 billion, and USD 1 billion in new investments expected to be injected in the Egyptian government market. Additionally, as part of its continued support of the Egyptian economy, the International Monetary Fund (IMF) has provided Egypt with its last tranche worth USD 1.7 billion of the USD 5.4 billion loan as of June 2021. The program aimed to help Egypt cope with the challenges posed by the COVID-19 pandemic by providing balance of payments and budget support. The program also helped authorities safeguard the macroeconomic stability achieved over the previous three years, support health and social spending to protect vulnerable groups, and advance a set of key structural reforms to put Egypt on a strong footing for sustained recovery with higher and more inclusive growth and job creation over the medium term.

The successful correlation between fiscal and monetary decisions put the country's economy and the banking system in an acceptable state. The Egyptian government curbed inflation and countered the negative impact on the foreign currency inflows, implementing a series of preventive actions to help boost economic activity. These efforts started with cutting policy rates by 400 basis points in 2020, and there was no need to change the policy rate throughout 2021. This helped curb inflation, which reached 5.9% as of December 2021, in line with the CBE's inflation target of 5–9%.

Furthermore, Egypt is among the few emerging markets that maintained positive GDP growth over 2019–2020 and 2020–2021. With the gradual increase in production capacity and the resumption of economic activity, Egypt continued its GDP growth trend to record 3.3% in FY 2020/2021 ending in June, which more than offset the combined negative effect of gross domestic investments and net exports.

Economic growth is projected to accelerate further in 2022, mainly through stronger private consumption, exports, and investments. However, it is worth noting that some risks to the outlook stemming from global uncertainty remain, especially with the yet to be discovered potential impact of new strains of COVID-19, such as the Delta variant and Omicron, which could hinder recovery.

As previously mentioned, Egypt's banking sector had a strong foundation moving into the pandemic. Due to its ample liquidity and healthy capitalization prior to the outbreak, alongside CBE support measures, the sector was well-equipped to weather the ensuing economic difficulties and provide stability to the economy. Annual total deposits growth reached 19.7% y-o-y in June 2021, 92% of which came from the private sector. The annual growth rate of total lending by the banking sector increased by 17.7% in June 2021, compared to 7.6% in the same period of 2020.

The CBE undertook several significant measures in an attempt to increase credit to SMEs, extend financial services to the unbanked, and promote digital financial solutions. Among the most notable SME support measures that came in 2021, when banks were instructed to increase micro, small, and medium enterprises' share of their loan portfolios to 25%, by the end of 2022. Many efforts to improve financial inclusion have been aided by digitalization.

> Egypt is among the few emerging **markets that maintained positive GDP growth** over 2019–2020 and 2020–2021.

Executive regulations have yet to be issued; however, 2021 saw some operating banks apply to acquire the Digital Bank license in Egypt.

Since its onset, the COVID-19 pandemic caused significant policy and regulatory changes and accelerated digitalization trends that were already underway prior to the crisis. This has opened up new avenues for digital transformation and financial inclusion. Many efforts to improve financial inclusion have been aided by digitalization.

Overall, Egypt's macroeconomic environment has remained relatively resilient in the face of the ever-changing circumstances instigated by the pandemic. The government and the CBE'S measures have successfully mitigated the impact, ensuring the banking sector came out in solid condition. Furthermore, the accelerated path to digitalization has bolstered financial inclusion efforts. This has reflected on CIB's performance and developments in 2021. Driven by the pandemic, CIB expedited its digital transformation process, with a focus on data analytics, digital channels, and behavioral segmentation. The Bank made significant progress on a number of fronts, expanding both its online customer base and geographic reach. It also continued to further its financial inclusion efforts, steadfastly working on the implementation of its five-year financial inclusion strategy. On the ESG front, CIB continued to make marked impact, particularly on gender equity. The Bank's financial position was further solidified with record bottom line profits, despite the challenges witnessed.

Strategic Pillars

Despite unprecedented global challenges, and in line with the Bank's vision to be at the forefront of change, the shift in market dynamics accelerated by the pandemic has necessitated the recalibration of CIB's strategy pillars and execution tactics. The Bank expedited its digital transformation efforts and adopted an agile operating model to continue to create both financial and non-financial value for all its stakeholders.

Core Business

CIB's first strategic pillar focuses on strengthening its core business by enhancing operational efficiency and expanding its local reach to serve current and potential customers, as well as its business lines, while simultaneously tapping into financial inclusion opportunities. The focus has been and continues to be on data analytics, digital channels, and behavioral segmentation to create unique value propositions with individual needs in mind. This is achievable through investing in digital channels and innovative solutions to enhance customer experience and lower transactional costs.

Digital Transformation

Accelerating the Bank's digital transformation journey and changing the way we do business was crucial to overcoming the effects of the pandemic. CIB remains committed to achieving its set strategy by directing more investments into upgrading its infrastructure, as well as digitizing and automating its products and services.

2021 witnessed solid progress in the Bank of the Future (BOTF) strategic program that aims to position CIB as the digital bank to trust. The program's objective is to enrich service offerings in alignment with customers' needs and add a new pillar, digital sales, that responds proactively to the traffic offloading that happens in branches. The impact of the first phase of BOTF remains on the rise, especially on retail individuals' external and internal fund transfer migration rates, the online banking penetration rate, cost savings, and transaction volumes and value.

During the year, CIB's online customer base reached one million users, with an activity rate of 66% as of December 2021. Online Banking subscribers increased 30% y-o-y. Internet Banking transactions grew by 22% y-o-y in volume, reaching 2.2 million, and 46% y-o-y in value, reaching EGP 58.1 billion. Meanwhile, mobile banking transactions were up 107% y-o-y, reaching 7.3 million transactions worth EGP 136.3 billion—a 159% y-o-y hike.

CIB Smart Wallet transactions grew 43% y-o-y to 10.7 million, while the transaction value surged 160% y-o-y to EGP 7.2 billion in October 2021. Smart Wallet's customer base grew by 19% to one million as of December 2021 and maintained an activity rate of 18% (90 days). This was achieved by diversifying and enhancing the Bank's sales channels and opening new ones to boost the Smart Wallet acquisition.

In an attempt to expand its geographical reach, CIB's ATM network grew by 15% y-o-y to 1,284 ATMs, making it the largest ATM network among private banks. ATMs handled more than 71.7 million transactions with a value of EGP 124.6 billion, increasing y-o-y by 17% and 30%, respectively.

Zaki the bot, which was launched in December 2019, conducted over 482 thousand interactions in 2021, recording a 16% y-o-y growth on both the public website and Facebook Messenger, offloading the social media team by over 61%. The Bank changed the IVR top level menu to enforce mandatory customer identification before reaching an agent, resulting in an IVR resolve rate of 56% in 2021 vs. 49% in 2020.

CIB maintained its leading position in the Egyptian market in governmental e-payment transactions over the corporate payment services (CPS) platform during the year. CPS transactions increased by 104% y-o-y in volume, reaching 120,000, and 54% y-o-y in value, reaching EGP 23.4 billion.

During the year, the CIB SCF model won the Middle East and Africa Innovation Awards 2021 for the best supplier financing initiative and best financial supply chain initiative. The Bank officially launched the electronic supply chain finance (e-SCF) module for CIB Business Online and grew the SCF portfolio (loans booking) 256% y-o-y to EGP 245 million.

Additionally, in 2021, CIB Custody was ranked 1st in the Egyptian market in the number of securitization SPVs launched in 2021, with a total of 11 SPVs amounting to EGP 10.3 billion.

In light of the impact of the pandemic, the digital banking governance division continued to play a vital role in governing, managing, and coordinating different regulations issued by the regulator across GTB and digital banking channels.

Financial Inclusion and SMEs

In accordance with the national direction to promote financial inclusion, the Bank continuously works to develop its digital capabilities to offer tailored products and services through the appropriate distribution channels. CIB is advancing its five-year financial inclusion strategy to provide various segments of society easier access to financial services by harnessing its digital acumen. With more focus on understanding industry sub-segments and critical success factors for SMEs within those segments, advanced monitoring techniques, and an early warning independent function, CIB has gradually and consistently allocated unique strategic thinking and resources to grow its SME loan exposure and meet the CBE mandate of 25%.

Following Egypt's efforts to encourage microbusinesses and SMEs, given their key role in boosting Egypt's economic growth, CIB aims to position itself as an SME banking partner by leveraging on data analytics, behavioral segmentation, and its digital channels to create unique value propositions and expand its outreach. The Bank's SME strategy also entails transforming the IT infrastructure and portfolio monitoring tools, with greater emphasis on process automation, from onboarding to credit decision-making.

CIB's projected customer base and number of processed transactions growth will be more reliant on investments in digital channels and innovative solutions to enhance customer experience and lower transactional costs. To minimize operational costs and efficiently serve low-income segments, product offerings and customer interactions will be conducted through alternative channels (i.e. CIB's e-wallet, digital platforms, and ATMs network). This will allow the Bank to expand its reach across Egypt, sustainably onboard previously unbanked individuals, and source viable new business opportunities. The distribution and acquisition strategy will be based on further analyzing customer demographics to identify appropriate locations, awareness campaigns, and service offerings.

In 2021, CIB and its subsidiary CVentures worked together to identify and assess several possible fintech partnerships to provide tailored solutions that meet the needs of low-income customers. Such partnerships will enable the Bank to leverage data to facilitate the customers' journey and make use of predictive analytics to segment clients and offer even more targeted products and services.

CIB also assisted in the national Hayah Karima initiative in 2021, which saw the Bank collaborate with the CBE, Ministry of Planning, World Food Program, CIB Foundation, and other stakeholders. The year also saw CIB facilitate numerous financial inclusion awareness campaigns, with over 50,000 new customer wallets and 10,000 accounts opened. Additionally, the Bank organized a summer internship program centered on financial inclusion, with over 10,000 students enrolled.

Geographical Expansion

Aiming to become a regional financial services provider and diversify its operations, balance sheet structure, and sources of income, CIB continues to view Sub-Saharan Africa as a key market opportunity for its cross-border expansion. The region is recognized for its geographical location, historic and cultural ties, and macroeconomic potential, boasting some of the fastest growing economies. CIB is particularly focused on East Africa, aiming to position itself as a business hub for Egypt and East Africa, with a focus on both corporates and SMEs.

CIB's African expansion plan will capitalize on its investment in digital platforms, allowing for faster penetration and easier setup with minimal effort and negligible operational costs. CIB will continue to assess potential markets and suitable entry points for each market, while considering an asset light strategy that will complement its Africa expansion aspirations.

CIB's first step on its journey to expand into Africa took place in 2020 with the acquisition of Mayfair CIB

CIB issued Egypt's first corporate **Green Bond, in line with the Bank's approach of making sustainability** an integral part of its strategy and client offering.

Bank (MCIB). MCIB broke even in 2021 and recorded Profit After Tax (PAT) of KES 36.57 million as at 30 September, compared to a loss of KES 379.27 million as at end of 2020 and beating the previously projected PAT figure of KES 11.54 million for the same period. Trade finance income surged by 300% compared to year-end 2020 from KES 5.60 million to KES 19.78 million, in line with the bank's strategy to focus on trade finance activity.

Sustainable Banking

CIB's sustainability strategy reflects its business approach of balancing the strategic goal of increasing profitability with serving broader socio-economic and environmental interests. CIB's sustainability approach considers the United Nations Sustainable Development Goals (UN SDGs) and Egypt's Vision 2030. The Bank is also committed to global Environmental, Social, and Governance (ESG) frameworks, such as the UNEP-FI Principles for Responsible Banking, UN Principles for Responsible Investment, UN Global Compact, the Task Force for Climate Related Disclosures, and the Net-Zero Banking Alliance.

CIB has been a forerunner in establishing a sound ESG structure; 2021 witnessed a new milestone in the Bank's internal structure with the introduction of ESG working streams responsible for supporting the implementation of the sustainability strategy and system across the Bank. The working streams are governed by a steering committee chaired by the Chief Sustainability Officer (CSO). In efforts to combat climate change and support its clients' business models to transform toward a low-carbon future, CIB issued Egypt's first corporate Green Bond, in line with the Bank's approach of making sustainability an integral part of its strategy and client offering.

The impact of CIB's commitment to sustainability is reflected in its inclusion on national and international rankings, namely the Egyptian Stock Exchange Sustainability Index, FTSE4Good Index, and Carbon Disclosure Project (CDP). In recognition of the Bank's gender equity performance in 2021, CIB was awarded the Egyptian Gender Equity Seal guided by the World Bank Gender Equity Model (GEM), and it was included in the Bloomberg Gender Equality Index.

Our Most Valuable Asset

Human capital development continues to play a vital role in CIB's success. The Bank is committed to providing employees with a safe and secure working environment to enhance their level of satisfaction, engagement, loyalty, and commitment. CIB will continue to focus on linking competencies to performance management at all levels to support employee development plans and connect them to more personalized training needs. This year, CIB was named one of the world's best employers in the Middle East by Forbes, valuing success, integrity, innovation, hard work, and diversity.

By the end of 2021, CIB's total workforce stood at 7,307, 30% of which were female employees. As part of its continued efforts to encourage career mobility and progression within CIB, the Bank hired 1,030 new employees, encouraged the internal mobility of 1,422 employees, and promoted 559 others. Given the social distancing measures that were forced since the outbreak of the pandemic, CIB continued to carry out HR activities and participate in virtual employment fairs in lieu of sending recruiters to campuses, given they are a pivotal part of its headhunting process. In 2021, CIB participated in seven virtual employment fairs across different universities and local events, as well as four virtual sessions held for 400 students for the Tawarny initiative, which helps university students practice mock HR interviews and provides them with tips to enter the workforce.

HR continued to play its enabling role to enhance employees' competencies by conducting more than 200,000 virtual training hours for 5,685 employees, in addition to more than 108,000 digital training hours delivered to 6,944 employees. CIB continued to administer series of specialized learning tracks that meet business aspirations, including Control Functions, Information and Cybersecurity, Small and Medium Enterprises Academy, and International Certifications.

In line with the Bank's strategy to expand in Africa and after a thorough selection process, 19 African delegates from Uganda and Kenya graduated from the newly-established East Africa Analyst Program. Introduced in 2020, the program spanned nine months, seven of which were conducted virtually due to the pandemic, with two months of in-office training in Egypt. Of the 19 delegates, nine were successfully hired at Mayfair CIB Bank.

To promote an ESG and sustainability-oriented culture across the Bank, HR tailored a dedicated training program to raise awareness about the importance of ESG and sustainability. It also integrated a sustainability session in the exclusive Analyst

In line with the Bank's efforts **to promote a diverse and inclusive workforce, CIB focused on various gender equality** and women's empowerment initiatives.

In line with the Bank's efforts to promote a diverse and inclusive workforce, CIB focused on various gender equality and women's empowerment initiatives. Women's empowerment was one of the main objectives of the newly introduced FWA program, which gives mothers with infant children the opportunity to work from home before applying for unpaid leave. In 2021, HR launched the second phase of the Helmik Yehmena initiative, a developmental online program targeting young female talents in Upper Egypt and the Delta. The team met more than 200 women, around 50 of whom underwent a selection process, with the top 12 selected to enter the program. The initiative aims to support young women to join the workforce in certain regions. CIB also held one round of the She is Back program during the year for more than 20 women to help them in their transition back to work from maternity leave. The Bank also launched the second iteration of the Women in Tech program in 2021. 12 candidates joined the program, and their rotation included the IT, Security and Resilience Management, and Digital Banking and Global Transaction Banking departments.

Program and SME academy, as well as financial inclusion in the 2021 summer training program to highlight its importance. The program was delivered virtually to 10,986 undergraduates from 60 public and private universities across 24 governorates.

In efforts to promote organizational efficiency, HR continued to improve employee engagement and enablement levels and enhance its value proposition through various initiatives. The HR Help Desk continued to play a crucial role in the crisis management plan to ensure effective, accurate, and smooth communication with all employees during the global pandemic, in addition to playing a major role in coordinating CIB vaccination hubs.

In 2021, CIB launched the fifth Employee Effectiveness Survey (EES), which registered a 90% response rate compared to 92% in 2018. The engagement level, measured by employees' loyalty, pride, and willingness to go the extra mile for the Bank, stood at 67% compared to 63% in 2018. Meanwhile, enablement, measured by the degree to which employees experience an environment that fosters engagement, reached 57% compared to 52% in 2018. Action plans for key focus areas were also developed to continue enhancing CIB's effectiveness profile in the coming years.

As part of the CIB Employee Wellness Program, HR introduced a workplace counseling service to all employees to help them adjust to the new norms imposed by the pandemic. In the first quarter of 2021, the pilot phase of CIB Flex, a Flexible Work Arrangement (FWA) Program, was completed with a 97% satisfaction rate and c.10% enrollment of eligible employees. By year-end, a total of 46% of eligible functions and employees were enrolled.

In alignment with CIB's digital transformation strategy, HR automated several processes, including, but not limited to, introducing automated tools to calculate the employees' annual taxes, access loan statements, and update all mandated and required employee personal data in order to strengthen the Know Your Employee (KYE) program. CIB also introduced a robust HR ticketing system to help streamline operations to manage the workforce and resolve issues quickly.

2021 Financial Position

CIB Performance

FY 2021 saw CIB's consolidated net income increase by 30% y-o-y to EGP 13.27 billion. Standalone net income reached EGP 13.42 billion, up 30% from 2020. Standalone revenues grew 4% from the previous year to EGP 26.75 billion. Consolidated net interest income hit EGP 24.97 billion during the year, down 1% y-o-y. The Bank was able to maintain its operational efficiency in 2021, with the cost-to-income ratio standing at 22.8% compared to 20.7% in 2020. Return on average equity (ROAE) recorded 21.7% on a consolidated basis (post-profit appropriation) compared to 19.2% in 2020. Consolidated return on average assets (ROAA) stood at 2.88% (post-profit appropriation) in 2021, up from 2.53% in 2020. As of year-end 2021, CIB booked a net interest margin (NIM) of 5.67%, down from 6.75% a year earlier. The Bank's gross loan portfolio stood at EGP 164.3 billion at year-end, growing 20% y-o-y from EGP 137.1 billion by 2020 year-end. This increase met the Bank's strategic objectives in maintaining asset quality and enhancing profitability. CIB's market share of total loans amounted to 5.20% in October 2021. The Bank pursued deposit growth in 2021, adding EGP 66.1 billion to its base, which grew to a total of EGP 407.2 billion over the year, an increase of 19% from 2020. CIB's share of the deposits market reached 6.76% in October 2021. Loan-loss provision expense for 2021 amounted to EGP 1.68 billion, bringing the loan-loss provision balance to an unprecedented EGP 17.92 billion. This was not associated with any asset quality significant deterioration, as evident by a solid NPLs of the gross loan portfolio of 5.12%, up from 4.26% by 2020 year-end, cushioned by a solid 213% coverage ratio, but rather a result of the Bank's conservative risk management strategy and management's decision to cautiously frontload adequate provisions to mitigate any and all potential risks that might arise from such a fluid year. The Bank remains comfortably covered in terms of capital adequacy, with year-end capital adequacy ratio (CAR) recording 29.9% (post-profit appropriation)—well above the minimum regulatory requirement. This year's financial results highlight CIB's solid strategic direction, the Board's invaluable oversight, management's strong leadership capabilities, and concrete execution across the Bank's channels, including brick and mortar operations, digital platforms, and the product and support functions.

Appropriation of Income for FY 2021

Following last year's CBE's instructions to withhold payment of cash distributions from 2020 profits and/or retained profits that are distributable to shareholders, the Board of Directors proposed the distribution of total cash dividends of EGP 2,684 million to shareholders this year, increasing its legal reserve by EGP 670.9 million to EGP 3.96 billion, and its general reserve by EGP 8.33 billion to EGP 36.59 billion. This reinforces the Bank's solid financial position, as evidenced by its CAR of 29.9%. The proposed dividend distribution falls in line with the Bank's strategy of maintaining a healthy capital structure to address more stringent regulations, mitigate associated risks, and support the Bank's future growth plans.

Stock Performance and Equity Analysts' Coverage

Throughout 2021, Egypt's stock market faced major challenges, both on the macroeconomic side, impacted by COVID-19, and on the regulatory front, shedding light on COMI's performance as well. COMI kicked off the year with an open price of EGP 44.3 and ended it at EGP 52.81 with 19% y-o-y change. As of August 2021, a stock dividend was distributed, on which one free share was dispersed for every three shares held by a shareholder. This led to an increase in the number of shares to 1,970,241,790 from 1,477,681,340. Capital eventually reached 19,702,417,900 up from 14,776,813,400.

The main highlight of 2021 is COMI's price surpassing the dip that occurred in October 2020, reaching a peak of EGP 54.15 in November 2021 vs. EGP 50 in October 2020, a c.8% increase. In 2021, CIB's price reached a trough of EGP 36.6, and the average VWAP during the year was EGP 45.50, with an average daily volume of more than two million shares and an average market capitalization of EGP 89.665 billion. CIB is widely covered by leading research houses both locally and internationally; 19 institutions regularly issued research reports on the Bank during 2021.

Investor Relations Activities in 2021

Throughout 2021, the Bank's Investor Relations (IR) division dedicated its efforts to accommodate all conferences and calls to which CIB was invited. The team attended 14 virtual conferences, roadshows, and forums, and accommodated 157 meetings. It met with 405 companies and 571 investors and analysts incorporating a wide range of international, regional, and local institutions. Toward the end of 2021, six funds visited Egypt and met with CIB at its headquarters.

During the year, disclosures, including regular updates and releases, continued to be periodically made available on CIB's IR website, as well as the EGX, LSEG, and OTCQX portals, in a timely manner that ensures fair access to information for investors from around the world, allowing them to make informed investment decisions. Thanks to the team's continuous efforts to further enhance the program, CIB was named Leading Corporate for Investor Relations in Egypt and MENA by the Middle East Investor Relations Association (MEIRA) for the eighth consecutive year.

2021 Business Activities

Institutional Banking

Despite the pandemic's continued repercussions on global and local markets, CIB's Institutional Banking (IB) Group has further enhanced its resilient position.

CIB's Corporate Banking (CBG) and Global Customer Relations (GCR) Groups continued to support their corporate clients' portfolios by providing best-in-class financial and advisory services. The groups' creativity and agility, coupled with the Bank's strong liquidity and financial soundness, provided clients with a multitude of financial products and structures that helped alleviate the fiscal and operational challenges posed by the pandemic. Backed by a team of highly experienced bankers and the help of a strong credit culture across CIB's core and support functions, the groups were able to support clients in key industries while preserving asset quality.

In 2021, the CBG and GCR Groups' loan and investment portfolio recorded EGP 112.47 billion. Both groups sealed numerous deals throughout the year, including, but not limited to, participating in an EGP 5 billion syndicated MTL deal to finance the General Authority for Land and Dry Ports Company's expansion plans, participating in an EGP 10 billion syndicated MTL deal to finance the development of the Suez Canal Economic Zone, and taking part in an EGP 11 billion syndicated MTL deal to finance the Egyptian National Railway's (ENR) network expansion, including establishing new train lines, in addition to other major successful transactions in various sectors.

Debt Capital Markets (DCM) was active in the secondary market, working in conjunction with partner banks, as well as CBG and GCR, to close 18 transactions, resulting in a direct and immediate increase in CIB's loan portfolio of EGP 19.3 billion in FY 2021. Additionally, DCM successfully closed syndicated and project finance loans equivalent to EGP 31.5 billion in FY 2021, of which CIB's share amounted to EGP 4.4 billion, for public and private sector companies across several sectors, including oil and gas, ports, infrastructure, real estate, power, telecom, and construction. CIB also participated in the arrangement of one of the largest syndicate transactions in the construction sector to finance a landmark project through an EGP 12.2 billion syndicated loan, of which CIB's share amounted to EGP 1 billion.

2021 saw a continuation of global correspondent banks working remotely and increasing their reliance on communication technology. Africa remained a priority for correspondent banking; CIB's coverage has grown to 37 countries through a network of local and Pan-African banks, in addition to several African multilateral financial institutions. In 2021, correspondent banking continued to grow its contingent trade finance portfolio related to mega projects, recording a growth of 12% y-o-y, and thereby reflected in a growth in total trade finance fees and commissions by 10% compared to 2020. By the end of December 2021, the Development Finance (DF) segment had, through managing developmental programs, served 13,099 agri-business beneficiaries with approved developmental agri-loans worth a total of EGP 429.3 million.

Despite a pickup in the second quarter of the year, 2021 was challenging for direct loans under the Non-Banking Financial Institutions (NBFI) segment due to intense competition. The division captured significant market share of existing demand by introducing lower prices or new products. The NBFI division maintained strong asset quality of financed loan portfolios related to all clients, with zero defaults and minimal NPLs under various financed portfolios directed to the leasing, car finance, and microfinance sectors. NBFI focused on wider market coverage and succeeded in onboarding new-to-bank clients in the newly regulated consumer finance market. This strategy led to a loan portfolio growth of 97% y-o-y at the end of 2020, of which the microfinance portfolio grew by 107%, with the collaboration of DF. Some 42.77% of this was directed to women micro-entrepreneurs. On the investment side, while new issuances were minimal until the third quarter of the year, CIB participated in the second Sukuk issuance transaction of an NBFI company issued for EGP 700 million.

Retail Banking

Consumer Banking continued to advance its strategic agenda in cooperation with the IT, Risk, Compliance, Marketing, HR, and Data divisions in 2021. The year was positive in terms of financial and market performance, showing considerable growth across all indicators and laying the foundation for strong performance for the coming years.

Banking local currency deposits continued to increase at a phenomenal rate, reaching a total of EGP 207 billion by year-end, while foreign currency deposits also grew at a remarkable rate, reaching the equivalent of EGP 60 billion at the end of the year. The business' most significant achievement in 2021 was the deposit acquisition; the Deposits Acquisition mix has remarkably shifted from 53%/ 47% to 58%/ 42% for CASA and Term Deposits, respectively. 2021 was a solid year for the Consumer Assets business as well, with the consumer loan portfolio growing by 14.7%, a 17.4% growth for credit cards and a 15.2% growth for personal loans. Straight-through-processing was successfully introduced for secured assets, setting the stage for further process enhancement initiatives in 2022.

On the SMEs front, and in line with the CBE directives and its strategy to acquire a bigger share in the SME credit market, Business Banking began working on an accelerated growth plan for SMEs. This includes amending the Bank's credit policies, establishing an alternative score-lending model, investing in people, adding premises, IT developments, and wider distribution through business hubs. Additionally, Business Banking has built a well-established cash and trade management business, with average liability book growth rates of 26% and 41%, respectively, for the last two years. In 2021, operating profits for the division came in at EGP 1.9 billion and deposits hit EGP 41.7 billion, growing 41% y-o-y, while trade rose to EGP 34.2 billion. In the payment solutions space, the division processed EGP 48 billion in transactions. The Business Banking client base grew to more than 72,000 companies during the year, up 12.5% y-o-y.

The division also made remarkable progress on the digital side, launching the new CIB website and making new online and offline requests and services available through its internet and mobile banking platforms. CIB kicked off the implementation plan of the CIB Pay App in 2021, set to transform the cards experience by simplifying the customer financial life process, allowing customers to track and monitor their spending and providing a new privacy and security experience. Credit, debit, and prepaid card customers will benefit from the app's numerous features, which include tokenization and Tap and Pay for a superior payment experience, card controls, digital access to transaction history and balance information, and Pay with Rewards for a seamless rewards redemption experience. Customers will have the choice between a digital version of their card, which will be more efficient and cost effective, or having both a physical and digital cards at different price points.

Additionally, to further enhance customers' experience and reduce the turnaround time for loan applications while guaranteeing solid asset quality, the Consumer Loan division developed the Secured Lending Optimization plan. The plan shifts the review processes previously performed by the Credit Assessment and Fulfillment (CAF) department to a new automated and fully controlled approach led by the branch network. The same process changes have been applied to payroll unsecured lending with a ticket size of up to EGP 200,000.

2021 Operational highlights

Operations and IT

The COO area continues to be the main enabling arm for CIB's business growth plans and transformation strategy. Ongoing focus on delivering the latest technologies allows for new services and products and increasing productivity and efficiency across the Bank, while reducing the cost to serve. Moreover, precautionary measures were taken to ensure employees' safety and business continuity in the face of the COVID-19 outbreak.

Under the COVID-19 business continuity plan, the Bank's Contact Center operated from four sites during Q1 2021, and a complete business plan was set in place to allow employees to work remotely or from different sites. CIB continues to focus on reducing current operating costs by applying optimal cost synergies in context of many forms, starting from migrating more services to its digital channels from branch back-office services/ activities to promoting existing automation tools. These tools include Robotic Process Automation (RPA) for branch staff and across centralized operating areas.

This year marked the start of implementing open banking architecture as one of the Bank's main business strategies, which will enable other fintechs and big corporates to directly interact with CIB banking systems. The implementation of the required platforms to support this strategic direction was designed through launching a set of programs to implement, such as an API gateway, enabling other systems to be connected to CIB systems, and Payment Hub, to enable automated payments capabilities with full visibility on customers' payments analytics and transaction volumes.

Furthermore, a complete deep analysis of branch back-office transactional behavior was conducted to support senior management using data analysis for better resource utilization. This is a trend the Bank embeds in its business acumen to have a clear view on the headcount and staff requirements of each branch.

2021 also witnessed the successful rollout of the centralization of selected services, which included the introduction of a new delivery concept for customer requests. This initiative enhances customer experience and reduces branch visits. Additionally, a new Post-Dated Cheques HUB was set up at the Bank's head office this year to receive cheques, which will significantly impact TAT positively for corporate loan payoffs and bookings.

Customer satisfaction improved across all channels and exceeded the benchmark, confirming the impact of the efforts, focus, and technological transformation on digital banking over the last couple of years. Customers were highly satisfied with the diversity, availability, and user-friendly experience provided through the different channels.

On the real estate front, alignment with regulatory requirements progressed, as a state-of-the-art surveillance solution was implemented across the Bank. Real Estate and Premises Projects successfully passed and fulfilled the second surveillance audit for the ISO - 9001/2015 for Quality Management System certification. CIB also increased its branch network by 8 branches to reach a total of 215 branches as of December 2021. The reduction in staff on premises allowed us to renovate our headquarters and complete other projects, including the New Capital and Core and Shell.

Security and Resilience Management

In collaboration with the Ministry of Health, and in an effort to lower the transmission rate and spread of the virus in our community, the Bank initiated a COVID-19 vaccination program to avail vaccinations for all CIB staff and their family members, ensuring the safety of the Bank's employees and customers. As of January 2022, a total of approximately 7,000 employees and family members were vaccinated, almost 5,000 of which were vaccinated in the Ein el Sira, MoH Medical Center, and 2,371 were vaccinated in CIB vaccination hubs on CIB premises.

In alignment with the Bank's customer-centric strategy and efforts to secure our customers' data and ensure proper privacy and protection controls, CIB finalized the Data Classification and Protection Program, with the key objective of efficient management and measurement to maintain the confidentiality, integrity, and availability of data.

For the second year, the Bank has successfully maintained its ISO 27001 certification for Information Security Management System covering Alternative Channels and Digital Services, Contact Center, and Data Center. Similarly, the Bank maintained its Payment Card Industry – Data Security Standard (PCI-DSS) certification for the fourth year and assured full compliance with SWIFT Customer Security Program requirements. The ISO 22301 certification for Business Continuity Management, covering all the Bank's services and related operations, was acquired for the fourth consecutive year.

Awards and Recognition in 2021

During 2021, CIB received a number of international awards that demonstrate its excellence across different business lines, cementing its position as a leading financial services provider in Egypt and Africa. Global Finance named CIB Best Bank and Best Digital Bank in Egypt for its excellence in innovation, its digitization and financial inclusion efforts, and serving retail and corporate clients despite challenges. CIB was also named Best Treasury, Cash Management, and Best Trade Finance Provider in Egypt, and it was recognized among the Financial Leadership in Sustaining Communities. Digital Banker awarded CIB the Best Transaction Banking, Best Bank for Payment Services, Best Bank for Cash Management, Best Supplier Financing, and Best Financial Chain Initiative in Egypt awards. The Bank was also dubbed Best Bank in Egypt by Euromoney. The Corporate Communication team worked extensively on a 360-degree brand campaign promoting the awards. Other accolades included Best Digital Bank in Africa by The Banker, Sustainable Bank of the Year by African Banker, Best Domestic Bank in Egypt by Asiamoney, Best CSR initiative in Asia and the Middle East by MEED, and Sustainable Bank of the Year by African Banker Awards 2021. CIB was one of Forbes' World's Best Employers 2021, and it was named Most Innovative Bank by EMEA finance in Pan-Africa.

Approaching 2022, CIB will remain **resilient against any foreseen issues** given its management's vigilant approach.

As Egypt's leading private sector bank, **CIB strives to create a positive impact** on the local community.

Business and Operations in 2022

Approaching 2022, CIB will continue to be resilient against any foreseen issues given its management's vigilant approach. Over the past decade, the Bank, alongside the Egyptian and global economies, faced major events that proved the strength of CIB's capital base and demonstrated the true meaning of risk mitigation. Despite the pandemic's negative effect on the world, it has positively affected Egypt's digital transformation, backed by the government's direction toward digitization, which shed light on CIB's digital projects and plans. CIB is working tirelessly to position itself as the market leader on this front, and eventually provide more solutions to capture additional market share using digital channels that would eventually lead to cutting cost per client.

Environmental, Social, and Governance (ESG)

Environment and Climate Change

This year witnessed the Bank's issuance of Egypt's first corporate Green Bond. The issuance is a USD 100 million private placement with the International Finance Cooperation (IFC). The Green Bond Framework is aligned with the four core components of Green Bond Principles (GBP) 2018. The bond issuance serves as the latest addition to a suite of environmentally beneficial products to promote sustainable solutions for climate change and address key environmental issues, such as natural resource depletion, loss of biodiversity, and air, water, or soil pollution.

As of November 2021, CIB's green bond approved pipeline has projects in various industrial sectors worth c.USD 70 million, including CIB's building in the New Administrative Capital, which is currently in the process of being certified as a green building. CIB has partnered with the IFC on the development of the first green building financing in Egypt, and it is believed that certified green buildings will constitute a major share of the financed projects.

In 2021, CIB became a founding member of the UN-Convened Net-Zero Banking Alliance (NZBA), committing to aligning its lending and investment portfolio with net-zero emissions. As a founding signatory, CIB was appointed to represent Africa in the NZBA Steering Group alongside member banks representing diverse geographies and business models.

CIB understands that the de-carbonization action plan that the Bank developed and adopted should be based not only on the associated GHG reduction but also account for land and water footprint reduction to correctly establish priority actions, desired outcomes, and impacts. In this context, the Bank broadened its scope in the 2020 Carbon Footprint report to include its Ecological Footprint this year.

CIB has developed an overarching Environmental and Social Risk Assessment (ESRA) Framework to facilitate the implementation of the ESRMS across its operations. The Bank's Environmental and Social (E&S) risk management system is in compliance with national regulations, the IFC and European Bank for Reconstruction and Development (EBRD) performance standards, and the Equator Principles (EP). In 2021, CIB expanded its portfolio Social and Environmental Impact Assessment to include its corporate banking activities.

As part of its leading role in advocating for climate action, CIB co-organized a panel discussion with the Ministry of Planning and Economic Development and the Ministry of Environment, as part of its contribution to UNFCCC – COP26 in Glasgow, titled Public-Private Partnerships for Improved Climate Finance in Africa and the Middle East. The panel was part of a series of sessions held on the margins of COP26 at the Egyptian Pavilion. The sessions emphasized Egypt's active participation at the conference and highlighted the national interest to improve climate change adaptation and mitigation.

Society and Community Development

As Egypt's leading private sector bank, CIB strives to create a positive impact on the local community. Accordingly, it has launched a number of initiatives to promote inclusive and sustainable development across the country, as well as provide support to underserved segments of the community through the Bank's corporate social responsibility program, the CIB Foundation, and its dedication to supporting Egyptian squash champions.

COVID-19 Response and Vaccination

At the onset of the COVID-19 outbreak, CIB donated EGP 45 million, in accordance with the CBE directive seeking the banking sector's participation in the COVID-19 national vaccine drive, under the auspices of the President of Egypt. The project aims to provide vaccines to the elderly and financially challenged segments of society, under the umbrella of social and health protection. An additional EGP 25 million was directed to the local production of a COVID-19 vaccine.

Corporate Social Responsibility

In 2021, CIB implemented various CSR projects and supported initiatives carried out by other organizations. In collaboration with eight other banks under the auspices of the Federation of Egyptian Banks, CIB supported the national project led by the Ministry of Housing, Utilities, and Urban Communities to participate in building 55 housing units for the Egyptian students of the highest academic achievements with a total budget of EGP 930,000.

The Bank also donated EGP 15 million to support the fund, established by the government, honoring the martyrs, victims, missing persons, and causalities of anti-terrorism and security operations in Egypt and supporting their families.

Since the founding of the Bank's partnership with KidZania in 2013, CIB has organized several annual trips to KidZania for underprivileged and special needs children and children with health conditions. The trips provide children with a fun setting in which they learn about different banking operations, such as debit cards, issuing cheques, and depositing and withdrawing money using KidZania's official currency, Kidzos.

In addition, the Bank continued its sponsorship of the Egyptian Advance Society for Persons with Autism and Other Disabilities (ADVANCE). A number of activities took place in April, including the launch of a Media Awareness Campaign, Autism Awareness Week in schools and workplaces, Hybrid Conference at the Ministry of Social Solidarity in celebration of World Autism Awareness Day, and the lighting of CIB branches in blue.

2021 also witnessed the launch of the CIB community activity Every Child Deserves to Smile, through which CIB brought joy to children this Eid with two donation boxes at two of CIB's headquarters in El Giza and Smart Village. CIB employees spread the joy by donating toys and clothes to children in need, dropping their donations in one of the CIB charity boxes. More than 1,000 pieces of clothes and toys were collected.

Gender Empowerment

CIB has been making great strides in providing equal opportunities within the workplace. Today, women constitute 25% of the Bank's Board of Directors and 30% of the Bank's workforce. CIB also provides employees with training programs tackling unconscious bias, in addition to the exclusive Women Leadership Program, with the aim of raising awareness about gender equality issues and ensuring the inclusion of women across CIB's different lines of business.

CIB's efforts extend to capacity building and financial literacy programs for women in Egypt and lending support to microfinance institutions and women-led business.

In 2021, CIB became the first bank in the MENA region to receive Egypt's Gender Equity Seal (EGES) certification from the National Council for Women (NCW). The certification is guided by the World Bank's Gender Equity Model, which identifies the areas of focus and maps out the needed actions to accomplish the model's objectives in each area. The EGES certification process promotes gender equity in the private sector by building a series of good practices in the four areas of recruitment, career development, family-work balance, and anti-sexual harassment policies.

Additionally, during 2021, CIB co-chaired Egypt's Closing Gender Gap Accelerator, a national public-private collaboration model that enables the government and businesses to take decisive action toward closing economic gender gaps. Alongside leading businesses and ministers, CIB will lead the accelerator's activities, shape its objectives, and monitor its impact. The accelerator will run under a three-year action plan aimed at preparing women for the post-COVID-19 world of work, closing gender gaps in remuneration between and within sectors, enabling women's participation in the labor force, and advancing more women into management and leadership roles.

CIB Foundation

With a vision to ease the burden on families in need, the CIB Foundation works with private, public, and non-governmental healthcare providers that offer free-of-charge services to ensure the widest community reach and maximize the value of its work through achieving positive and sustainable results. Over the past years, the CIB Foundation has expanded its activities and initiatives to include different geographical areas throughout Egypt.

In 2021, the CIB Foundation board approved a number of new projects, in addition to its ongoing efforts to improve the quality of healthcare services provided to children across Egypt.

Maintaining its longstanding partnership with 57357, and to cover the increases in the cost of treatment, CIB Foundation allocated a fund amounting to EGP 30 million to be utilized in supporting the annual diagnosis and treatment costs incurred by the hospital, such as conducting medical tests, examinations, chemotherapy, radiotherapy, and immunotherapy, among others. The fund served 7,000 children in 2021.

Additionally, the CIB Foundation built on its strategic partnership with the Magdi Yacoub Foundation, allocating EGP 30 million to fund 200 open heart surgeries and purchase 345 cath lab consumables at the Aswan Heart Center.

Since its inauguration, Al Nas Hospital, managed by Al Joud Foundation, have been a strategic partner for the CIB Foundation. The Foundation allocated EGP 24.46 million to fund the hospital's NICU and PICU with new state-of-art equipment. The hospital operates in line with international standards, and the two units will serve approximately 2,000 children annually and offer its services free of charge to underprivileged communities.

Building on the fruitful and continuous cooperation between the CIB Foundation and the Egyptian Clothing Bank, the Board approved a budget of EGP 12.6 million to fund the eighth round of collaboration, which seeks to supply children across all 27 governorates with warm clothing during the winter months. The funding and manufacturing of 70,000 winter training suits and 70,000 pair of shoes will be distributed among children in underprivileged areas across the country.

The Foundation also allocated EGP 7.69 million to fund a project in partnership with the Ibrahim A. Badran Foundation. 48 convoys will take place in underprivileged areas in Beni Suef, and they will be led by a team of qualified doctors to offer examinations and treatment to children at schools and health centers in the area. The project aims to serve 65,000 children annually.

In line with the Foundation's commitment to supporting children with special needs, it has allocated a budget of EGP 1 million to the National Foundation for Family and Community Development, to outfit the sensory, psychomotor, and occupational therapy rooms in the Asmarat Center to improve the sensory and motor skills of disabled children, especially children with autism. The center is expected to serve 250 children annually.

The CIB Foundation allocated a total of EGP 2.17 million to support the annual operating costs of two residence facility shelters in 6th of October and Imbaba, operated and supervised by the Abnaa Al Ghad Foundation – Banati. The two shelters provide various types of protection and support for children at risk, including children who spend most of their time on the streets and children deprived of family care. They will serve approximately 200 children annually.

Supporting Squash

In 2021, CIB continued to positively impact local communities by strengthening the support for sports in Egypt, as well as nurturing the country's athletic talents. This year, the Bank extended its support of the sport to capitalize on the traction its players are carrying out globally. CIB believes that through supporting these talents, more opportunities are generated for Egypt's athletic community and are presented to raise Egypt's ranking on the global arena. Egyptian squash players have especially gained traction due to their innovative techniques, entertaining worldwide spectators and bringing home trophies.

CIB expanded its squash-related sponsorships to allow for more Egyptian athletes to progress in the PSA world rankings by sponsoring several tournaments and supporting Egyptian stars in one of the most successful international tournaments. CIB, in cooperation with Karim Darwish Academy, brought to Egypt the PSA World Tour Finals for the third consecutive year at the Park, Mall of Arabia. The Bank was thrilled to sponsor the CIB PSA Platinum El Gouna International Squash Open 2021 for the first time in El Gouna, Red Sea. The most notable sponsorship in 2021 was the CIB Egyptian Squash Open Women's and Men's Platinum, which took place for the third consecutive year by the Great Pyramids of Giza and brought together 96 athletes for a total prize of USD 540,000. The tournament made significant tides in both the local and global sporting arenas.

The Bank also expanded its commitment by providing a series of Four Challenger Tour category tournaments to support young talents to improve their performance and rankings. Currently, Egyptian players hold the Men's World Team Championship, the Women's World Team Championship, and both Juniors' Team World Championship titles, as well as all the individual world titles. In support of young players leading the world's squash rankings, CIB has tailored special sponsorships to help eight talented players maintain their rankings and continue representing the country around the world. As of December 2021, the following players were recipients of the sponsorships: Ali Farag, Karim Abdel Gawad, Tarek Momen, Nouran Gohar, Hania El-Hammamy, Mohamed Abouelghar, Marwan ElShorbagy, Salma Hany, Fares Dessouky, Rowan El Araby, Farida Mohamed, and Nour El Tayeb.

Governance

CIB's governance framework seeks to drive long-term value for shareholders, employees, and other stakeholders through robust implementation of sound governance practices. The Bank's corporate governance practices aim to promote overall transparency, while explaining the rationale behind decision-making processes and insights into the formation of the Board of Directors, its related committees, responsibilities, executive management, and financial performance.

CIB's governance structure consists of a strong, independent Board of Directors with a wide range of expertise, competent board committees, a professional and highly-skilled management, transparent processes and reporting through its internal control departments (Risk, Compliance, Internal Audit, Corporate Governance, and Legal), in addition to objective and unbiased assurance performed by its external auditors. The board and executive management believe that corporate governance is an essential element to enhance shareholder confidence, specifically that of minority shareholders and stakeholders. Indisputably, investors' outlook about the Bank is enhanced by increasing the level of transparency of ownership and control.

The Bank's governance framework focuses on the clear segregation of duties and responsibilities of the Board of Directors and those of the senior management, the reporting mechanisms of the internal control departments, the independence of external and internal auditing, cooperation with supervisory and regulatory authorities, and the assurance of the disclosure and transparency of information. The framework ensures as well that timely, transparent, and accurate disclosures are made available with respect to material information regarding the Bank, its ownership, operations, and financial performance. It ensures the implementation of sound environmental management systems and elevates the Bank's corporate social and environmental responsibility. It also advocates the equal treatment of all shareholders with sound protection for their voting rights.

Board of Directors

CIB's board is comprised of a majority of independent, non-executive directors. Led by its non-executive Chairperson, the Board is primarily responsible for providing a sound base for good corporate governance in the Bank's operations, setting the Bank's strategic objectives, and providing oversight of senior management, ensuring the effectiveness of the Bank's internal control systems, managing risk, and securing CIB's institutional reputation and long-term sustainability.

The Bank's board structure complies with the prevailing local regulations and international best practices and allows for the position of a lead director. The strength of our board is a product of the variety of our directors' experience, diversity, differing perspectives, and institutional knowledge. We are committed to maintaining independence and fostering diversity in terms of gender and nationality on our board. As a result of this commitment, 25% of our directors are women and 88% are independent NEDs, according to the latest board structure.

The board ensures the Bank's accounts and financial statements are fair, balanced, and understandable and provide information necessary to shareholders to assess CIB's position, performance, business model, and strategy. It also ensures that the Bank has the proper focus on risk, reviews the Bank's risk appetite as proposed by executive management, and constantly monitors the risk profile in relation to such appetite to ensure the proper mitigation of all possible risks.

CIB's Board of Directors currently consists of eight members who possess an appropriate balance of experience, competencies, and individual qualifications. These collective qualities give the Bank a distinct competitive edge. Over the course of 2021, CIB's Board of Directors met 14 times, 12 of which were conducted via video conferencing, and two meetings attended in person by the directors who were present in Cairo, with directors residing abroad joining via video conference.

Changes to the Board of Directors During 2021
On 8 March 2021, Mr. Tarek Rouchdy joined CIB's Board of Directors as an independent NED, as approved by the CBE. Mr. Rouchdy brings a wealth of knowledge and experience in internal audit, controls, and risk management. He currently manages his consulting firm and is a Commissioner of the UK's Independent Commission for Aid Impact.

On 24 June 2021, and pursuant to a decision approval by CBE, Mr. Hussein Abaza was granted the title of Managing Director in addition to his standing responsibilities as the Bank's CEO.

Board Committees
In 2021, the Board revisited all committees' structures to ensure their effectiveness and the absence of overlapping responsibilities. The objective of the review was to further tap the specific talents, skills, and knowledge of individual board directors to inform and educate the full board on particular areas of concern in order to serve the bank's business growth.

Backed by an experienced executive management team, CIB's highly qualified Board of Directors is also supported by specialized board committees. Committees are chaired by the NEDs, who brief the Board on major points raised by their respective committee. Such briefings enable the members of the Board of Directors to carry out their duties in an effective manner.

CIB's Board of Directors has six standing committees that assist in fulfilling its responsibilities. Each committee operates under a written charter that sets out its responsibilities and composition requirements, and they all report to the Board on a regular basis. Separate committees may be set up by the Board of Directors to consider specific issues when the need arises.

2021 Highlights
Given the onset of the global pandemic in March that led to a global systemic crisis across sectors, including banking, and even the specific October 2020 events that were idiosyncratic to the Bank. 2021 was an exceptional year in terms of ensuring business continuity, delivery of strong growth, and a period where substantial new investments continued to prepare the Bank for the many new opportunities identified for success in business in the post-Covid era by reimagining customer needs, redesigning the preferred customer journeys, reworking the operating model, and realigning the people and organizational design in order to respond to the opportunities and challenges ahead with greater agility, while being better positioned to realize success against the emerging opportunities ahead.

Through such a focused, multi-dimensional, and balanced approach, the Bank's Board of Directors and executive management were able to ensure very high levels of business continuity and resilience while continuing to serve its large customer base with high quality and excellence. They were also able to effectively respond to the ambiguities and uncertainties caused by COVID-19 and the unexpected challenges of ensuring continuity of business direction and focus, all while ensuring effective senior leadership transition in the Bank.

As directed by the Board, at the end of 2020, the Audit Committee appointed an independent international professional services firm to conduct an in-depth review of the Bank's controls and lending functions in order to further enhance regulatory compliance and strengthen controls at CIB. The review started in early January 2021 and was completed in April 2021.The outcome validated and affirmed the robustness of the Bank's control functions and proposed mild enhancements to CIB's sound control environment. The findings also asserted CIB's Management corrective action plan that was presented to the CBE last year.

Moreover, transforming the Bank's compliance risk and control environment remains a strategic priority that will not only strengthen the Bank's culture as an ethical organization, but serves as an enabler in the digital age as we drive value for all stakeholders. During the year, the Board oversaw the continuation of the Compliance Group's efforts to further develop CIB's risk framework while continuing to enhance foundation and synergies with our partners in the different lines of defense.

The board considers the selection of the CEO as a matter of utmost importance in decision-making, one that has significant impact on the Bank, and that the most appropriate person must be selected. In 2021, after a substantive screening exercise and a fair and thorough review, the Board of Directors reaffirmed the perpetuation of the Bank's current CEO, Mr. Hussein Abaza. The board believes that the continuation of the current CEO serves the Bank's business continuity and growth strategies.

From a Risk management governance standpoint, the Board believes in the importance of a holistic approach to managing both Financial and Non-Financial Risks, especially given the increased focus and sensitivity of regulators and stakeholders. Therefore, the Board drove greater improvements in this area by investing in the development of formal frameworks for this mater to ensure greater management responsibility, greater board oversight, and that there is auditable proof of appropriate risk-taking and risk-management decisions in line with the Board's regulatory and legal accountability. This governance is being ensured through proactive input from both first and second lines and action-oriented reports on risk that align to a clear definition of the board-approved risk appetite. This is done to build a forward-looking perspective of the Bank's top risks by continuously tracking and addressing control gaps, while tracking the adequacy of the overall control system in order to assure regulators and stakeholder of the Bank remaining within its agreed risk-tolerance thresholds.

Also as part of its commitment to highest standards of governance, in line with its commitment to ensure continuous talent development and a strong internal pipeline for talent continuity at various CEO-1/2 levels, the Bank invested in the engagement of a specialist independent international professional services firm to conduct a detailed Management Talent Assessment exercise to identify the strengths and developments needs of our key talent. This is in addition to developing appropriate personalized development action plans for each so as to invest in enhancing their potential and to prepare them with enhanced capabilities to grow and contribute even more strongly to the Bank.

6

standing board committees that assist the Board in fulfilling its duties.

30%

y-o-y increase in consolidated net income to EGP 13.27 billion.

As environmental and social issues have a deep and direct influence on economic stability, the Board of Directors topped the agenda with societal welfare and sustainability matters advancing financial services that promote sustainable development. A Board Sustainability Committee was established, after identifying the pertinent holistic charter, to support the Board's ongoing commitment to ESG and management's constant alignment with environmental, corporate social responsibility, and sustainability as relevant to the Bank. The committee will also ensure sustainable finance is well attended on the Bank's agenda. A well-defined ESG roadmap and plan that set out clear targets to achieve our sustainable development ambitions were finalized under the leadership of a highly skilled Chief Sustainability Officer, who is responsible for sustainability risks and opportunities.

While we operate in a world where change is a constant, and challenges and disorders can be wide-reaching in a scale, the Bank decided to be well positioned and to have a clear and agile strategy that defines its purpose, in addition allowing it to anticipate change and continually adapt to the globe surrounding it. Taking this into consideration, the Board of Directors a new holistic strategy and transformation process started in 2021 that sets out the Bank's 2030 vision, mission, goals, and priorities. Among these is to proactively identify the roadmap, invest in resources and talent to achieve this, and grow exponentially in its goal to retain continued leadership and growth and strive to be the world's best emerging markets bank.

2021 Performance Measures	Results
Financial • Maximize shareholder equity and deliver above-peer-average total shareholder return. • Grow earnings per share (EPS). • Deliver above-peer-average return on risk weighted assets. • Focus on capital to cushion the Bank against any unforeseen external shocks.	• Consolidated ROAE of 21.7% (after profit appropriation). • Consolidated EPS increased by 31%. • Total tier capital hit 29.9% of risk-weighted assets. **2020 EPS as reported in 2021 Financial Statements, adjusted for stock dividends*
Business Operations • Grow revenues faster than expenses. • Identify market gaps and attain first-mover advantage by laying the groundwork ahead of peers to allow the Bank to benefit from rising opportunities.	• Standalone cost-to-income ratio of 22.4%. • Institutional Banking gross loans reached EGP 119.9 billion, 21% higher y-o-y, with 34% growth in local currency loans and 5% growth in foreign currency loans. • Institutional Banking deposits reached EGP 138.6 billion, 24% higher y-o-y, with a 27% growth in local currency deposits and a 16% growth in foreign currency deposits. • Business Banking gross loans reached EGP 3.2 billion, 93% higher y-o-y, solely in local currency. • Business Banking deposits reached EGP 41.7 billion, 41% higher y-o-y, mostly on a local currency deposit growth of 44%, along with a foreign currency deposit growth of 29%. • Retail Banking gross loans reached EGP 40.3 billion, 14% higher y-o-y, wholly on a 17% growth in local currency loans. • Retail Banking deposits reached EGP 225.8 billion, 14% higher y-o-y, driven by a local currency deposit growth of 18%.

2021 Performance Measures	Results
Customers • Improve customer experience. • Invest in core businesses to enhance customer experience.	• Much effort was exerted to improve cybersecurity, with a clear strategy and comprehensive plan to improve security capabilities and continuously provide a safe banking environment for customers. • For the second year, the Bank successfully maintained its ISO 27001 certification for Information Security Management System, covering Alternative Channels and Digital Services, Contact Center, and Data Center. • Similarly, the Bank maintained its Payment Card Industry – Data Security Standard (PCI-DSS) certification for the fourth year and assured full compliance with SWIFT Customer Security Program requirements. • ISO 22301 certification for Business Continuity Management, covering all the Bank's services and related operations, was acquired for the fourth consecutive year.
Employees • Enhance employee experience by: - Listening to employees - Providing a healthy, safe, and flexible work environment - Providing competitive pay, benefits, and performance-based compensation - Investing in training and development	• CIB had an average of 7,184 employees in 2021 with an average annual income of EGP 276,000 per employee. • CIB implements an Employee Stock Ownership Plan (ESOP) as part of its compensation strategy, aimed at attracting, motivating, retaining, and rewarding outstanding employees, managers, and executive board members. ESOP allows designated employees to own CIB stocks at face value via promise-to-sell agreements. CIB allocates 10% of its issued and paid-in capital to ESOP. During 2021, CIB allocated a total of 12,271,570 stocks to 5,137 employees. Since the inception of the plan in 2006 and its renewal in 2015 and until 2021, the Bank has allocated 111,903,743 shares to its employees (taking into consideration capital increases throughout the stated period).

03

OUR BUSINESSES

113.47 EGP/BN

Corporate Banking and GCR Groups loan portfolio

CIB's lines of business are **backed by a team of highly experienced bankers** and the help of a strong credit culture across the Bank's core and support functions.

Institutional Banking

Corporate Banking and Global Customer Relations (GCR) Groups

In a year of continued uncertainty on the back of the COVID-19 pandemic, CIB's Corporate Banking and Global Customer Relations (GCR) Groups continued to support their corporate clients' portfolios by providing best-in-class financial and advisory services. Client-centricity and the ability to facilitate rapid recovery once an emergency or crisis abates has always been a trademark of CIB. The groups' creativity and agility, coupled with the Bank's strong liquidity and financial soundness, provided clients with a multitude of financial products and structures that helped alleviate the fiscal and operational challenges of the pandemic. Backed by a team of highly experienced bankers and the help of a strong credit culture across CIB's core and support functions, the group was able to support clients in key industries while preserving asset quality.

2021 Highlights

The onset of the COVID-19 pandemic constrained Egypt's growth prospects and consumption patterns, but 2021 has seen increasing demand on the back of macroeconomic and political stability. While Egypt still needs further structural reforms to sustain growth rates over the long term, the World Bank raised its GDP forecast to 5.5% for FY 2021. The coming period is expected to witness continued reforms on multiple fronts, including energy, government subsidies, and fiscal and monetary policies to help restore macroeconomic stability and spur growth. Additionally, the government is turning its focus to small- and medium-sized enterprises (SMEs) via several CBE-led initiatives to revive and support smaller players in what has become a highly competitive market. As such, Egypt's economic growth prospects are strong in the medium term due to expected foreign direct investment (FDI), a healthy consumer environment, and the anticipated rebound in tourism activity after the impacts of COVID-19 eventually fade.

In line with CIB's strategic plans for 2021, the groups' vision focused on both its existing corporate loan portfolio and on supporting the nation's development and mega projects as the backbone of the local economy. Top-line performance remained strong, benefitting primarily from robust deposit growth and the impressive revival in corporate lending, with the associated pickup in trade finance and foreign exchange trading activities falling in line with improved economic prospects. This favorable turn of events synchronized with the Bank's flexible balance sheet structure, which helped preserve the balance between profitability and liquidity.

As of December 2021, the Groups' loan and investment portfolio recorded EGP 113.47 billion. Corporate Banking and GCR sealed numerous key deals throughout the year, including, but not limited to:

- Participating in an EGP 5 billion syndicated MTL deal to finance the General Authority for Land and Dry Ports Company's expansion plans.
- Extending direct facilities to support the expansion plans of the Egyptian Group for Multi-Purpose Terminals to upgrade several quays in its Alexandria Port.
- Supporting the plastics sector by initiating a transaction under the Egyptian Pollution Abatement Program mechanism (EPAP) to help both public and private institutions revamp existing operational plants and complexes in line with Egyptian environmental laws.
- Extending medium-term loans to support pharmaceutical industry players by funding the establishment of biosimilar drug complexes and the required upgrades of various essential production lines, in addition to R&D-related expenditure. This will partially decrease dependence on imported vaccines and ensure the inclusion of the latest technological and most innovative in-house vaccine production complexes.
- Helping an IT company set up a securitization program to support the sector.
- Extending facilities to various e-payment and digital transformation operators in line with the government's financial inclusion efforts.
- Participating in an EGP 10 billion syndicated MTL deal to finance the development of the Suez Canal Economic Zone, including, but not limited to, the funding of new terminals and industrial zones and their required power supplies, water and wastewater treatment facilities, gas stations and information technology systems.
- Taking part in an EGP 11 billion syndicated MTL deal to finance the Egyptian National Railway's (ENR) network expansion, including establishing new train lines, purchasing new locomotives, and replenishing spare part stocks.
- Supporting the power sector by participating in both bilateral financing and syndicated facilities to help expand the electricity transmission sector and upgrade the national electricity grid.
- Participating in a USD 200 million syndicated facility to finance the expansion plans of the Egyptian Natural Gas Company (GASCO), including the addition of a new gas derivatives train.
- Extending contingent financing related to several key projects in the country, including the Greater Cairo Metro, the New Administrative Capital's wastewater treatment supply, and the installation and upgrade of the Egypt-Saudi electricity interconnection lines.

2022 Forward-Looking Strategy

The Group's strategy will continue focusing on its existing portfolio, providing the necessary financial and operational support required to revive macroeconomic stability. While focusing on our basic commercial activities, the group will also expand new offerings, such as green bonds and sustainable financing facility structures, thus driving value for our clients and CIB alike. On a macro level, the group will continue to support national investments in Egypt by financing key projects in the energy, healthcare, education, and infrastructure sectors, among others. Simultaneously, the Bank will continue evolving its digitization initiatives and streamlining its credit approval cycle, as well as automating customers' daily operations, paving the way for further efficiency. In 2022, the group will continue to provide necessary support to SMEs, which are expected to be the driving force behind the next phase of Egypt's economic growth.

> As of December 2021, the Corporate Banking and GCR Groups' **loan and investment portfolio** recorded EGP 113.47 billion.

Direct Investment Group (DIG)

The Direct Investment Group (DIG) is CIB's investment arm when it comes to its engagement in direct equity finance transactions, such as acquisitions, divestitures, and equity portfolio management across local and regional markets. DIG's principal objective is to maximize CIB's return on investments by utilizing the Bank's designated funds to invest in sectors with high potential for growth, through either buyout or growth capital investment transactions. DIG's main goals revolve around generating attractive, risk-adjusted returns through dividends and capital appreciation, as well as enabling CIB to offer a complete financing product spectrum to support client growth and maintain CIB's competitive position with local banks. Furthermore, DIG has a crucial, in-house advisory role supporting other departments that require oversight and validation from an equity, investment, or evaluation perspective.

DIG is led by a team of specialized investment experts executing the Bank's mandate to invest in private companies with the potential to grow through clear business models, competent management, aligned shareholders, and solid fundamentals. DIG commits to operational excellence by adopting industry best practices, which is supported by our unique value proposition as a full-fledged financial partner.

2021 Highlights

The COVID-19 pandemic has continued to impact worldwide economic activity and the investment climate. However, vaccine rollouts have provided signs of recovery and stabilization across financial markets. In Egypt, signs of equity market recovery have become apparent in 2021 on the back of stabilization in overall market conditions following the success of the Egyptian government's vaccine program and well-structured finance support packages to the most negatively affected sectors by COVID-19 pandemic.

With this recovery, DIG has been able to successfully execute exit transactions postponed from FY 2020, especially those in the financial services and tourism portfolios, with substantial returns. DIG also managed to secure a healthy level of dividend income from its existing investment portfolio. On the portfolio expansion front, DIG executed a sizeable equity transaction through a full-fledged cooperation agreement with one of Egypt's top real estate players by establishing a commercial real estate company. DIG is currently in the final stage of executing a stake in another potential company operating in the electrical supply sector.

2022 Forward-Looking Strategy

Capitalizing on Egypt's focus on key sectors, DIG's portfolio build-up strategy is to continue to expand and diversify its portfolio by executing quality investment transactions that provide CIB with the opportunity to create possible synergies and strategic alliances, hence generating attractive financial returns for the Bank.

DIG's marketing team will opportunistically target new acquisitions in sectors that are expected to see sizeable growth, including education, healthcare, pharmaceutical, food and beverage, industrial power, and electricity. With regards to DIG's planned exits in 2022, the group will take advantage of the expected EGX recovery and offload part of CIB's investment portfolio that is listed and traded on the EGX to maximize underlying returns. From a portfolio management perspective, DIG will continue safeguarding the Bank's economic interest in its existing portfolio, maintaining its position as a full-fledged financial service provider. This includes the active participation in companies' boards and general assemblies, maximizing all possible direct and indirect investment returns from the investment portfolio.

Interest in investment products with ESG mandates has grown exponentially in the last several years. With this in mind, and in accordance with CIB's responsible investment and banking initiatives, DIG will continue focusing on its green investment initiatives, which target investments in companies that adopt ESG standards or are planning to expand into green projects.

Debt Capital Markets (DCM)

CIB's Debt Capital Markets Group (DCM) prides itself on its unmatched track record and experience in advisory, underwriting, structuring, and arranging large-ticket syndicated loans and project finance, as well as securitization and bonds. DCM also has a dedicated leading agency and security agency desk.

2021 Highlights

In 2021, DCM was active in the secondary market, working in conjunction with partner banks, as well as Corporate Banking and GCR, to close 18 transactions in the secondary market, resulting in a direct, immediate increase in CIB's loan portfolio of EGP 19.3 billion in FY 2021.

Additionally, DCM successfully closed syndicated and project finance loans equivalent to EGP 31.5 billion in FY 2021, of which CIB's share amounted to EGP 4.4 billion, for public and private sector companies across several sectors, including oil and gas, ports, infrastructure, real estate, power, telecom, and construction. In 2021, CIB participated in the arrangement of one of the largest syndicate transactions in the construction sector to finance a landmark project through an EGP 12.2 billion syndicated loan, of which CIB's share amounted to EGP 1 billion. CIB was appointed security agent, IMLA, and bookrunner for the transaction.
We have also worked with our private sector customers on restructuring and re-engineering their balance sheets, which included providing advisory services to one of the leading companies in the petrochemical sector. Transactions worth EGP 6.7 billion have been successfully closed in this regard, of which CIB's share amounted to EGP 1.9 billion. DCM is also co-advising a leading real estate developer on establishing the first phase of a state-of-the-art educational platform in one of the newly developed cities for a total investment cost of EGP 3.4 billion. CIB is co-advising on the optimal structuring of the platform by arranging the required funding, including debt and equity from local, regional, and international investors and lenders.

In terms of agency services, DCM was pegged as sole account bank and security agent for the first inland dry port project in Egypt, which is sponsored by a leading Egyptian company and financed by the EBRD. The project is the first public-private partnership (PPP) project in the sector and the first under the EBRD Green Cities program in Egypt.

DCM continued to play a pivotal role in advising and arranging securitization issuances in cooperation with several partner banks, closing deals worth EGP 6.3 billion in FY 2021, thus cementing CIB's position as one of the leading Egyptian banks in structuring local securitization.

2022 Forward-Looking Strategy

DCM aims to apply a manifold strategy for growth in the year to come. On the project finance and syndicated loan front, including agency and advisory services, DCM will continue screening the market and aligning with Corporate Banking and GCR to capture new business opportunities across sectors, with a special focus on key sectors, such as infrastructure, real estate, construction, petrochemicals, and energy. It will also work on structuring and promoting green loans and sustainable initiatives.

It will also focus on generating additional fee income from the agency services, while continuing to promote DCM products in the market, extending business partner promoters to include reputable international banks and IFIs in the global market. This is set to carve out more business opportunities for CIB to participate in potential international syndications in the local and regional market. As such, for FY 2022 DCM has lined up a solid pipeline of deals in the syndicated loan and project finance space worth EGP 41 billion.

19.3 EGP/BN

increase in CIB's loan portfolio as of FY 2021

In the securitization and bond space, DCM's strategy includes maintaining the existing client base by offering services at competitive pricing and attracting new potential clients in the market to position CIB as their bank of choice. We also plan to aggressively introduce new sukuk, green sukuk, and green bonds and to continue working with the regulator to adopt more innovative structures that will pave the way for new industries to enter the debt capital market. As such, DCM has been awarded programs for new securitization and bond issuances valued at EGP 17 billion, with deals worth EGP 9 billion in the pipeline for FY 2022 alone in the following sectors: factoring, mortgage finance, consumer finance, microfinancing, and real estate.

Financial Institutions Group (FIG)

The Financial Institutions Group (FIG) covers three business segments: 1) Correspondent Banking, Trade Finance and International Payments, 2) Non-Bank Financial Institutions, and 3) Development Finance. The teams are CIB's first point of contact for bank and non-bank financial institutions, and they manage the Bank's relationships with different global institutions, including loans, trade finance, and investments, as well as agency management and promotion activities for development programs in partnership with development institutions, government agencies, and local banks.

2021 Highlights

2021 saw a continuation of global correspondent banks working remotely and increasing their reliance on communication technology. Africa continued to be a priority for correspondent banking; our coverage has grown to 37 countries through a network of local and Pan-African banks, in addition to several African multilateral financial institutions. This includes CIB's recently acquired subsidiary in Kenya, Mayfair CIB Bank, in addition to establishing our representative office in Ethiopia, a reflection of CIB's commitment to growing its business in Africa and to supporting our clients venturing into new markets, especially in sub-Saharan Africa.

The NBFI division maintained **strong asset quality of financed loan portfolios related** to all clients, with zero defaults and minimal NPLs.

In 2021, correspondent banking continued to grow its contingent trade finance portfolio related to mega projects, recording 12% y-o-y growth. This reflected in the total trade finance fees and commissions 10% growth compared to 2020. It is of note that correspondent banking witnessed a 9% total revenue growth.

By the end of December 2021, the Development Finance (DF) segment had, through managing developmental programs, served 13,099 agri-business beneficiaries with approved developmental agri-loans worth a total of EGP 429.4 million. Among those credit lines and development programs is the Sustainable Agriculture Investment and Livelihood Project (SAIL), which targets small farmers to help enhance their living standards by providing tailored loans in certain geographic areas, including Aswan, Beni Suef, and Minya. Development Finance, together with the Non-Banking Financial Institutions (NBFI) team, increased their y-o-y microfinance portfolio by 107% and accomplished a market share of 9%*. Some 41% of this was directed to women micro entrepreneurs. DF also supports CIB's financial inclusion activities by offering customers a wide range of innovative, tailored financial services to meet their needs, such as digital collections and disbursement to MFIs through CIB's Smart Wallet. Building on existing CIB services, such as ACH, DF introduced cash management solutions to customers.

Despite a pickup seen in the second quarter of the year, 2021 was challenging for direct loans under the NBFI segment due to intense competition. In saying this, the division captured significant market share of existing demand by introducing lower prices or new products. The NBFI division maintained strong asset quality of financed loan portfolios related to all clients, with zero defaults and minimal NPLs under various financed portfolios directed to the leasing, car finance, and microfinance sectors. NBFI focused on wider market coverage and succeeded in onboarding new-to-bank clients in the newly regulated consumer finance market, among others. This strategy led to loan portfolio growth of 97% in year-end 2020, of which the microfinance portfolio grew by 107%, with the collaboration of DF. Some 42.77% of this was directed to women micro-entrepreneurs. On the investment side, while new issuances were minimal until the third quarter of the year, we participated in the second sukuk issuance transaction of an NBFI company issued for EGP 700 million. Furthermore, the expansion of the market into factoring, consumer finance and the increasing of MFI lending limits promises a rapid growth rate in securitization issues over the coming two years. Other securitization transactions are expected to take place prior to year-end related to leasing and auto finance. We also participated in several securitization transactions prior to year-end, amounting to a total of EGP 1.7 billion, which are related to the leasing sector. This led to an investment portfolio growth of 54% compared to last year.

In line with the Bank's strategy to promote financial inclusion, we have supported the Digital Channels team in introducing CIB Smart Wallet to microfinance institutions for the automation of micro lending. NFBI also helped the team introduce CIB Business Online, ACH products, and the issuance of Co-Branded Cards to our clients in the non-bank segment. New FX facilities were extended, in addition to the facility granted to a credit-worthy insurance company that enhanced utilization under new CBE initiatives.

2022 Forward-Looking Strategy

FIG will continue to work on expanding our correspondent network in sub-Saharan Africa, especially supporting the growth and development of our subsidiary in Kenya, while identifying potential African trade finance opportunities, as well as select infrastructure projects involving Egyptian contractors in key markets in East Africa. We will also continue to approach credit insurance companies that will boost trade finance activities with other African countries.

We aim to continue being the leading private bank in managing developmental funds. We also intend to enhance our operational effectiveness and efficiency through upgrading the current system and to effectively market our financial services and digital solutions. Development Finance (DF) is working closely with our Sustainability Team to encourage clients to resort to green investments on the back of technical assistance and grant funding arranged by DF.

We are growing our loans to the microfinance sector in line with the CBE's mandate to direct 25% of the Bank's total loan portfolio to SMEs and microfinance clients, aiming to prop up financial inclusion and women's empowerment. We are also looking to expand the sectors we are financing by approaching mortgage and fintech players and increasing the penetration in other NBFI sectors, such as leasing, car financing, microfinance, factoring, and consumer lending. Additionally, we are marketing securitization programs authorized by the FRA, thereby enhancing CIB's investment portfolio. We are also targeting insurance, investment, and brokerage companies to absorb their LCY deposits.

Based on FRA reports of MFIs portfolio as of Dec. 2021

Treasury Group (TCM)

2021 Highlights

In the current dynamic market conditions, the adaptability and deployment of contemporary technology is primary to achieving the best treasury management results. Consequently, CIB Treasury Group was determined to make the best choice of technology and invest in one of the top Treasury Front Office Systems in financial markets that effectively fits the requirements and rollout an integrated cross-asset value chain.

Putting into consideration that the value of a treasury transaction is not only in its execution but also in both the reporting and information that accompany the transaction, CIB Treasury Group has demonstrated such a significant investment that serves as the foundation of business decisions.

Such distinguished investment has allowed the consolidation of money market trading and banking book exposures, as well as submissions from all investment trading activities, enabling central and local funding needs to be managed on a single platform and optimizing capital usage and risk charges at trading decision level, as well as supporting the development of new business via electronic distribution of vanilla and exotic products to institutions' core client base and reassessing business strategies.

Despite the exceptional circumstances that were imposed as a result of the pandemic, CIB managed to adapt and implemented extensive measures by setting its policies to ensure staff safety and business continuity.

The lockdown affected every sector—tourism, oil and gas, and airlines, to name a few. This was especially the case for sectors associated with the sell-off from foreign portfolio investors, which caused pressure on the FX, interest rates, liquidity front and a drop in our FX resources at that time. In addition, we managed to maintain sustainable FCY resources, liquidity, and allocations, as there was a struggle to maintain volumes and spreads.

In our quest to optimize strategic balance sheet management, we were able to constantly balance between the funding structure that supports our commercial activities at acceptable costs, introducing diverse maturity schemes to meet our different clients' clusters needs, and our assets allocation, changing our portfolios mix driven mainly by our interest rate view, tax benefit, and proper duration to maximize the IRR, NIM, and NII. On the Foreign Exchange front, we successfully leveraged on our trading position to benefit from market volatility and play a big role in the interbank market, and we successfully met our clients' needs at competitive rates.

2022 Forward-Looking Strategy

The Treasury Group's main focus is to sustain the growth in the net interest income and the net interest margin through the management of short-, medium- and long-term investments at the best rates. The Group will continue to set risk management policies to mitigate any funding risk that might arise from the global tightening or pandemic situation. The foreign exchange team will focus on providing in depth insights to clients to help hedge their exposure and cater to their needs while effectively managing the bank's position to maximize profitability.

Strategic Relations Group (SRG)

The Strategic Relations Group (SRG) is an institutional banking group dedicated to initiating, nurturing, and growing banking relationships with strategic institutional depositors who are essential contributors to CIB's stable funding base. The group's primary objective is to offer a first-class banking experience while maintaining the balance between mainstream commercial banking activities and its clients' non-commercial needs. CIB takes pride in being the sole bank operating in Egypt with a focus group, exclusively dedicated to servicing its prime institutional entities. SRG carries out this function through highly qualified Relationship Managers whose role is to ensure that customers receive superior, personalized services catering to their respective business needs.

SRG provides tailored banking services with a focus on digital banking solutions, including bespoke GTS products and short-term bridge finance facilities for the educational sector to eliminate cash-flow gaps that develop throughout the year. SRG's strategic clientele consist of more than 180 diplomatic missions, NGOs, educational entities, and international and local donor agencies. The team facilitates clients' operations and meets their banking requirements by creating innovative and tailored products and services. Its functions include offering customized digital solutions, the collection of tuition and visa fees, the monitoring and reporting of deposit activities, fund management, and savings plans, as well as providing a settlement system between tourism companies and airlines and special offerings for staff loans. Although COVID-19 led its foreign clients to pause certain activities, SRG successfully continued to conduct its business with foreign entities. SRG leveraged electronic channels to ensure business continuity and expanded the use of GTS products in accordance with the Bank's strategy. SRG relies heavily on data analytics and digital banking in all aspects of its business decisions, including performance analysis, pricing strategies, and customer behavior analysis. Technology, in particular digital banking, is a key marketing tool that the SRG team leverages when marketing CIB products.

2021 Highlights

Despite the hurdles faced in 2021 as a result of the COVID 19 pandemic, the group successfully leveraged on marketing CIB's digital banking solutions to increase our funding base, boosting the groups' SOW with existing clients as well as attracting a significant number of new-to-bank (NTB) clients.

2022 Forward-Looking Strategy

The group has become one of CIB's primary channels for corporate lead generators, leveraging on existing relationships while simultaneously capturing NTB opportunities by creating a wider networking base. A tailored, short-term bridge finance facility was designed and implemented for the education sector, including universities and schools, to eliminate cash flow gaps that develop during the year. This product is poised to become a major attraction for these institutions, helping expand our institutional depositor rate and enhance the utilization of CIB's digital banking solutions.

Enterprises and Governmental Relations (EGR)

Since its establishment in 2016, the Enterprises and Governmental Relations (EGR) Group has positioned itself as a market leader, focusing on large enterprises and governmental institutions.

Over the last couple of years, EGR's role evolved to manage relationships with large private sector companies, conduct fundraising, and attract customers previously segmented under state-owned enterprises, government entities, and sovereign authorities. In 2021, EGR's role expanded to include a diversity of banking business solutions and products to top-tier clients, and to increase the Bank's market share in this industry. Aside from the usual financial and advisory assistance provided, EGR clients require higher flexibility and constant support in their transactions. The group caters to the needs of these strategic customers through tailored products and services, all while growing CIB's business.

2021 Highlights

During 2021, EGR continued to leverage the power of digital banking to offer clients an exceptional banking experience in cash management, trade management, and Corporate Payment Services (CPS), allowing it to achieve remarkable growth in all its GTS services ratios. EGR also expanded its institutional banking liabilities portfolio by EGP 18 billion y-o-y, a 28.50% increase, growing its lending capabilities and achievements in the trade finance business in comparison to the previous year by recording aggregate trade finance of EGP 14 billion, a 16% increase from the previous year.

2022 Forward-Looking Strategy

In the coming year, the division seeks to achieve a solid presence in the market and manage its relationships with clients in a sustainable manner that drives value for its customers. EGR aims to do this by growing its market database and utilizing digital banking and other technologies to better the business and ease clients' relations with the Bank. At the same time, where possible, the Bank will look at decreasing transaction costs to maximize revenue through using alternative digital channels and e-banking business solutions.

In 2022, EGR will continue to play a crucial role, while increasing the Bank's total portfolio and market share. The team will also continue to match its clients' requirements with the best banking business solutions available in the market and increase its customers' penetration by sustaining its position as a client-centric organization and preferred service provider. This should lead to an increase in banking product penetration and revenues.

Retail Banking

Consumer Banking

2021 Highlights

Consumer Banking continued to advance its strategic agenda in cooperation with the IT, Risk, Compliance, Marketing, HR, and Data divisions in 2021. The year was positive in terms of financial and market performance, showing considerable growth across all indicators and laying the foundation for strong performance for the coming years.

The division made remarkable progress on the digital front, launching the new CIB website and making new online and offline requests and services available through its internet/mobile banking platforms. The Bank kicked off its CIB Pay App, which will transform the entire cards experience by simplifying the customer financial life process, helping customers track and monitor their spending and providing a new privacy and security experience.

Also during the year, CIB obtained CBE and FRA approvals for the Non-Life Bancassurance agreement with AXA, highlighting the importance of developing the Bank's insurance business. CIB was also granted CBE approval to begin the establishment of Commercial International Company for Finance to provide mortgage and factoring activities.

Private Segment

CIB Private continued to lead the market, offering new services during 2021. The segment launched legal services in collaboration with Hatem Solaiman Esq., covering a wide range of legal matters from firm establishments to M&As and fundraising. CIB Private also developed medical concierge services in collaboration with VIDA, offering everything from pre-assessment and medical reservations to home nursing. Our services were further enhanced by the creation of an art collection and advisory service in collaboration with the most prestigious exhibitors and art galleries, such as Art D'Egypte, Ubuntu, and Picasso. Deposits for the year amounted to EGP 40 billion, while the total asset portfolio came in at EGP 5.6 billion.

Wealth Segment

Customer centricity remained the emphasis of Wealth's strategy in 2021, with the aim of developing a comprehensive, enhanced value proposition supported by data analytics and customer insights. The year saw the Wealth segment implement new Wealth payroll asset requirements and an increase in the income band, with clear touch points and dedicated services. Wealth also partnered with A-class resorts during the summer to enhance our offering through promotions. Deposits for the segment amounted to EGP 126.5 billion, while the total asset portfolio came in at EGP 16.9 billion.

Plus Segment

Given that Plus segment's customers are primarily in their late adulthood to early middle-age, the year's focus has been on consumption-related asset products, such as unsecured loans and credit cards, as well as liabilities products related to short-term savings, providing our customers with a diverse range of tailored products and services.

CIB Plus delivered the best digital experience, leveraging on the CIB Bank of the Future (BOTF) program, highlighting new online banking services and products that facilitate the banking experience. The newly added services include the ability to register with an account number, national ID, or passport number. They also enable customers to open additional sub accounts, book a certificate or time deposit, replace their credit or debit card, update KYC, and apply for a loan or credit card. Deposits for the segment amounted to EGP 35.7 billion, while the total asset portfolio came in at EGP 4.8 billion.

Prime Segment

In line with our sub-segmentation strategy, the Prime segment continued with market research efforts in 2021 to identify new sub-segments to provide the most relevant products and services for customers.

The Prime segment pushed forward with its Prime Me bundle during the year, which was launched in 2020 targeting the Millennial sub-segment. The Prime Me bundle aims to reward customers with generous bonus points for completing various banking activities.

Agent banks, like Fawry Plus, were also introduced during the year as a new acquisition arm for the lower-income segment, offering prepaid cards and smart wallet bundles to reduce Payroll customers' acquisitions cost.

The Prime segment's assets ENR reached EGP 12.5 billion, while deposits ENR came in at EGP 22.7 billion with a favorable mix of 82% CASA and 18% deposits. The segment also added 284,000 NTB customers, 175,000 Payroll customers, and 109,000 non-Payroll customers.

Overseas Segment

Complementing our consumer segmentation strategy, the division set out to launch a new Overseas segment during 2021. We identified the Overseas customer base (100,000 customers), built a focused and centralized relationship team to serve the sub-segment, and tweaked SOPs to offer seamless remote banking services.

Liabilities

Retail Banking local currency deposits continued to increase at a phenomenal rate, reaching a total of EGP 207 billion by year-end, while foreign currency deposits also grew at a remarkable rate, reaching the equivalent of EGP 60 billion at the end of the year. The business' most significant achievement in 2021 was the deposits acquisition. The deposits acquisition mix has remarkably shifted from 53%/ 47% to 58%/ 42% for CASA and Term, respectively.

The Liabilities division launched a new Payroll CRM account-opening system, providing Payroll customers with an exceptional experience and a more efficient onboarding process. The project allowed Payroll customers to apply for CIB products from anywhere, with an immediate customer number and account creation.

Insurance

In recognition of the importance of developing the insurance business, CIB obtained CBE and FRA approvals for the Non-Life Bancassurance agreement with AXA. During the year, we leveraged the existing outbound Tele-sales team for referrals to the Credit Shield and Family Protection Plan as part of the

CIB Plus delivered the best digital experience, leveraging on its Bank of the Future (BOTF) program, highlighting new online banking services and products that facilitate the banking experience.

simple insurance products strategy that will increase the Bank's revenues. In 2021, total insurance fees reached EGP 234.5 million, while volumes for the life and health insurance business hit 789.5 million.

Consumer Assets
2021 was a solid year for the Consumer Assets business, with the consumer loan portfolio growing by 14.7%. Credit cards grew by 17.4%, while personal loans were up 15.2%. The straight-through-processing was successfully introduced for secured assets, setting the stage for further process enhancement initiatives in 2022.

Cards
CIB kicked off the implementation plan of the CIB Pay App in 2021, set to transform the cards experience by simplifying the customer financial life process, allowing customers to track and monitor their spending and providing a new privacy and security experience. Credit, debit, and prepaid card customers will benefit from the app's numerous features, which include tokenization and Tap and Pay, for a superior payment experience, card controls, digital access to transaction history and balance information, and Pay with Rewards for a seamless rewards redemption experience. Customers will have the choice between a digital version of their card, which will be more efficient and cost effective, or having both physical and digital cards at different price points.

The year also saw the successful launch of the Cashback Credit Card, which will complement our existing product suite of offering points, miles earnings, and cashback. A reloadable, rechargeable Charge & Go card was also added to CIB's offering, positioned as a general-purpose, prepaid card targeting all segments to create a cost-effective financial solution that would address customers' various needs, such as bill payments, e-commerce, and mobile payments.

The EGP-denominated card can be used for cash, purchases and internet transactions both locally and internationally, and it will accept remittances from customers working abroad.
Card acquisition figures stood at 191,000 credit cards acquired in 2021, with a total ENR of 5.7 billion, bringing the total card portfolio to 840,000, with 716,000 primary cards and 124,000 supplementary cards.

Loans
To further enhance customers' experience and reduce the turnaround time for loan applications while guaranteeing solid asset quality, the Consumer Loan division developed the Secured Lending Optimization plan, shifting the reviewing processes previously performed by the Credit Assessment and Fulfillment (CAF) department to a new, automated and fully controlled approach led by the branch network. The same process changes have been applied to Payroll unsecured lending with a ticket size of up to EGP 200,000.

CIB is now also among active participant banks in the Presidential Initiative for Car Replacement announced by the CBE. The initiative aims to replace 20+-year old passenger cars, taxis, and microbuses with others that run on clean fuel or natural gas through a subsidized interest rate car loan at a 3% flat annual rate. Furthermore, the Bank began to revamp the auto finance program at the end of 2021.

The Bank also introduced new credit programs to penetrate segments that are more likely to apply online—thus far, an untapped segment. It conducted a complete revamp of Secured Overdrafts and Revolving Overdrafts across all segments, and it is in the process of reopening surrogate programs, such as Card-to-Card and other PIL programs.

In terms of financial performance, personal loan ENR reached EGP 30.6 billion, interest income reached EGP 3.8 billion, and fees reached EGP 258.5 million in 2021.

Mortgage
CIB received CBE approval to establish a Commercial International Company for Finance to offer mortgage and factoring activities. The company will deliver an enhanced conventional mortgage suite of standard Mortgage, Ijara, and Murabha for individuals, as well as factoring services for corporate clients. Mortgage financing through the new company will align with competent real estate developers and will finance fully constructed units at the launching phase, while maintaining conservative LTVs and diligent property evaluations.

On the back of the current opportunity to expand within the real estate industry, grow CIB's market share, and augment Mortgage sales volumes, the CIB Mortgage team successfully signed formal agreements with top developers in the Egyptian real estate market, such as El Batal, SODIC, Sabbour, and Cleopatra, to exclusively finance residential properties established by these developers.

Low-income Mortgage ENR reached EGP 2.34 billion as of December 2021 compared to EGP 1.88 billion in December 2020, up by 24.7%.

2022 Forward-Looking Strategy
In 2022, Consumer Banking will continue focusing on strategic priorities of acquisition digitalization efforts, marketing activities, and service models to support our premium pricing strategy. Upgrading our technologies and redesigning our customer experience through transformation projects are also key priorities. The "Temenos Infinity" used for both Consumer Banking and Business Banking will be launched next year and will be expanded to cover a broader scope of online services for Retail Banking segments.

Segments
Digital processes will be applied through Robotic Process Automation (RPA) and internal coding automation, along with segmented interest rates. To maintain two-way communication, surveys and automated SMSs based on transactional behavior will be implemented.

CIB Private aims to launch the Personal Trust Account, which will offer life insurance bundled on the Grant account for the beneficiary of the grant. It will also launch a consolidated statement covering Private customers' positions under one unified bank statement.

The Wealth segment is set to shift from a liabilities to an Assets-, Insurance-, and CASA-mix-based revenue model covering all financial needs, with a focus on fee-income generating products mainly through assets and insurance. The plan covers conventional products bundled with non-conventional ones, such as Educational Financing, Trust and Escrow accounts, Global and Non-life Insurance for Home and Auto loans.

As for the Plus segment, a redesign of its value proposition is planned for the coming year to deliver an exceptional customer experience driven by data analytics, customer insights, and digital capabilities.

Household Products
Capitalizing on the 2021 CASA/Term acquisitions mix success, the Liabilities division will maintain its competitive saving deposit pricing compared to CIB peers to protect our high saving deposit run rates. We will also focus on attracting large-tickets of low-cost, demand deposit products from the Business Banking and Private segment. Leveraging on the newly introduced Segment-Based Pricing, which entails changing the Retail Banking pricing mechanism from tier-based to segment-based on Saving accounts and Time Deposits. To complement CIB's product offering, CIB will introduce monthly 7- and 10-year Certificates of Deposit priced at 10.5% and 11%, respectively.

As the Insurance business is a key element to complementing CIB offerings, a spotlight will be placed on digital insurance initiatives, in line with the digital transformation journey that CIB embarked on five years ago. CIB Insurance will embrace all customers' protection and safety needs by offering non-life insurance products in 2022 through various channels to capture a wide insurance referral database thriving on the Bank's wide reach. Adding insurance benefits to the Bank's products and enhancing existing insurance features will supplement the whole insurance business strategy to truly be a one-stop-shop for insurance solutions.

CIB plans to increase unsecured lending by bundling longer-term liability products and offering overdrafts. We will also increase end-use loans through expanding current agreements with schools, universities, and clubs. The Consumer Assets division will continue leveraging the projects kicked off in 2021 to enhance the customers' experience by reducing the turnaround time of the customer journey through the digital platform.

As for standard mortgages, 2022 plans include revamping existing products to acquire new customers and increase the Bank's market share. Tie-ups with top developers will continue in 2022, adding to the standard mortgage offering.

2022 will also witness progress in the licensing of the new Mortgage Finance company under FRA regulations. The company will offer mortgage financing to individual customers and factoring for corporates.

Meanwhile, the payroll channel will emphasize its four main pillars:

Revenue generation: Increasing acquisitions for new Payroll customers and companies and focusing on boosting cross-selling for the existing Payroll base by segmenting customers into three sub-segments to achieve product fit with customer needs. Special focus will be given to Payroll clients in the Financial Inclusion segment (small business banking and lower-income consumers). As for lower-income consumers, 2022 is set to witness the launch of a new proposition to bridge the lending and savings gap for untargeted Payroll customers.

Cost Optimization: Non-asset Payroll customers will have access to a prepaid Payroll bundle with Smart Wallet, in addition to digital and/or more cost-friendly acquisition and communication channels within the customer life cycle.

Customer Satisfaction: To enhance customer satisfaction, the Bank will launch an awareness campaign focusing on distinctive CIB Payroll benefits, in addition to carrying out roadshow activations within existing and new payroll companies.

Distribution Strategy: The division will kick off three new business hubs, and employees will be allocated in the El-Seid hub and head office locations under the flexible work strategy. Additionally, CIB will implement a semi-centralized experience at some branches and customize a welcome kit for new customers. There will also be a focus on women, capitalizing on the Bank's agreements with Visa and the EBRD. Women-owned companies will have tailored support and financial tools to grow their businesses.

Business Banking

Business Banking has built a well-established cash and trade management business, with average liability book growth rates of 26% and 41%, respectively, for the last two years. In 2021, operating profits for the division came in at EGP 1.9 billion and deposits hit EGP 41.7 billion, growing 41% y-o-y, while trade rose to EGP 34.2 billion. In the payment solutions space, the division processed EGP 48 billion in transactions. The Business Banking client base grew to more than 72,000 companies during the year, up 12.5% y-o-y.

Over the last five years the retail banking strategy for SMEs attracted a wide base of non-borrowing customers. This base is the heart of the SME lending strategy to cross-sell assets using different lending programs and leveraging strong referral mechanisms. CIB has gradually and consistently allocated unique strategic thinking and resources to grow the SME loan exposure and meet the CBE mandate of 25%. With more focus on understanding industry sub-segments and critical success factors for SMEs within those segments, advanced monitoring techniques, and an early warning independent function, Business Banking doubled the loan book to EGP 3.2 billion.

In line with CBE directives and the Bank's strategy to acquire a bigger share in the SME credit market, Business Banking began working on an accelerated growth plan for SMEs, which includes amending our credit policies, establishing an alternative score-lending model, investing in people, adding premises, IT developments, and wider distribution through business hubs.

2021 Highlights

Business Banking's asset growth strategy capitalizes on augmenting the current SME lending model and building additional capacity across relevant chains. The strategy focuses on building an alternative, data-based lending model for very small tickets that is pre-underwritten and subject to document fulfillment, targeting companies with sales turnover (STO) up to EGP 20 million.

In accordance with Egypt's strategy to support SMEs, Business Banking launched the new Growth Segment that targets small-sized companies with STO below EGP 50 million, offering them convenient products and services that support their business needs.

Business Banking also developed unique deposit bundles suitable for various customer needs and banking preferences. These include the Super Business Account, which gives customers exclusive benefits and services to manage their business efficiently and conveniently, and the Bedaya Business Account, an online account that allows customers to fulfill most of their banking needs without having to visit a branch. To support small businesses, the division launched the Merchant Bundle to enable merchants to run their business end-to-end through three bundles targeting medium, small and very small companies. Each bundle has a unique offering and discounts for payment acceptance solutions, accounts, and digital online banking.

CIB maintained its dominant position in Egypt's payment acceptance sector in 2021, attaining a market-leading share volume of 28% for POS and 21% for e-commerce transactions. Following the country's push for financial inclusion, the Bank enabled all POS and e-commerce platforms to accept the government-backed Meeza card and launched QR acceptance to reach untapped segments—a key enabler of payment business growth, especially with very small merchants.

To enhance our service model and ensure full coverage, a new service model was launched in 2021, aiming to expand the coverage of small businesses. Personal Bankers were divided into two units, one allocated to exclusively serve small Business Banking clients and the other to serve individuals in the Prime segment. The mapping process of branch segregation to encompass Household, Flagship, and Corporate was completed in 2021. Furthermore, CIB's ATM network expansion continued to progress throughout the year, standing at 1,284 ATMs as of December 2021.

2022 Forward-Looking Strategy

In the year to come, CIB Business Banking's SME client companies will enjoy a suite of products and services designed for each segment according to their business requirements. The Bank plans to launch a Small Business Initiative to support SMEs. The program will allocate funds for selected small companies to provide non-financial services through a group of partners under the Business Solution Program.

Business Banking will also continue growing its loan exposure, building on the enhanced onboarding process through loan origination, in addition to enlarging the customer base through partnerships and agent banks. A continuous enhancement will take place in our lending offerings and programs using the very small ticket behavior-based lending approach. This approach will be built to qualify customers on a pre-underwritten basis based on multiple parameters for small ticket loans, which are highly dependent on IT and data infrastructure.

Business Banking's asset growth strategy capitalizes on augmenting the current SME lending model and building additional capacity across relevant chains.

Using state-of-the-art technology, Business Banking will build the infrastructure to automate processes to improve customer experience. Business Banking will invest in its online banking capabilities and remote services to provide clients with convenient and efficient ways to manage their finances around the clock, in addition to giving them access to online government payments and payroll services. The division will focus on growing its acquisition business through payment acceptance solutions for different merchant segments.

Digital Banking

861 EGP/BN

Digital Banking transaction value, +61% y-o-y

At CIB, digital thinking is deeply integrated into the organization. This focus goes beyond service channels and transaction processing, extending from product development to risk management and human capital management. Big data has become vital as we build information-gathering and analysis structures and turn our quantitative knowledge into building blocks for future strategies. It is these building blocks that CIB believes has formed the foundation of an entirely distinct business line: Digital Banking.

The four pillars of CIB's digital business plan are improving the customers' experience, increasing migration and automation ratios, optimizing costs, and generating revenue. These are handled through two core groups: the Analytics and Data Management division (ADM) and the Global Transaction and Digital Banking Group, each of which has its own individual segments, directives, and strategies to achieve these goals.

Analytics and Data Management Division

Under the purview of the Chief Data Officer (CDO), CIB's Analytics and Data Management (ADM) teams have cemented their position as the ultimate source of analytical data and strategic analysis for the Bank's various functions. With specialized teams focused on each business line, the team can ensure that required analysis is available. Supported by the work and neutrality of ADM, the Board and management can take effective decisions affecting all aspects of the business, from currency mix to product mix, profitability or expenses.

2021 Highlights

In 2021, the CDO area's focus continued to be the improvement and enhancement of business processes, especially in the wake of the negative impacts of COVID-19. As such, the ADM team focused on enhancing bottom line profitability and improving the customers' experience. Through its Data Governance team, the CDO area has unremittingly worked to ensure compliance with regulatory authority mandated principals and regulations. The Data Governance team has been central to the bank's pioneering work to verify and organize the Know Your Customer (KYC) data, an infamously difficult task among all Egyptian financial institutions. CIB has been the first, if not the only, bank to tackle this issue using the Data Governance Team, which has been yielding extraordinary results since their involvement.

In 2021, the department continued to garner acclaim for its cutting-edge work, having been named The Banker's 2021 Innovation in Digital Banking Award winner. The department was recognized for two CDO-led projects: the Personal Financial Advisor initiative and the Branch Network Optimization tool. Thanks to the efforts of the Data Warehouse team, CIB also became the first Bank in the world to be awarded the CMMI-DEV V2.0 Maturity Level 3. The Capability Maturity Model Integration (CMMI) is a certification recognizing excellence in software development and integration. The CMMI model and institute were developed at Carnegie Melon University and are globally recognized trademarks of excellence.

Customer-Centric Projects

In 2021, the CDO area's various teams showed their commitment to developing innovative technologies to enhance customer relationships. Projects such as our in-house, data-driven, machine learning, financial literacy program reflect our dedication to ensuring customer satisfaction and retention. By providing clients with banking and general financial tips related to their activity in choosing the correct products for them ensures customer satisfaction and optimal profitability. This model ensures that customers are getting the most out of their banking experience and encourages them to be repeat customers with us seeing that CIB cares about the best interest of its customers. Similarly, the Data Science team recently developed a product recommendation engine. It works by collecting all relevant financial and non-financial data, analyzing it through a machine learning algorithm, and recommending products to clients based on their activity history. These initiatives, along with many other customer insight projects, work to better our understanding and characterization of various client needs, allowing us to serve our customers more prudently and effectively, to provide the concerned areas with the data-backed knowledge of what our clients need and how to cater to said needs.

Operational Enhancement

The CDO area also remains committed to supporting operations, and in 2021, it created a branch location optimization tool to this effect. The tool analyzes customer demand, geographical data, and economic and strategic requirements to produce recommendations for optimal branch locations with favorable profit and consumer reach projections. Additionally, the ADM team automated the cash management algorithms it created in 2020. When tested, the algorithm proved to be a great success in reducing cash-in-transit and its associated costs. The ADM team has also been working to support the Bank in its mission to bolster its SME portfolio by developing alternative scoring models and alternative segmentation strategies, two models that should enable the business side to better spot potential customers in this unchartered segment.

Decision Making Support

The Business Analytics team provides monthly analysis tailored to division heads, senior management and board members on issues facing the Bank on a MOM basis, while also making reconciliatory suggestions and solutions. The EPM team supports this by providing monthly reports on profitability and account activities. Additionally, the Business Analytics team is developing a Premium Segments Strategy Portal that would make room for different segmentation methods for Premium retail segments to maximize customer engagement, satisfaction, and profitability.

Global Transaction and Digital Banking Group

Our commitment to investing in our people, skill base, and technological infrastructure over several years has positioned us well to mitigate the impacts of COVID-19, allowing us to continue driving digital transformation. Ultimately, the success of CIB's digital transformation efforts come from putting the customers' needs at the heart of product, service development, and innovation across the Bank. The Global Transactional and Digital Banking division advocates for the customer during all process redesigns, digital upgrades, and enhancements, helping to translate an understanding of customer needs into clear system requirements, ultimately improving the customer experience.

Several services have been extended to the Bank's support functions, resulting in notable gains. Awareness visits conducted for relationship managers and branch staff improved customer service by enhancing their knowledge of our digital products. Business reengineering to adopt straight-through processing (STP), including process automation and increased efficiency, has reduced the workload for

CIB staff. These, and other initiatives to digitalize internal departments, helped eliminate manual work and automate daily payment processing.

Global Transactional and Digital Banking has worked to embed flexible and secured digital capabilities across our operations. We also aim to optimize operations on the back end, streamlining workflow to cut transaction processing times and costs, as well as strengthening security and compliance procedures.

Agile Cultural Transformation

Recognizing new technological disruptions in the banking industry, as well as changing customer expectations, CIB has adopted an adaptive approach to mitigating market changes by enabling agile delivery within selected core areas. To achieve maximum flexibility, the teams utilize a trial-and-error framework, allowing us to reassess initial approaches and move forward with high quality value propositions and stronger relationships with our customers and shareholders alike. With an innovative, consumer-focused, and technologically robust operational strategy, CIB is enacting a culture of agility and responsiveness.

- **Customers come first:** We will push forward with our customer-centric approach based on integrity, agility, and flexibility, swiftly responding to customers' evolving needs and expectations, overcoming difficulties, and offering suitable products and services to help our clients achieve their goals.

- **Thinking big:** We continue to grow and improve, striving for excellence to create unparalleled customer experiences and solutions that exceed expectations using more agile and timely solutions.

- **We are one team:** Our employees are our most important asset. Responsibilities and growth are shared to accomplish goals and deliver the best results. We are adopting a new, agile methodology to break down silos between departments.

- **Center of excellence:** CIB seeks to transform the entire operating processes via intelligent automation with digital technological advantages, unlocking a new value proposition through agile methodologies. This includes raising agility awareness to support learning by doing. CIB is also leveraging technological advancements to accelerate the introduction of products and services through agile delivery.

Main Areas of Focus

- Maximizing transactional banking revenues and creating new revenue streams.
- Driving and increasing the cost synergy generated from various digital products and channels.
- Generating efficiencies and reducing service costs.
- Providing new channels and features for customer acquisition.
- Creating new touch points for existing CIB customers.
- Increasing migration and automation ratios.
- Creating new revenue streams.
- Enhancing the customer experience and integrating channels seamlessly.
- Driving product and service innovation.
- Re-engineering various operational processes to reduce turnaround time (TAT) and increase efficiency.

The Group is divided into the following divisions:

Global Transaction Banking (GTB): The GTB division offers a comprehensive suite of value-added, integrated, and innovative transactional products and services to corporate and business banking customers, including:

- Cash management products
- Trade finance management products
- Governmental payments products
- Supply chain finance products
- GTB business development
- Global securities services products

Digital Banking Channels: The Digital Banking Channels division develops and promotes digital services for consumer banking. It monitors and analyzes the performance of these channels and platforms in terms of traffic, segments, products, and services to maximize product penetration and increase CIB's share of the customer's 'wallet'. The division focuses on five core areas:

- Consumer digital business development
- Online banking channels (Internet and mobile banking)
- IVR, chatbot, and contact center channels
- ATMs and self-service channels
- Digital transformation

Digital Banking Governance and Support: The Digital Banking Governance and Support division is dedicated to managing collaboration and ensuring compliance among all group divisions, the Bank's internal stakeholders, the regulator, and other external stakeholders.

Digital Banking Channels 2021 Highlights

Digital Transformation

At the end of 2020, CIB launched Bank of the Future (BOTF), a program that replicates the physical branch experience and redirects customer traffic toward our growing digital channels. Using robotics and operations centralization systems to increase efficiency and minimize service costs, the Bank of the Future program will help establish CIB's digital platforms as the primary channels for serving customers.

2021 witnessed the inauguration of the branch digital transformation program, whereby frontline sales representatives were mandated to register and tutor customers in using the new online banking channel. Close communication with our network of branches, as well as strong reporting mechanisms, provided insightful analytics, helping us monitor branch performance and assess the success of the program.

The six key pillars of BOTF are Service Digitalization, Operations Centralization, Robotics, Branch Digital Experience, Branch classification, and Digital Sales. Below is a summary of the mega progress of some of the pillars during 2021:

Service Digitalization:
We were able to migrate many of our service offerings to digital channels, allowing for greater usage of online services. The impact of BOTF phase 1 continues this upward trajectory, particularly in regards to the internal and external fund transfers migration rates, penetration rates, cost synergy, transaction volume, and transaction value of online banking.

Scale	YTD Sep 2020 (Before Launch of BOTF)	YTD Dec 2021	% Change
Internal Transfers Migration Rate	80%	89%	▲11%
External Transfers Migration Rate	55%	81%	▲47%
Online Banking Penetration Rate	48%	63%	▲31%
Online Banking Cost Synergy	EGP 651 mn	EGP 1,580 mn	▲143%
Online Banking Transactions Volume	3.7 mn	9.4 mn	▲154%
Online Banking Transactions Value	EGP 63.1 bn	EGP 194.3 bn	▲208%

Robotics:
Robotic Process Automation (RPA) played a significant role in productivity enhancement, saving time, effort, and cost. In 2021, CIB automated processes using RPA technology and enrolled eight digital employees to work within the CIB ecosystem. This had a positive impact on the business, saving more time to focus on improving customer engagement, innovation, and accelerating transformation within the business activities. Among the benefits, the digital employees made marked progress on the Bank's operations and resources in 2021, whereby:

- The average monthly volume for cases processed by RPA recorded 64,000 transactions.
- The average handling time for the transactions was optimized by 70% to be 956 hours, down from 3,131 hours prior to automation.

Digital Sales:
The program worked on adding new revenue streams through the online banking channel by availing CDs/TDs booking requests as investment tools. This will increase new-to-bank onboarding rates, position our online platform as an effective digital sales channel, reduce branch traffic, and improve customer satisfaction and convenience. The average monthly value of digital bookings surpassed EGP 1 billion, boosting total CDs/TDs booking volume and value to 39,200 transactions and EGP 10.4 billion, respectively, as of December 2021.

Online Banking (Internet and Mobile Banking)

The COVID-19 pandemic made online banking mediums primary channels for our customers, with a significant increase in usage and penetration rates. Now, almost 63% of the Bank's customer base uses online banking, with internet banking transactions up 22% y-o-y to 2.2 million transactions worth EGP 58.1 billion, a 46% y-o-y hike. The online customer base reached 1 million users, up 30% y-o-y with an activity rate of 66% as of December 2021. Mobile banking transactions were up 107% y-o-y to 7.3 million transactions worth EGP 136.3 billion, a 159% y-o-y hike. It is of note that CIB creates new KPIs to monitor and measure the effectiveness of digital sales, such as "New to Term" of CD/TD, which measures the percentage of new customers who joined a bank product/service for the first time. On the other hand, opening an additional account via online banking also witnessed significant progress, while 4,000 monthly traffic came from Online banking for credit card and loan requests.

89%
online banking migration rate of internal transfers

81%
online banking migration rate of external transfers

98%
online banking migration rate of credit card settlements

In 2021, we focused on enhancing our Online Banking channels by improving customers' experience through adding more features and banking activities that can be conducted online instead of branch visits, widening the variety of available products and services to our customers that can be used anytime and anywhere, such as:

- Easing the registration process to Online Banking. Customers can now register to Online Banking channels by account number, National ID, and passport number, in addition to the debit/credit card number, giving them the ability to register on the spot once they open an account without having to wait for card issuance to complete the registration process.
- Availing and working on the digital sales. We have availed booking CDs and TDs as investment tools through Online Banking channels, resulting in an average monthly value of bookings that has surpassed 1 billion on online channels.
- Enabling opening additional accounts through Online Banking, resulting in an average of 4,200 new opened accounts monthly.
- Offering new offline requests that customers can submit through online channels without the need to visit the branch or contact the call center (e-statement enrollment, replacing debit and credit cards, applying for a loan and a credit card, opening and managing Smart Wallet, and managing credit card direct debit account).

1.6 EGP/BN
online banking cost synergy, 67% y-o-y increase

1.4 million
mobile banking application downloads

Top 10
mobile banking among the most downloaded financial apps on the Apple and Android stores

Capitalizing on the successful launch of CD and TD online booking, we took concrete steps toward providing mutual fund services, adding new revenue streams to the Bank's distribution channels. In the year to come, we plan to continue to offer unique banking services through our online banking channels to increase NTB onboarding rates, position our online platform as an effective digital sales channel, boost assets and liabilities products, reduce branch traffic, and improve customer satisfaction and convenience.

CIB Chatbot

Zaki the Bot, which was launched in December 2019, conducted over 482,000 interactions in 2021 with a 16% y-o-y growth on both the public website and Facebook Messenger in English, Arabic, and colloquial Arabic. The feature has offloaded the social media team by over 61%. 2022 will see not only new features added to the bot's value proposition but also the introduction of Zaki on WhatsApp, pending regulatory approval, integrated with seamless live chat to serve new corporate and business banking segments.

Phone Banking (IVR and Contact Center)

CIB's phone banking adds value to customers by giving them personalized advice and offering digital solutions that let them bank more quickly and efficiently wherever they are. In 2021, calls to IVR and the contact center grew 28% y-o-y to 1 million monthly calls. We changed the IVR top-level menu to make sure our customers identify themselves before reaching an agent, leading IVR resolve rate to reach 56% in 2021 vs. 49% in 2020. In 2021, IVR new subscribers doubled y-o-y to 893 thousand customers, making IVR our primary voice channel, while cost synergy increased 92% y-o-y to EGP 67.5 million.

In the year ahead, we plan to revamp the IVR UX to introduce a tailored experience to our customers based on their personas, banking behavior, and the products they have. The new experience will shorten the service time, reduce channel utilization/cost, and enhance customer's navigation experience. Plans are underway to transform the call center into a contact center to support new channels (live chat) and identify customer personas and behaviors, aiding in customer migration to the best-fit channel. RPA is being assessed to automate the contact center operations and, accordingly, optimize agent's productivity and operating cost.

ATM Network

CIB's ATM network grew 15% y-o-y to 1,284 ATMs, making it the largest ATM network among private banks. The network handled over 71.7 million transactions (up 17% y-o-y) worth EGP 124.6 billion (up 30% y-o-y). Average monthly dispensed cash exceeded EGP 8.1 billion, while average monthly deposits reached EGP 2.4 billion. The migration ratio from branches to ATMs was 96.3% for eligible migratable cash deposit transactions and 99% for withdrawal transactions, saving EGP 1.6 billion (up 10% y-o-y) and hiking revenues from the network 72% y-o-y to EGP 50.1 million.

In line with the Bank's push to support financial inclusion regulatory goals and meet global benchmarks for ATM penetration, we worked toward the CBE initiative by installing an additional 180 ATMs across the country by June 2021. We also upgraded over 650 ATMs to become Talking ATMs, in line with our efforts to offer our services inclusively to those with visual disabilities

A new, modern ATM user interface (CX Banking) is now live at over 330 machines with plans to roll it out to the entire network of machines, in addition to new functionalities, such as IBAN transfers. The new interface enhances the customer experience and introduces a new tablet view modernizing the ATM interface. We also launched our new flagship drive-thru ATM located at two strategic locations.

In the year ahead, we will continue to expand the ATM network and roll out the CX Banking interface to modernize and upgrade the fleet in line with global standards.

Global Transaction Banking (GTB) 2021 Highlights

Cash Management Products

CIB provides integrated cash management products and services backed by web-based cash and treasury management solutions, from account information to state-of-the-art liquidity management solutions. The product offering includes several unique and innovative payments and payables products, collections and receivables products, and standard/tailored information reporting delivered via a variety of digital solutions.

2021 saw a notable increase in transactions, generating significant synergies for cash management, which increased 33% y-o-y to EGP 888 million. International remittances witnessed significant improvements on a y-o-y basis, up 85% to 325,000 transactions worth EGP 4.6 billion, up 83% y-o-y. Total foreign currency increased 83% to USD 300 million.

During the year, we digitalized the functions of microfinance institutions and generally enhanced all digital corporate banking platforms to improve the user experience. This included mobile wallet charging during weekends, instant credit transfers between CIB accounts, debiting Meeza cards daily over ACH direct debit platform, making USD transactions available over the ACH platform, and UI/

25,000

cash management corporate customers, + 45% y-o-y

91%

corporate outgoing transfers migration rate

67%

corporate internal transfers migration rate

5.2million

cash management transaction volume, +40% y-o-y

511.4EGP/BN

cash management transaction value, +56% y-o-y

+103% y-o-y

corporate internet banking transactions volume

UX enhancements for a seamless customer experience. We also established a digital solution allowing secure two-way electronic file and data transfers between the Bank and its corporate and financial institution customers supporting STP, near-STP, and high-volume payment processing.

In 2022, CIB intends to focus on building and enhancing the capabilities of current products and digital solutions, as well as the payment infrastructure, by improving speed and agility through the initiation and phase deployment of the payment hub and API Gateway, improving after sales solution delivery, and accelerating process automation.

Below are some of key areas of focus in 2022:

Payment Transformation:
The aim of our payment transformation strategy is to embrace a proactive approach to deliver the best outcome for our customers while supporting payment providers who wish to compete and flourish within our highly competitive market. We will reassess our payments ecosystem, simplify it, enable speed to market, build scalability, flexibility, and agility to meet the growing demands of our customers for seamless payment experiences across all our channels and customer segments. Ultimately, we aim to build a unified and centralized payment infrastructure delivering a highly flexible, universal payment transaction service.

Bank-As-A-Service:
CIB will strive to extend its services to other banks and financial Institutions, initiating the journey of transforming our operating units into revenue generating hubs by catering to smaller banks and other financial institutions.

Product Enrichment:
CIB will continue to develop competitive products and feature rich digital solutions and propositions to stay ahead of the competition and broaden appeal to new segments.

Technology, Process, Service, and Cost Optimization:
We will expand on our automation of processes, aiming to directly impact customer loyalty and hence increase revenues while lowering cost to serve.

Trade Finance Management Products

The Trade Finance Management platform offers corporate customers the ability to conduct and manage their trade finance transactions online. It provides customers transparent and clear information about their transactions, while eliminating paperwork and saving them time and money.

In 2021, we reengineered and enhanced the online transaction processes to accelerate delivery and increase customer satisfaction by revamping the trade finance core system. We created a trade finance end-to-end cycle to be presented to our prime corporate customers. The new service enables customers to send matured incoming documentary for collection payment instructions through the SWIFT system.

In the year ahead, we plan to develop the trade finance transformation enhancement program to add additional integration capabilities to the current platform to increase operational efficiency, reduce transactions timing, and increase productivity. It will also significantly improve the customer experience and position CIB as the preferred trade service bank in Egypt. We will also improve transaction processing

5,300

trade online corporate customers, +41% y-o-y

32,300

trade online transactions volume, +26 % y-o-y

48%

adoption rate, +26% y-o-y

185.6 EGP/MN

trade finance fees for online deals, +66% y-o-y

25.3 EGP/MN

in synergies, +40% y-o-y

TAT leveraging automation and new technologies and significantly reduce manual intervention and increase revenues and cost synergies.

Governmental Payment Products

With CIB's continued support of the government's efforts to automate governmental payments, we maintain a close partnership with E-Finance Company. The company develops and operates governmental e-payment platforms and channels to enable customs, tax, and other government authorities to receive and collect payments through the E-Pay platform and Corporate Payment Services (CPS) platform, which greatly improves the customer experience.

This year, CIB was first in the Egyptian market in governmental e-payment transactions over the CPS platform. CPS transactions increased 104% y-o-y in volume to 120,000 and 54% y-o-y in value to EGP 23.4 billion. We saw a 69% y-o-y increase in the CPS customer base to 3,000 corporate customers, a 35% y-o-y increase in transaction migration rate to 47%, and an 89% y-o-y increase in synergies to EGP 9.8 million.

A key objective for 2022 is to ease the burden of government payments on CIB branches by enrolling corporate customers to CPS. We also plan to add other payment types over governmental platforms to ensure customer satisfaction and increase our market share.

Supply Chain Finance

Supply Chain Finance is an effective way for corporate customers to improve their working capital position, drive EBITDA improvement, and strengthen supplier relationships. SCF provides suppliers with access to financing leveraging the buyer's stronger credit rating. It provides short-term credit, which can optimize cash flow by allowing buyers to lengthen their payment terms while providing suppliers with the option to receive payments earlier.

CIB is the first bank in Egypt to bring this kind of supply chain finance product offering to the Egyptian market, a testament to our solid position as an innovator.

During the year, the CIB SCF model won the Middle East and Africa Innovation Awards 2021 for the best supplier financing initiative and best financial supply chain initiative. We officially launched the electronic supply chain finance (e-SCF) module for CIB Business Online and managed to hike the SCF portfolio (loans booking) by 256% y-o-y to EGP 245 million. We also enhanced SCF's TAT on both the Bank and customer sides by revisiting the end-to-end process, enabling STP for invoice eligibility, enabling new extensions to facilitate the process of accepting uploading bulk documents.

The year ahead will see the division introduce more SCF programs, techniques, and workflows to become compatible with different types of credit approvals. We also plan to expand the NTB customer base and target new segments while making technical enhancements over the SCF platform to ensure customer satisfaction.

GTB Business Development

The GTB Business Development team provides the most comprehensive GTB digital solutions for corporate customers' daily banking needs, providing best-in-class digital financial solutions and consultancy and acting as the main stakeholder in developing corporate business needs. For these efforts, CIB is the top bank in electronic governmental payments.

During the year, we enabled different lines of business to exceed their GTB KPIs for all corporate digital products. We also worked on comprehensive GTB bundled pricing solutions and attracting new business opportunities, such as deposits, trade contingents, assets, digital migration rates, and increased NII.

In the year to come, we plan to apply multiple product pricing bundles to attract new corporate and business banking segments, as well as industry segmentation, to provide competitive pricing that best suit the industry. We plan to improve collaboration with relationship managers and enhance our digital campaigns. At the same time, we will enter new segments and industries while enhancing utilization of our GTB products and platforms. We also plan to offload the operations team by automating manual processes and strengthen our digital transformation strategy.

CPS transactions increased **104% y-o-y in volume to 120,000 and 54% y-o-y** in value to EGP 23.4 billion.

Global Securities Services

The Global Securities Services division is responsible for marketing, developing custody services, and enhancing CIB market share with targeted customers, including institutions and high-net-worth individuals. Services include equities, treasury bonds, treasury bills, securitization, global deposit receipts, and Eurobonds.

This year, CIB Custody was ranked first in the Egyptian market in the number of securitization SPVs launched in 2021, with a total of 11 SPVs amounting to EGP 10.3 billion. The division successfully attracted new portfolios amounting to EGP 13.5 billion, up 12% y-o-y. Assets under custody increased 7% y-o-y to a new record of EGP 502 billion, while fixed-income instruments increased 6.4% y-o-y to EGP 236 billion. At the end of the year, the number of customers increased 7% y-o-y to 31,100 customers.

In the year ahead, we plan to expand into new segments, such as securitization and margin lending, to allow clients to optimize their portfolios.

Digital Banking Governance and Support 2021 Highlights

The Digital Banking Governance and Support team is dedicated to managing collaboration among digital channels teams, the Bank's internal stakeholders, the regulator, and other external stakeholders.

In 2021, the Digital Banking Governance division played a vital role in governing, managing, and coordinating different regulations issued by the regulator across GTB and digital banking channels, in addition to financial inclusion products, with the products owners and the Bank's internal stakeholders, to guarantee full alignment among all engaged parties. The team also closely monitored the KPIs and deliverables of all digital channels to evaluate the overall performance, highlighting the slow momentum in some KPIs to take corrective action.

The team will continue to ensure compliance across the Bank's digital products and channels in the coming year and challenge stakeholders to adopt new technologies while ensuring that digital products, strategies, and financial inclusion efforts comply with regulatory guidelines. We will also continue to pivot our strategy in line with updates to financial inclusion laws and initiatives issued by the government and CBE.

Financial Inclusion Division

In 2020, the CBE asked banks to establish a financial inclusion department to advance its efforts to bank the unbanked and develop into a cashless society, all while fostering financial stability and economic development. The department was required to consolidate and develop internal financial inclusion work streams and act as the single source of consolidated information for financial inclusion updates to the CBE.

As such, CIB launched its Financial Inclusion Division and developed a board-approved, five-year financial inclusion strategy to provide easier access to financial services to the most vulnerable segments of society by harnessing its digital acumen. CIB's Financial Inclusion Division collaborates with other lines of business to build on existing initiatives while developing and consolidating the Bank's strategy, products, services, and programs. The department aims to offer a consolidated, sustainable, and profitable workstream for financial inclusion, creating shareholder value and positive ROE for investors while serving the community and fostering inclusive finance.

2021 Highlights

The first step to best serve unbanked and underbanked segments was to create customer profiles. Each cluster group had common demographics, characteristics, pain points, and barriers that prevented them from joining the formal economy. For each barrier the division identified, it addressed them through product offerings, service models, and acquisition channels.

Its short-term strategy goals included:

- Fine-tune initial financial inclusion customer subsegmentation through additional market research;
- Analyze existing, lower-income customer base for spending/saving behavior corresponding to demographics, geographic location, and digital adaptability;
- Finalize the most appropriate value propositions, product features, target segments, channel service, and communication channels;
- Identify high-density governorates and commercial areas with low banking penetration to cater profile offerings and identify appropriate locations, awareness campaigns, and services for each;
- Map out and identify potential expansion of digital financial services ecosystem footprint in select governorates through POS, mobile POS, and QR code penetration, partnering with third party agents and other ecosystem stakeholders; and
- Identify and approve engagement scope process end-to-end, as well as potential fintechs/technology enabled companies to engage with.

In 2021, the division worked with the Strategic Alliance Department and CIB subsidiary CVentures to identify and assess several possible fintech partnerships to provide tailored solutions that meet the needs of low-income customers. Partnerships will eventually enable the Bank to leverage data to facilitate the customer journey and make use of predictive analytics to segment clients and offer even more targeted products and services.

The division also helped assist in the national Hayah Karima campaign in 2021, which saw CIB collaborate with the CBE, Ministry of Planning, World Food Program, CIB Foundation, and other stakeholders to reach out to select governorates to provide financial literacy programs and onboard the beneficiaries to the CIB mobile wallet and/or the Meeza card.

The year also saw the division facilitate numerous financial inclusion awareness campaigns: Celebrating Women (8–31 March), Arab Day (1–30 April), Youth Celebration (1–15 August) and Farmers Celebration (1–15 September), Savings Celebration (15–31 October), and the International Day of Persons with Disabilities Celebration Campaign (1–15 December). Over 78,000 new customer wallets and 12,000 accounts were opened during the campaigns. The division also supported CIB's L&D Department to put together a summer internship program revolving around the theme of financial inclusion with over 10,000 students enrolled.

2022 Forward-Looking Strategy

The long-term strategy pillars of the division focus on identifying new customer segment journeys and corresponding existing pain points and barriers that need to be addressed to facilitate access to financial services:

Pillar 1: The Discovery Phase — Marketing and Awareness Strategy

CIB will aim to compete for customers' attention in this stage to build brand awareness and communicate value. One of the pre-digital era challenges banks faced when targeting lower income segments in emerging markets was marketing services to these customers who often feel marginalized by traditional banking efforts. To create trust among these clients, CIB will make concerted efforts through targeted, inclusive digital marketing efforts. These channels overcome an access to information challenge and will make it less costly to raise awareness among clients.

Pillar 2: The Onboarding — Distribution and Acquisition Strategy

Once an individual decides to apply for a product, CIB will initiate a series of activities to establish the customer's credentials and eligibility and set up the account. This stage also involves underwriting decisions for credit products, providing detailed information about product terms and conditions, and signing contracts. Most of this process traditionally involved paperwork and required customers to sit with front-line staff to fill out forms and check documents. New regulations, such as the simple KYC onboarding process for financial inclusion products, have enabled CIB to more efficiently onboard this segment. The Bank is working to make the onboarding process easier for clients by creating tools that allow customers to complete portions or entire onboarding processes digitally.

Pillar 3: Continuing Use Stage — Value Propositions: Products, Services, Partnerships, and Data Strategy

The continuing use phase includes product use, customer engagement, and responding to inquiries or complaints. Traditionally, CIB's contact with customers was limited to branch visits for transactions or inquiries or through phone and mail. Digital systems allow ongoing contact at a much lower cost, giving CIB the opportunity to develop more value-accretive relationships with clients. The digital footprints customers leave will allow the Bank to conduct a range of analytics, allowing machine learning to recommend products and use CIB chatbot Zaki to provide customer service assistance. The digital relationship will also weave in reminders based on behavioral insights to encourage clients to save, manage their debt, or keep closer track of their expenses, allowing the Bank to contribute to customer financial health.

CIB Smart Wallet

CIB Smart Wallet is an innovative payment experience that serves both banked and unbanked customers by providing a convenient, secure, and cost-effective way to make financial transactions through mobile devices. Customers can easily pay bills, recharge their mobile prepaid lines, send money to other wallet holders in Egypt, and deposit or withdraw funds from any ATM machine or any of CIB's Authorized Banking Agent's outlets.

2021 Highlights

In 2021, we worked on two streams: sustaining the Smart Wallet value proposition to increase its customer base, activity rate, and transaction volume and value, as well as continuing to build the Bank's new mobile wallet.

CIB Smart Wallet transactions increased by 43% y-o-y to 10.7 million, while the transaction value surged by 160% y-o-y to EGP 7.2 billion in December 2021. Smart Wallet's customer base grew by 19% to one million as of December 2021 and maintained an activity rate of 18% (90 days). This was achieved by diversifying and enhancing our sales channels and opening new ones to boost the Smart Wallet acquisition. We increased our sales force to six Mobile Payment Sales Agents who are responsible for managing customer acquisition to the wallet through all our sales channels.

As of December 2021, our Banking Agent (Fawry Plus) acquired 212,441 mobile wallets, a 57% increase vs. 2020, becoming the highest acquisition channel for the Smart Wallet. Efforts are also ongoing to increase and maintain the Smart Wallet activity rate, such as providing instant incentives to customers who successfully register through Fawry Plus. Acquisition through internal channels increased by 12.5% in December 2021 in comparison to the same period in 2020. The year also saw CIB Smart Wallet bundled with Payroll Cards to provide low-income segments with both products to allow them to receive their salaries and perform their financial transactions.

In 2021, we continued introducing new digital channels to our customers to register to CIB Smart Wallet, enabling them to register to the wallet through their Online Banking accounts, in addition to the SMS channel, which was first introduced in April 2020. Digital channels, including SMS and Online Banking channels, showed a promising acquisition rate, acquiring 10,500 wallets since January 2021.

Smart Wallet's geographic reach was expanded in collaboration with a third party and Fawry Plus, with on-the-ground presence in 11 of Egypt's largest train stations, acquiring around 25,000 wallets since launch in September 2020. We also launched on-the-ground roadshows in rural areas to raise Smart Wallet awareness and boost acquisition, acquiring 24,500 wallets in 1Q 2021.

2021 also saw CIB Smart Wallet grow its value proposition to efficiently serve Microfinance Institutions (MFIs) in Egypt and support the automation of their loan disbursement and collection. This has already kicked off with the Alexandria Businessmen Association (ABA), while an agreement has been signed with ESED. The Bank is also currently in talks with two major MFIs in Egypt to begin operations in 2022.

CIB Smart Wallet participated in all CBE financial inclusion initiatives during 2021 to advance its goal of reaching the targeted segment in an impactful way. It also conducted financial literacy awareness sessions to a select audience across different governorates.

On the technological front, the division focused on upgrading the current Smart Wallet application to a more flexible user experience, enhancing the user interface and providing a more stable environment. It also worked on building the new eWallet on an instance core banking system that will allow access to new financial products. The pilot phase was successfully completed in 2021, with work set to continue to finalize all necessary requirements to launch in 2022.

Bedaya Accounts

CIB launched Bedaya, new LCY accounts that target individuals, focusing on the unbanked segments, particularly housewives and youth, in addition to free professions, micro and small businesses. The account aims to include society's unbanked segments, eliminate the entry barriers, and encourage the unbanked population to enter the banking sector through the simplification of the account-opening process. Bedaya introduced two different types of accounts: a Saving account that targets individuals and a Business account for micro and small businesses. The accounts' onboarding requires a valid national ID only and are capped at certain transaction and balance limits. If a customer exceeds the balance limit, they shall be required to sign a full-KYC form and will be changed to an Easy Savings account.

Meeza Prepaid

CIB's Meeza generic prepaid card is the final financial inclusion product offered by the Bank and is its fastest-issued card. The card is only issued for Egyptians, without the need of opening a bank account, using their valid national ID. Customers can easily withdraw from any ATM in Egypt and purchase from any in-store merchant and through Egyptian e-commerce platforms using their Meeza or any other prepaid cards.

2022 Forward-looking Strategy:

The division's strategy for 2022 will focus on the launch of the eWallet platform after obtaining all regulatory approvals and the introduction of new financial products on the new Mobile Wallet, such as savings and lending, after obtaining regulatory approvals. There are also plans to update the current Smart Wallet mobile application's customer experience and interface.

The division will continue to participate in all relevant CBE financial inclusion initiatives and boost the distribution of the Bank's financial inclusion products. It also plans to create bundled financial inclusion products to provide customers with full-fledged solutions to increase their utilization of banking products. The Financial Inclusion sales force is expected to reach 20 MPSAs in 2022, while the Banking Agent network should reach three agents that serve the mobile wallet. Our MFI partners will be provided with a registration portal to facilitating onboarding to the Smart Wallet.

CIB Smart Wallet is a secure and cost-effective means for banked and unbanked customers to make financial transactions through mobile devices.

04

SUPPORT FUNCTIONS

1,284

ATMs

CIB's support functions ensure the **Bank runs with efficiency** and ease.

Operations and IT

The COO area continues to be the main enabling arm for CIB's business growth plans and transformation strategy, with ongoing focus on delivering the latest technologies to allow for new services and products, in addition to increasing productivity and efficiency across the Bank while reducing the cost to serve. This entails collaboration across all of COO area departments in alignment with business needs, as they all complement each other to enhance the Bank's entire ecosystem.

The COVID-19 pandemic stayed on the forefront during 2021, and precautionary measures were taken to ensure employee safety and business continuity during this unprecedented time. To ensure the COVID-19 business continuity plan is applied, the Contact Center was operating from four sites during Q1 2021, and a complete business plan was set in place to allow employees to work remotely or from different sites.

Accommodating business growth was key across all departments and in light of the ongoing global revolution in automation and digital technologies; it was mandatory not only to adopt but also to maximize the utilization of available technologies.

Adopting robotic process automation (RPA) technology was one of main strategies, and it has been successfully utilized to automate processes. This approach will continue during 2022 to maximize the benefits realized out of this technology. The RPA journey continues to automate processes on both front and back ends aiming to enhance customer experience and TAT.

Channel and key customer touch point augmentation is an ongoing practice. Expanding our ATM network to 1,284 ATMs was achieved smoothly, as well as the replacement of outdated machines to comply with CBE requirements. We also increased our branch network to 215 branches during the year. The reduction in staff on premises allowed us to renovate our headquarters and complete other projects, including the New Capital project and Core and Shell.

On the real estate front, alignment with regulatory requirements progressed as a state-of-the-art surveillance solution was implemented across the Bank. Real Estate and Premises Projects successfully passed and fulfilled the second surveillance audit for the ISO - 9001/2015 for Quality Management System certification.

As part of CIB management's efforts to improve operational efficiency, working environment, staff quality of life, and employees' engagement and loyalty, a program to implement flexible work arrangements (FWA) was rolled out. It includes a permanent work-from-home model, flexible working hours, new remote work technology (VDI) and tools, new performance KPIs, and updated/new HR policies. The program successfully completed enrollments of phase 1 (10% of the bank population) to the FWA VDI platform, and it is currently in the middle of phase 2, which will cover the remaining FWA job enrollments of approximately 40% of the total bank population.

Throughout the year, all compliance requirements were given the highest priority and focus, along with expediting all regulatory complaints, to ensure the utmost diligence is provided to the requirements pertaining to this sector.

In 2021, agility was the center of attention when implementing bank-wide transformation and delivering management processes in coordination with all of CIB business pillars and supporting functions in order to reach a faster time to market, especially for digital products and the delivery of services.

Information Technology plays a vital role in the execution of the CIB Digital strategy and Bank of the Future program. This is being addressed through the implementation of new services over CIB digital channels aiming to shift customers from branches, which are considered high-cost channels, to digital channels, which are deemed low-cost channels, while addressing the end-to-end process to achieve straight-through processing (STP), enhance turn-around time (TAT), and improve overall operational efficiency. In addition, customer demands and expectations and market competition mandate faster time to market.

All these changes require rapid implementation momentum with services stability, availability, and resilience to satisfy internal and external customer needs. IT had exerted extensive effort to stabilize CIB services, while avoiding any business disruption, and worked relentlessly on delivering the Bank's transformational program across with all the COO area and business stakeholders.

To create a better synchronized work environment and optimize staff productivity across IT, a new working model was established by two main work-streams in IT with Change-the-Bank and IT Run-the-Bank Organization Structure. IT Run-the-Bank arm leads the technological operational activities to ensure the availability, integrity, security, and adequate support for all production IT systems. As for Change-the-Bank arm, the focus is on providing the required support to the different lines of business (LOBs) functions across the Bank in achieving their plans and strategy through the application of broad business information, understanding, and partnership with various LOBs. This is deemed to have a positive impact on projects delivery TAT in tandem with enhancing the efficiency of BAU activities.

All of this ongoing collaboration has one sole aim: to enhance customer satisfaction, experience, and journey, an aim that is engrained in the Bank's vision and mission and is upgraded year-on-year by introducing more service indicators and conducting tailored surveys to ensure that one of the Bank's main values is always achieved, loyal customers are retained, and business growth targets are met.

Over the last couple of years, Africa has become an important piece of the geopolitical landscape. On the African front and in line with the Kenya expansion strategy in Mayfair Bank, steps were taken to enhance digitization through implementing and going live with internet banking, which exports the CIB customer-centric strategy across the border to neighboring African countries. This serves the Bank's mission to transfer our culture and ensure that CIB is a role model organization, not just on the local level but, more importantly, on the regional and international levels.

Operations

The Operations group continues to focus on reducing the current operating costs by applying the optimum cost synergies in context of many forms, starting from migrating more services to our digital channels for branch back-office services and activities, improving our STP rates, and promoting the existing automation tools, such as RPA, not only for branch staff but also across the centralized operating areas.

Successful full rollout of the centralization of selected services across the whole branch network took place in 2021. This initiative has also included the introduction of a new delivery concept for customer requests to enhance customer experience while reducing customer visits to the branch network.

Furthermore, a complete, deep analysis of branch back-office transactional behavior was conducted to support senior management using data analysis, a trend the Bank embeds in its business acumen in order to have a clear view on the headcount and staff requirements in each branch for better resource utilization based on solid data and a scientific methodology.

RPA has been successfully utilized in processing swift payments received, as robotic process automation is an important capability that helps with the necessary speed and agility required to meet the rapidly changing demands of customers and maintain operational efficiencies.

In coordination with Learning and Development, digitalized integrated content on trade finance was developed internally to enhance the required trade knowledge provided to staff and set CIB as an organization that relies on staff advancement and knowledge to provide best-in-class service. These programs are currently hosted on the CIB Learning Center and 'E3raf' portal through the CIB intranet.

The exponential increase of new subscribers to online channels in 2021 in comparison with 2020 was due to facilitating different services and features on internet and mobile banking, such as transfer limit increase across all segments, availing opening new accounts, the buying of CD and TD services, and adding an easier method for registration through ID and account numbers to ensure an overall enhanced experience and support the Bank's digital migration strategy.

In line with providing advanced customer experience, a new Post-Dated Cheques HUB was set up at Smart Village to receive cheques, which will significantly impact TAT positively for corporate loan payoffs and bookings.

As customer experience is the main objective for the Bank across the Board, annual customer satisfaction surveys took place on both the segments and digital banking level. Customer satisfaction and NPS level were as per the regional benchmark. As for the channels, customer satisfaction improved across all channels and exceeded the benchmark, which confirms the impact of efforts, focus, and technological transformation given to digital banking over the last couple of years. Customers were highly satisfied with the diversity, availability, and user-friendly experience provided through the different channels.

Lastly, the impact of the ongoing transformation strategy is witnessed on many levels, especially in Operations, the Bank's backbone. During 2021, the Operations department succeeded in absorbing the transactional increase in different services with the same headcount, especially with the rollout of Bank of the Future program where a number of different services were offloaded from branches by availing them on the different promoted digital channels and reducing their transactional cost. This runs in tandem with the branch back-office optimization project, with one of the major outputs aiming to improve certain back-office activities, which consume lengthy TAT, and ease processes for our back-office staff.

Security and Resilience Management

By striving for excellence and working toward providing outstanding stakeholder value through providing best-in-class financial solutions to individuals and enterprises, CIB has always taken its business continuity and the protection of its customers' services and information as a top priority. With the continuous spread of COVID-19 around the world and the emergence of new variants, focus on continuity and resilience was maintained to sustain the level of precautionary measures in place to help prevent the spread of COVID-19 and maintain safety inside all CIB premises. In collaboration with the Ministry of Health, and in an effort to lower the transmission rate and spread of the virus in our community, the Bank initiated a COVID-19 vaccination program to avail vaccinations for all CIB staff and their family members, ensuring the safety of our employees and customers. As of January 2022, a total of approximately 7,000 employees and family members were vaccinated, with almost 5,000 in the Ein el Sira, MoH Medical Center, and 2,371 at CIB vaccination hubs on CIB premises.

Focus was also directed toward enhancing our customers' cybersecurity awareness over different channels and managing evolving threats around digital fraud and cyber security risks to improve our customers' banking experience, while controlling fraud and defending against the latest applications' security threats.
In alignment with the Bank's customer-centric strategy and efforts to secure our customers' data and ensure proper privacy and protection controls are in place, the Bank has successfully finalized the Data Classification and Protection program, with the key objective of enforcing the adequate handling mechanisms and measures to maintain the confidentiality, integrity, and availability of the Bank's data and prevent unauthorized access or disclosure over different channels, including e-mails, internet, and removable media. Efforts were also focused on enhancing our organizational resilience to effectively manage emerging risks and enhance our visibility and response capabilities to different threats through ensuring our Security Operations Center (SOC) maturity is aligned with global best practices and standards, aiming for continuous improvement and being closely consistent with the financial sector's industry maturity benchmarks.

To enhance the Bank's visibility over the cyber threat landscape, CIB has also enriched the existing Brand Protection Services to gain further insights on new threats with more intelligence sources and extend the Bank's presence and visibility while taking proactive measures to protect its brand.

In support of the financial inclusion direction of the country, and as the Bank continues to expand its digital footprint and reach for untapped segments, Security and Resilience management moves hand in hand to maintain the Bank's position in the market as "The Bank to Trust" through further enhancing the reliability of our services and systems, focused on having solid footprints of compliance to regulations, standards, and best practices. For the second year, the Bank has successfully maintained its ISO 27001 certification for the Information Security Management System covering alternative channels and digital services, as well as the contact center and data center. CIB has also been able to successfully maintain its Payment Card Industry – Data Security Standard (PCI-DSS) certification for the fourth year and assure full compliance with SWIFT Customer Security Program requirements. The Bank has also maintained its ISO 22301 certification for Business Continuity Management covering all the Bank's services and related operations for the fourth year.

Information Technology

The current technological market trends and the way the financial market is moving deemed it necessary for CIB business to exert extensive effort and progress to achieve strategic goals and position CIB as a market leader within financial institutes, not only locally but also regionally.

In response to the Bank's business strategy, IT is continuing the journey that started in 2019 to support the business in achieving its strategic vision, targets, and aspirations.

> In 2021, agility was the center of attention when **implementing bank-wide transformation and delivery management processes in coordination with all of CIB's business pillars** and supporting functions in order to reach a faster time to market, especially for digital products and the delivery of services.

This year marked the start of implementing open banking architecture as one of the main business strategies that will enable other fintechs and big corporates to directly interact with CIB banking systems. The implementation of the required platforms to support this strategic direction was designed through launching a set of programs:

- API Gateway – enabling other systems to be connected to CIB systems
- Payment Hub – enabling automated payment capabilities with full visibility on customers' payment analytics and transaction volumes.

In tandem, work is done to modernize the enterprise service bus—main CIB middleware—which connects CIB systems together and supports microservices architecture, utilizing state-of-art and latest technologies for CIB to continue to be one of the most advanced technological financial organization within the Egyptian Market. This will be reflected in better automated environments by sizing and optimizing infrastructure resource utilization, leading to a

1,284

ATMs in 2021

reduction in business services operational cost and resulting in more dynamic competition and services pricing in the market.

Mobility has become a vital tool in facing the COVID-19 impact on organizations. IT supported the Office Anywhere strategy for CIB by providing the required infrastructure and solutions to the Flex project by availing all of the required collaboration, remote office access, and meeting management tools. This was positively reflected on how the flexible working hours program is managed, which is considered a new progressive business standard and lifestyle model in the market. Such capabilities allowed CIB to effectively overcome the COVID-19 impact on the organization and human capital.

On the digital front, there is a continued successful implementation of a full transformational journey across all of the banking segments to automate and digitize the CIB business pillars as Consumer, SME, and Corporate. IT is working with business stakeholders and a complete program for retail and corporate banking is running to revamp and modernize customer interaction and experience. This journey enables the business to provide personalized services and products to customers driven by data analytics, embedding segmentation, and studying customer behavioral trends through utilizing the latest technologies and platforms to make this journey achievable with minimal business disruption and enhanced agility. Additional capabilities are also being added to support the automated credit decision and the financial analysis of customers' financial data in order to enhance the services' provisioning to customers and optimize the products' TAT.

On the compliance and risk side, executing the required strategy to enhance the compliance and risk capabilities is witnessed through steady and stable steps taken to enable the business to minimize current transactional risks and implement all of the regulatory requirements with no delays, all while utilizing the maximum automation capabilities with optimum accuracy through the best tools within the market.

In order to support the rapid implementation momentum and ensure service stability across the Bank's platforms to maintain availability and resilience and satisfy customer needs, focus was given to stabilize services, avoiding any business disruption while massive changes are in progress over the Bank's technological landscape. To achieve the required business strategies, the setup of all technology platforms and infrastructure is being diligently maintained and monitored to ensure meeting regional benchmarks.

The RPA journey within CIB is being heavily utilized, which will be reflected on staff optimization activities done across the Board and the enablement of automation capabilities across different systems. Within the technology processes and interaction models, IT is performing a revamp of processes for enhancement purposes, minimizing bottlenecks and streamlining functions. In addition to this, different process automation activities are being done in order to minimize human interaction, which will be positively reflected on decreasing human errors and optimizing productivity and project delivery.

On the network side, virtualization and the enhancement of the monitoring and control of infrastructure is in place. Along with the automation streams, all of this will support the Bank's Go to Market strategy. This will expedite the delivery process and provide self service capabilities, while optimizing the efficiency of security measures and resources.

The COO area continues to be the main enabling arm for CIB business **growth plans and transformation strategy, with ongoing focus on delivering the latest technologies,** allowing for new services and products and increasing productivity and efficiency across the Bank while reducing the cost to serve.

Human Resources

1,030

employees hired in 2021

At CIB, we know that people are our most valuable asset and the cornerstone of our success. Due to our commitment to integrity, innovation, hard work, and diversity, Forbes named CIB one of the best employers in the Middle East in 2021. To sustain this, we continue to seek the best calibers in the market to take our business forward, and we develop, empower, and invest in our employees to provide them with rewarding career paths. In the years to come, CIB will adopt digital tools and solutions in response to global shifts in the field of HR, allowing us to propose enhancements that will help us develop comprehensive strategic workforce planning.

2021 Highlights

Talent Acquisition and Career Mobility

Since the onset of the pandemic, CIB has transformed all hiring processes to virtual formats, including entrance assessments and interviews, internal promotions, and internal hiring—an approach that will continue into 2022. Despite the pandemic, CIB hired 1,030 employees, encouraged the internal mobility of 1,422 employees, and promoted 559 others, in line with its strategy to encourage career mobility within the Bank.

Despite social distancing measures, CIB continued to carry out HR activities and participated in seven virtual employment fairs and local events. We also held four virtual sessions under 'Tawarny' initiative, which began in 2018 to help university students practice mock HR interviews and provide them with tips to enter the workforce. Through this initiative, we reached out to 400 students across the country, identifying qualified candidates in numerous governorates to drive job creation and career development for Egyptian youth.

Business Enablement and Skills Development

In 2021, HR launched numerous training tracks for employees, including virtual training programs and specialized tracks to cover employees' training needs and empower them to achieve their goals. HR was able to deliver more than 200,000 virtual training hours to 5,685 employees, in addition to more than 108,000 digital training hours delivered to 6,944 employees. Newly introduced digital learning tracks were utilized by more than 90% of CIB employees. HR delivered more than 40 e-learning modules, in the form of videos and slides, with an average participation rate of 78% during the year. Over 36 unconventional training programs, provided by international vendors, were offered to 6,000 employees to provide them with constant development and enhance their technical skills and abilities.

In 2021, specialized learning tracks were catered to various segments of the business, which included, but were not limited to, the following programs:

- **Control Functions:** HR invested heavily in training programs dedicated to control functions, such as risk, audit, and compliance, in partnership with the CBE. Over 93% of employees in these departments received tailored learning tracks to boost their technical knowledge. CIB became the first bank in Egypt to award the Financial Risk Manager (FRM) certificate—the global standard certification in financial risk—to five employees in the Risk Department.
- **Information and Cyber Security:** HR tailored a specialized learning track to upgrade employees' cyber security capabilities, with 81% of employees in the Information and Cyber Security Departments now trained to protect customers' assets, allowing the Bank to maintain a resilient cyber security environment.
- **Small and Medium Enterprises (SMEs) Academy:** In light of the global role of Small and Medium Enterprises (SMEs) and their contribution to global economic development, HR continued to conduct its exclusive SME Academy; 40 trainers delivered modules to help the Bank meet its SME and business banking strategies. Three rounds of the track were conducted over 400 virtual training hours and delivered to 39 employees, including 40 assessments, and five role plays and engaging activities.
- **International Certifications:** In 2021, more than 180 employees were offered international certifications in line with their business objectives, allowing employees to align their skills with the best international practices.

Furthermore, integrating competency evaluations with the performance management system was one of the Bank's key priorities in 2021. The fundamental basis of the competency-based approach is to understand the key competencies within any role and within CIB as a whole, while looking at the settings in which some individuals perform better than others. This will take place by understanding what skills high-performers possess; taking stock of the behaviors they demonstrate compared to less highly-performing individuals who fulfill the same type of work; defining the critical performance differentiators and setting them as the development template; and then helping develop and manage employees against a high-performance template.

Going forward, our skills development and talent management strategy will focus on linking all past efforts into one comprehensive system that interrelates all talent management initiatives. The strategy will set customized personal development plans, employ rounds of identifying successors, and identify high performers. As such, both HR and stakeholders within each line of business will be able to identify gaps and work on personalized development plans to create a solid talent pool.

Social, Sustainable, and Responsible Banking

HR developed several initiatives in 2021 to help CIB become a more socially responsible bank, including but not limited to:

- **Africa Expansion and CIB – East Africa Analyst Program:** Following CIB's targeted expansion across Africa, the HR division sought to replicate the success of its talent and development programs across the continent. HR established a development program for African professionals in the banking sector, exposing them to various development opportunities. In 2021, after a thorough selection process, 19 African delegates from Uganda and Kenya graduated from the newly customized "East Africa Analyst Program" that was introduced in 2020. The nine-month program was conducted mostly virtually, with two months of in-office training in Egypt held to apply learned skills into practice. Nine African delegates from the program were successfully hired in the Mayfair CIB Bank, which is a reflection of CIB's commitment and dedication to the continent.
- **Sustainability Framework:** HR tailored a dedicated training program to raise awareness about the importance of sustainability in the CIB Analyst Program and SME Academy, becoming the first Egyptian bank to integrate a sustainability session into its training programs, which engages employees in the process of sustainable growth.
- **CIB Summer Internship:** As part of CIB's social commitment to youth development, HR integrated financial inclusion modules into the 2021 summer training program. Despite the pandemic,

the summer training program was successfully delivered virtually to 10,986 undergraduates from 60 public and private universities across 24 governorates. The program consisted of more than 100 virtual training sessions to provide a comprehensive view about financial inclusion, its products, and services. Participants were encouraged to use Meeza cards and smart wallets products to raise awareness about financial inclusion. Notably, 60% of the undergraduates who attended the training program were women.

Employee Engagement and Enablement

During 2021, CIB's strategy continued to focus on promoting organizational effectiveness by improving engagement and enablement levels and enhancing HR's value proposition through the following initiatives:

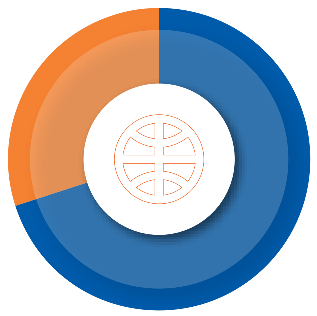
- **HR Help Desk and COVID-19 Vaccination Hubs:** In 2021, the HR Help Desk continued to play a crucial role in CIB's crisis management plan to ensure effective, accurate, and smooth communication with all employees during the pandemic as the sole focal point for HR-related inquiries. In coordination with the Crisis Management Team, the HR Help Desk played a significant role in coordinating and setting up CIB vaccination hubs, where approximately 2,000 employees and their families were vaccinated against COVID-19 to foster a safe environment for employees.
- **Employee Wellness Program:** In line with CIB's strategy to help employees manage their stress levels, improve productivity, and promote mental health, HR introduced a workplace counseling service. The service provides employees with integrated wellbeing and mental health support to promote a more secure environment and balanced work life.
- **Flexible Work Arrangement (FWA):** In 2020, CIB introduced the FWA Program based on the Bank's strategic direction to adopt a flexible workplace and adapt to the global digital transformation trend. The aim of the program is to ensure a safe work environment for employees; enhance levels of satisfaction, engagement, loyalty, and commitment; and promote gender equality. In the first quarter of 2021, the pilot phase of the program was completed, with 10% of eligible employees enrolled and a 97% satisfaction rate. A total of 46% of eligible functions/employees were enrolled by the end of 2021.
- **Employee Effectiveness Survey (EES):** In 2021, CIB launched the fifth Employee Effectiveness Survey (EES) with a 90% response rate compared to 92% in 2018. The engagement level, measured by employee loyalty, pride, and willingness to go the extra mile for the Bank, reached 67% in 2021 compared to 63% in 2018. The enablement level (measured by the degree to which employees experienced an environment that fosters engagement) reached 57% compared to 52% in 2018. Action plans for key focus areas were also developed to continue enhancing CIB's effectiveness profile in the coming years.

Gender Equality Initiatives

At CIB, we are strongly committed to equality, inclusion, and diversity. We are keen to promote equal opportunities and ensure our employees are treated with dignity and respect. This allows us to attract and retain a diverse workforce and create a work environment where everyone feels valued and can perform at their best. We are currently focused on our gender equality initiatives, as they play a strategic role in promoting social development, expanding economic growth, and establishing a more stable and just organization.

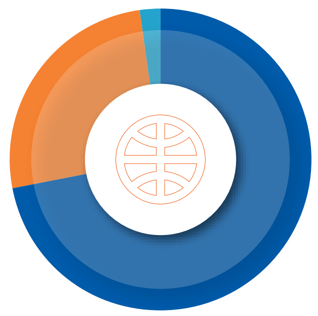
- **Helmik Yehmena:** Building on what was accomplished in 2020, HR launched the second phase of the program in 2021, consisting of an online developmental program. The program aims to encourage young female talents in the Upper Egypt and Delta regions to join the workforce. It supports women through short training programs, which first started in South Valley and Port Said Universities, to enable women to discover and expand their untapped potential and equip them with the necessary knowledge and skills to become members of CIB. We met with more than 200 females, around 50 of whom underwent a selection process, with the top 12 selected to enter the program.
- **She is Back:** She is Back helps mothers in their transition back to work after maternity leave. Women are informed of any external or internal changes that affect both the Bank and their own respective roles during their absence. In 2021, one round was organized for more than 20 women.
- **Egypt Gender Equity Seal (EGES):** CIB completed Egypt's Gender Equity Seal (EGES) certification by the National Council of Women (NCW) and the World Bank. The EGES certification process promotes gender equity in the private sector by building a series of practices in recruitment, career development, work-life balance, and harassment policies. It is guided by the World Bank's Gender Equity model, which identifies the areas of focus and maps out the needed actions to accomplish the model's objectives in each area.
- **Women in Tech:** In 2021, CIB launched the second phase of the Women in Tech Program that was introduced in 2019. The aim of the program is to address the gender gap in the Bank's technology departments and build up talented women to work in these divisions. 12 female graduates had the opportunity to join the program, in which they rotated in various technology-related departments: IT, Security and Resilience Management, and Global Transaction and Digital Banking. They were also introduced to big data analytics.
- **FWA for Women:** Women's empowerment was one of the main objectives of the newly introduced FWA program, which gives mothers with infant children the opportunity to work from home before applying for unpaid leave. This promotes gender equality, allowing a higher percentage of women's representation in different levels in the organization.

Employee Gender Breakdown



Male	70%
Female	30%

Generation Category



Generation X	72%
Generation Y	26%
Generation Baby Boomers	2%

Reward Management

CIB's compensation philosophy is based on rewarding and recognizing exceptional performance. It reflects our commitment to present a unique value proposition to not only attain and engage employees, but to also attract the best talent in the market. In 2021, CIB maintained its competitive variable pay program, which links each department's performance to how it contributes to the organization's overall performance to ensure consistent distribution is aligned with the Bank's strategy. This mechanism leads to a culture of transparency, reward appropriation, and fair compensation. CIB benchmarks its compensation and benefits offerings against local and regional players to strengthen its value proposition and enhance employee enablement and satisfaction.

Automation

On-going automation initiatives continued in 2021, with HR automating several processes, including, but not limited to, introducing automated tools to calculate employees' annual taxes, accessing loan statements, and updating all mandated and required employee data to strengthen the Know Your Employee (KYE) program. CIB also introduced a robust HR ticketing system to help streamline operations to manage and resolve issues quickly, which enhanced overall employee experience and enablement. CIB will continue to build on these automation initiatives to adopt better, more integrated, and innovative solutions with functional capabilities to improve productivity and efficiency.

Marketing and Corporate Communications

Marketing is constantly evolving, moving from mass to direct to digital marketing, and now to data-driven marketing. CIB's marketing strategies and resources have kept pace with these changes while adapting to external factors, the Bank's objectives, and consumer behavior. Consumers use more devices, are more privacy-aware, and have increasingly sophisticated customer-experience expectations. CIB's forward-looking approach to marketing and communications has kept us aligned with these trends, setting CIB apart from other banks. The Marketing and Corporate Communications division includes a team of user experience (UX) designers who are responsible for the front-end experience across all digital touch points. Marketing campaigns have both the goal of raising awareness for products and services and of driving traffic to digital channels. CIB's marketing campaigns focus on value propositions rather than on competitive pricing or other simple appeals.

+10%

Facebook followers

+35%

Instagram followers

2021 Highlights

Website Launch

A corporate website is the most influential touch-point for any company, and it acts as an intelligent platform that dynamically tailors relevant experiences to the needs of users, which is mission-critical for corporations to stay competitive, attract the best personnel, and serve eager investors. In June 2021, CIB launched its new corporate website. Within the first three months post-launch, despite a 16% decrease, we started to witness marked improvements in key indicators when compared to the old site. We also witnessed indictors of good performance for the new tools added to help nurture prospects during the consideration phase of their purchase journey.

Despite a 16% decrease in overall traffic, there has been an increase in the average pages visited per session (16% increase) and average session duration (30% increase), indicating improved retention on site. Users browsed the website more easily and are likely to gain more information in a single visit, reducing the need to come back multiple times for the same information. We have also seen a decrease in the average bounce rate (7% decrease), also indicating a possible improvement in website speed/performance, as well as improved website navigation and accessibility.

In a more long-term view, traffic and KPIs have all seen positive increases as the website has stabilized. Users, sessions, and pageviews have all gone up 6%, 10%, and 24%, respectively. The increase in traffic can largely be attributed to an increase in organic traffic on the site. Paid traffic is comparable between the first and second halves of the year at 1.2 million. Organic traffic increased by 12% since the launch of the new site, possibly indicating improved SEO and reachability of the site and improved performance. This is supported by the 24% increase in pageviews, which is a possible indicator of improved site structure and layout, making it easier for customers to navigate the site. Regarding key sections, we have seen a 39% increase in traffic to the Cards Apply Online page and a 12% increase in traffic to the Loans page. In terms of the submitted leads,there was a 120% increase in Cards Leads and 126% increase in Loans leads in comparable periods since the site launched. The Offers page has also seen a 17% increase in traffic.

Overall paid leads have increased 5% q-o-q from the old site to the new site, and organic leads have increased 72%. The increase in organic leads is mainly attributed to improved SEO, as well as the placement of helpful tools across the site that assist the customer shift from consideration of a product to action. At least 3,400 lead submissions for loans have passed through the loan calculator, and at least 800 leads have passed through the Offers page.

CIB's corporate website will play a central role in our ambition to achieve 30–40% of our sales digitally, where we intend to put to full use the extent of the platform in building personable and relevant experiences to our visitors.

+49%

LinkedIn followers

+49%

YouTube subscribers

Expanding CIB's High-Net-Worth Experiences Platform

In an increasingly competitive industry, it is becoming imperative to design experiences to retain and grow our high-net-worth (HNW) customer portfolio, create loyalty, and drive brand advocacy. In 2021, CIB Private customers enjoyed exclusive privileges, benefits, and giveaways with our longstanding partners: The G-Hotel, Pier 88 Almaza Bay, Pier 88 Gouna, and Club 88 Gouna, among others.

Our Wealth customers also benefited from the same kinds of offerings, including benefits and offers in Sahel with The Lemon Tree & Co. and Galambo Restaurant at Hacienda White, Carlo's at Hacienda Red, Le Sidi Boutique Hotel and Restaurant at Hacienda Bay, Seashell Compound, and Villa Coconut in El Gouna.

The Marketing and Corporate Communications division includes a team of **user experience (UX) designers who are responsible for the front-end experience** across all digital touch points.

In 2022, we will continue to offer valuable lifestyle experiences with key partners to our HNW clients, including exclusive benefits, special discounts, rewards, and more.

Supporting SMEs and Launching CIB Growth Business Banking Segment

More than ever, financial inclusion and digital intermediation is becoming necessary for banks to prop up key industries and segments in society. With the government's push for inclusion and SME support, the division has helped the Bank market a diverse range of products and services to fulfil their needs.

In 2021, the division also helped the business launch CIB Growth, where existing business banking customers received tailored SMS and e-mail shots, along with branded welcome kits introducing the Growth segment. These included asset and liability products, tailored with ways to bank and how to apply to different products and services as part of the newly branded Growth Card. We launched the Growth segment into the market via press release coverage and social media awareness posts with the support of 'Always on Campaigns' to emphasize the different products and services, ease of banking, and digital banking capabilities for business banking. This was integrated with our new website to divert targeted customers to 'Apply Online' to capture leads.

In 2022, the Bank's strategy is to actively develop SME growth asset plans and take it to the next level to surpass the mandated 25% of CIB's portfolio in SME lending and 10% of CIB's portfolio in small segment lending to comply with CBE mandates. To this end, a strategy has been put in place to further increase the number of new bank customers and retain current customers by focusing on the following high-level projects and milestones that the division will assist with:

- Further emphasis on the Growth segment
- Spotlighting Business Solution Partners
- Launch of the medium segment: 'Business'
- Launch of the 'Micro' small segment, supported by EGP 1 million
- Launch of Loyalty programs

We will penetrate this segment through untraditional marketing initiatives, such as:

- Building an online network where business connections are nurtured and experiences shared, and, by time, community members are turned into brand advocates while providing access to ideas from members on how we can improve products and services.
- Content generation through sponsored industry-related articles powered by CIB, the launch of a podcast featuring thought leaders discussing the successes and failures of running a business, and frequent live streaming episodes.
- Brand advocacy through testimonial videos.

Local and International Media Engagement

During 2021, the Corporate Communications team expanded the scope of their work and increased their media presence. They published over 30 press releases and newsletters, around 20 of which revolved around social responsibility.

Despite some ongoing restrictions due to COVID-19, the Bank continued to support and sponsor a number of activities. The division played an important role in highlighting the Bank's positive impact on society and its commitment to its social responsibility. For example, the Bank announced its sponsorship of the 2021 Squash Championship, which garnered widespread attention.

The Bank also played a part in several charitable activities with different institutions and associations as part of its endeavor to improve health services for children. These institutions included the Egyptian Clothing Bank, the Magdi Yacoub Heart Foundation, the Ibrahim A. Badran Charity Foundation, the Banati Foundation, the Children's Cancer Hospital 57357, and Benha University.

The division was integral in helping the Bank advocate for responsible banking and promote its green initiatives, including joining the Net-Zero Banking Alliance to reduce carbon emissions and supporting the Task Force for Climate Related Financial Disclosures.

Africa

Following the acquisition of Mayfair Bank in Kenya, now Mayfair CIB Bank, a branding, marketing, and communications strategy was developed to support CIB's business strategy in Kenya to facilitate trade finance and credit facilities for Egyptian corporates looking to engage with other African countries. As such, the division will support CIB in organizing 'teach-ins' for mid-sized corporates in Cairo to present CIB's trade finance and credit facilitating capabilities, as well as market knowledge and economic insights. It will also lead and host individual marketing trips to Kenya for the most desirable Egyptian corporate targets to make introductions to relevant manufacturers or trading partners. The team has developed a new corporate identity, with the rebranding of Mayfair CIB Bank being implemented across the Bank's branches, as well as being spread throughout CIB's online presence and touch points.

-71% y-o-y

cost of generating an online lead for loans and cards

+94% y-o-y

conversion rates for online card leads

+26% y-o-y

conversion rates for online loan leads

Internal Communications (IC)

Building on CIB's vision to enhance and invest in its internal communications, CIB has appointed an international consultant to evaluate current means of internal communication, assess the communication needs of different stakeholders and employees, and develop an internal communication channel strategy, which began rolling out in 2021. This transformation framework was placed to develop a full understanding of the current IC strategies and endeavors and to help identify gaps and focus areas. This was preceded by a thorough analysis that included IC trends, best practices, intranet assessment, management interviews, and employee surveys. CIB also saw the launch of the internal communication channels assessment tool to boost channel efficiency by using the correct channel to communicate information to employees.

Working toward building an integrated culture among employees, the IC team unified the utilized communication channels, along with managing and monitoring daily content sent to CIB employees, to ensure a smooth flow of information while building a sense of trust and loyalty internally.

One of the several steps taken toward unifying and building a single trusted source of internal communication was to implement a clear policy governing mass internal e-mails that are sent to large numbers of employees, including both (a) e-mails sent to all employees of CIB and (b) e-mails sent to all members of a specific unit from someone outside that unit, and to remove access from any other users. This serves the purpose of aiming to regulate everyday e-mails, taking into consideration the target audience, priority, tonality, authenticity or appropriateness, among many other factors.

Continuing our journey of creating a solid internal communication front, as well as a unified, transparent, and informative culture amongst employees, the Intranet enhancement project took major steps in the right direction. CIB's aim from this project is to create a strong, attractive tool that connects employees, promotes company culture, and instills its values across the organization.

While the project's focus is to keep employees both informed and engaged, the new intranet will focus on UI/UX and the enhancement of the employee experience, which will allow for increased employee productivity and engagement. It will also provide an interactive and social space for employees to help in increasing employee collaboration, and communication, teamwork; cementing the company culture, values, knowledge; and ensuring all employees are both informed and engaged.

The CIB Intranet played a vital role during the continuation of the COVID-19 pandemic, creating a virtual environment where employees can stay informed, connect, communicate, and share.

Additionally, on the communications front, our weekly internal digital newsletter, CIB Round-up, is still going strong and keeping our employees updated on all the latest news internally and externally. Being bilingual, the newsletter focuses on CIB-related news, the banking sector, and the Egyptian economy. It also includes a dedicated section for CIB Sustainable Finance, shedding light on CIB's sustainability updates, news, performance, and achievements, as well as national and global sustainability-related topics.

To maintain an open-door policy and a two-way communication environment with CIB's executive leadership, a biweekly CEO and COO breakfast/lunch is held where employees can network with the CEO and COO and other CIBians in a casual setting. Due to COVID-19 restrictions, invitees per event were limited. However, the discussions remained mutually beneficial and transparent between all concerned parties.

With the government's push for inclusion and **SME support, the division has helped the Bank market a** diverse range of products and services to fulfil their needs.

05

OUR CONTROLS

94.17

specific coverage ratio

CIB works to ensure it has in place the **independent and objective oversight and assurance** needed to secure clients' financial wellbeing as well as the Bank's.

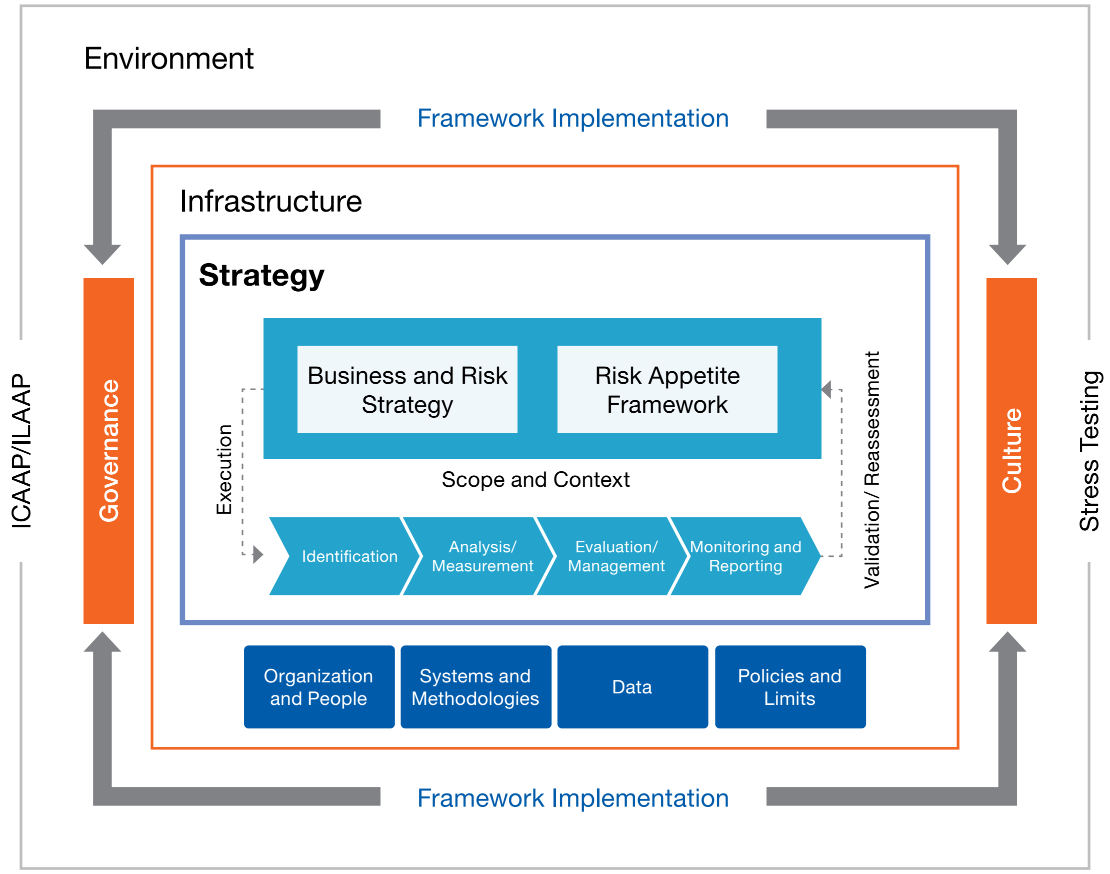
Risk Group

57.47%

LCY liquidity ratio

The Risk Group is an integral part of the Bank's organizational structure. It implements the Enterprise Risk Management (ERM) framework, creating value by contributing to the achievement of CIB's objectives and the improvement of business performance. The Group uses the Three Lines Model in risk oversight, control, and governance to efficiently utilize existing risk management capabilities and help enhance the environment. It further ensures sustainable development of a risk management function that is operationalized, allowing management to make informed and risk-adjusted decisions. The ERM framework consists of the following five interrelated components:

1. Alignment of business and risk strategy and risk appetite framework
2. Robust identifying, measuring, managing, monitoring, and reporting (IMMMR) initiatives for all principal risks
3. Effective risk infrastructure consisting of people, data, systems, methodologies, policies, and limits
4. Robust risk governance and culture
5. An integrated and forward-looking risk approach reflected in the ICAAP, ILAAP, and the Integrated Stress Testing framework



2021–2022 Highlights and Forward-looking Strategy

In 2021, the Group helped expand the customer base according to CBE directives, which included financial inclusion of the unbanked, mortgage facilities as a part of the housing initiative, and SME portfolio growth.

Maintaining a Strong Liquidity Position

The Bank maintained a strong liquidity position throughout 2021, with healthy liquidity ratios that are well above regulatory requirements. Local currency (LCY) liquidity ratio reached 57.47% against the CBE's 20% limit, while the foreign currency (FCY) liquidity ratio reached 66.22% against the CBE's 25% limit. The Bank's liquidity coverage ratio (LCR) remained steady at 817%, and the net stable funding ratio (NSFR) recorded 247%. The interest rate risk in the banking book (IRRBB) remained at acceptable levels and allowed the balance sheet to benefit from a volatile interest rate environment. In 2022, the Bank is expected to maintain a healthy balance sheet, supported by dynamic growth and the ongoing realignment of the funding strategy.

Portfolio Growth and Quality

The Group helped the Bank expand the institutional, consumer and business banking loan portfolios, allowing CIB to capitalize on the gradual economic recovery recorded in 2021, which is expected to continue into 2022 as growth estimates stand at 5.1% for the year vs. 3.3% in 2020/2021.

On the credit quality side, the Bank continued to be prudent with stress testing scenarios to ensure robust capital adequacy in the event of a material increase in impairment requirements. Moreover, the Group maintained focus on current portfolio concerns, including concentration and sector diversification.

	2020	2021
Default Ratio	4.29%	5.13%
Specific Coverage Ratio	98.47%	94.17%

- **Institutional Banking**

The Bank aimed to increase its institutional banking portfolio, achieving significant loan growth of 21%—surpassing sector average growth.

Timely risk rating downgrades in 2021 helped position the portfolio for an upward trajectory as the economy and market improved. Asset quality indicators as of the end of 2021 illustrated a potential bottoming out of deteriorations in credit quality, and impairment practices continued to be sensible, with coverage ratio increasing to 215%.

Sectorial distributions continued to be crucial in 2021, as the Group worked to diversify industry contributions in light of the significant economic fallout from COVID-19. Furthermore, efforts were continued to dilute contributions from higher risk industries, such as tourism, textiles, and cement, in favor of industries with more positive outlooks, such as construction, non-bank financial institutions, infrastructure, and telecoms.

In 2021, risk appetite indicators were largely maintained; the Bank's efforts to diversify growth were effective as additional companies were added to the portfolio.

- **Consumer Banking**

The Group introduced new programs to support consumer lending through online channels, targeted new segments, and developed tailored criteria to launch CBE initiatives, including the auto replacement and mortgage housing schemes for low- and middle-income segments.

While the impacts of the pandemic are still persisting, households continue to be vulnerable to potential long- and short-term economic impact, thus affecting debt repayment capabilities of customers. Therefore, comprehensive portfolio analysis and monitoring reports continue to be conducted to ensure robust controls and preemptive measures are adopted.

- **Business Banking**

In line with Egypt's Vision 2030, the Group supports the CBE's mandate for Banks to allocate 25% of their portfolios to SME lending. Credit program parameters and process will be enhanced to facilitate the same. Portfolio monitoring and early warning capabilities and dashboards were enhanced to ensure the Bank is within the risk appetite parameters, and the Business Banking team expanded tie-ups with other credit guarantee companies to hedge higher risk lending.

Despite the COVID-19 after-effects, CIB's loan portfolio quality was resilient in 2020 and 2021.

Enhancing Non-Financial Risk Framework

The Bank invested in non-financial risk management capabilities to integrate with the existing ERM framework.

Operational Risk: A comprehensive framework is a set of interrelated tools and processes that are used to identify, assess, measure, monitor, and remediate the Bank's operational risks. The main measurements include operational risk event management, risk and control self-assessments (RCSA), key risk indicators (KRIs), control testing validation, and operational risk assessment procedures (ORAP). During the height of the pandemic and in the months following, Operational Risk Management (ORM) held several virtual meetings and workshops with different stakeholders to ensure risk controls, mitigates, and treatments complied with regulatory instructions and health and safety requirements.

Model Risk: Validation automation and proper documentation are the main tools the Bank uses to mitigate the risk of using financial models.

Third-Party Risk: An organization assessment was conducted to assess and segregate expected business setbacks that may be faced by third parties during the pandemic. In parallel, the impact on the Bank's operations and its continuity plan was measured. However, due to CIB's readiness, as well as the assessment and identification of alternatives at an early stage, no significant business disruption or additional risk exposure occurred.

Reputational Risk. The Bank considers reputational risk as an integral part of ERM, with several quantitative and qualitative methods used to assess, control, and mitigate the risk. The Bank works on engaging key internal and external stakeholders through tools that assess the Bank's reputation.

Improving Risk Infrastructure

The Group supports digital financial inclusion initiatives for lending to the unbanked and lower-income segments by leveraging the Bank's channels and automated solutions. Furthermore, it introduces robust risk strategies, lending criteria and collection strategies addressing these untapped segments. At the same time, Business Banking is working with international vendors to automate end-to-end workflows to provide a superior customer experience.

CIB has successfully signed an agreement with a vendor to digitize and automate several processes across the institutional banking business. The project's benefits range from automating workflow processes across credit origination, enhancement in risk grading models, digitization of credit-related data to power advanced analytics, and continued standardization of lending parameters to enhance credit origination.

Spreading Risk Culture

The Bank continues to promote a strong risk culture, where employees of all levels are engaged and empowered. The Risk Group conducted awareness sessions for employees using platforms that include e-learning and virtual trainings.

The Risk Group uses the **Three Lines Model in risk oversight, control, and governance** to efficiently utilize existing risk management capabilities and help improve the environment.

Compliance Group

CIB believes in a culture of compliance and ethical conduct where prudent compliance risk management is the foundation of how we do business and the underpinning guarantee that we uphold our stakeholders' trust. We understand this responsibility requires constant vigilance on the part of every CIBian, and we ensure we live up to the standards our stakeholders expect of us. CIB's independent Compliance Group is responsible for embodying this culture and is tasked with ensuring the Bank is ready for the rapidly changing regulatory and industry standards. The Group drives Bank-wide compliance by setting the strategy and tone required to guide employees to make sound business decisions while adhering to applicable laws and regulations.

In 2020, we embarked on a journey of transformation through which we critically tested our foundation and its ability to support our ambition to achieve excellence in managing compliance risk. Since then, we have taken strides in transforming this foundation and have focused our efforts in 2021 on the modernization of our compliance risk framework, while continuing to enhance synergies with our partners across different lines of defense. Transforming our compliance risk and control environment remains a strategic priority that will not only strengthen our culture as an ethical organization but also allow us to compete effectively in the digital age as we drive value for all stakeholders.

2021 Highlights

Managing Change

As the pandemic continues to act as a catalyst for change around the globe, the new realities of doing business and shifting regulatory agendas underscored the responsibility entrusted in the Group to respond quickly and adequately to these changes. The investments we had made during 2020 in our infrastructure, foundation, and people have significantly equipped us in this regard.

We continued to invest in technology, digital transformation, and infrastructure to establish an end-to-end compliance management platform that supports compliance requirements at all stages of the customer life cycle. To complement these efforts, we established futuristic architecture for sourcing, processing, aggregating, and interpreting compliance data. We also automated most key data provisioning related to regulatory reporting, which is vital to maintaining the integrity of our relationship with regulators and ensuring ongoing compliance.

CIB Financial Crime Combating Program

The Financial Crime Combatting (FCC) Program is an integral part of the CIB compliance program. The FCC team is tasked with managing and implementing standards, policies, and procedures that safeguard CIB's local and global community against financial crime. Consequently, the Compliance Group has implemented structural and infrastructure enhancements to ensure the team is equipped with the necessary independence, manpower, and technology.

Our program deploys best practices and international standards to guarantee we can combat the risk of money laundering and terrorist financing. The program is founded on three main pillars:

1. Prevention: Through our Know Your Customer (KYC) Program and the utilization of state-of-the-art risk scoring, customer compliance risk levels are preemptively defined. This provides CIB with the insights required to act proactively against the risk of money laundering and terrorist financing.
2. Detection: We monitor our portfolio on an ongoing basis for financial crime risk. Using data analytics and ongoing review of unusual and suspicious behaviors, the portfolio is regularly scanned. We also ensure specific transactions are automatically detected and monitored. Detected suspicions are investigated independently by the FCC team.
3. Reporting: It is our responsibility to track, investigate, and report any suspicious activities and/or transactions.

CIB Sanctions Program

CIB conducts business in full compliance with all applicable local and international sanctions. We maintain a robust sanctions compliance program that applies to various customer engagements. The program is structured to fully adhere to local sanctions requirements included in the Egyptian Money Laundering Combating Unit Sanction Lists, as well as global sanctions requirements proposed by organizations such as the United Nations, European Union, Office of Foreign Assets Control, Her Majesty's Treasury, and the Financial Conduct Authority. Required procedures are in place to ascertain that we are continuously kept abreast and in compliance with evolving sanctions requirements. Our Sanctions Compliance team drives our organization when it comes to the design of policies and procedures that incorporate robust control measures to ensure full adherence.

Analytics for Compliance

The Compliance Group has implemented several projects that automate high-risk compliance processes, machine-learning, and the enhancement and unification of related processes. This becomes exponentially more important as digitalization becomes a reality, not only as a progressive business strategy but also as a global direction to manage the repercussions of the pandemic and ensure continued customer access to our services.

We focused on using analytics and process automation (i.e. robotics) for efficiencies. Today, transaction monitoring for financial crime risk has seen many investments as we enhance our ability to capture and investigate breaches at an early stage while analyzing trends for future decision-making. We also continued to focus on indicators that act as early warnings when it comes to financial crime, conduct risk, and regulatory compliance. Risk appetite indicators and their benchmarks are one of the pillars we heavily rely on to ensure the strength and health of our compliance program.

Regulatory Landscape

As we embrace our compliance and controls culture, focusing on our relationship and engagement with our regulators remains key. The Regulatory Compliance Team has continued to work with regulators and internal stakeholders to ensure seamless and structured communication and swift implementation of requirements. We believe our relationship and engagements with regulators should be established on the principles of transparency, respect and open communication, and consistent delivery on our commitments. This year, the Compliance Group developed the Contact with Regulator Policy to manage Bank-wide communication with regulators and strengthen the Bank's relationship with them.

Accurate and timely regulatory reporting remains one of our strategic commitments. With that in mind, we capitalized on data and analytics to hone to our regulatory reporting commitments and ensure the process is conducted with agility and transparency.

2021 has seen multiple new regulatory requirements to which we have taken the necessary steps to implement, including the review and implementation of the new Banking Law no. 194 issued in 2020. We have focused our efforts on identifying the impacts of new and amended articles on our policies and operations and how we will manage their implementation. Similarly, we are committed to aligning our work with the Central Bank of Egypt's emergency response management and financial inclusion initiatives.

Conduct Risk and Customers' Rights Protection Program

Conduct risk functions were moved under the purview of the Compliance Group to ascertain the importance of conduct as a driver for behavioral compliance, treating customers fairly, and customers' rights protection. As we work to revamp the Conduct Risk Management Program, our focus is to ground the Conduct Risk Framework through two pillars:

- **Customer Conduct:** ensuring customer rights are protected in line with regulatory requirements and customer expectations.
- **Market Conduct:** ensuring our pricing and promotion strategies shape and respond to the realities of the markets and communities we serve, as well as making sure our marketing and distribution strategies safeguard customer welfare and confidentiality.

At the heart of our conduct risk strategy are the principles of treating customers fairly, protecting their rights, and positively impacting the communities we serve. To that end, CIB has adopted two major financial inclusion initiatives in 2021: Arabizing our statements and taking steps to boost accessibility at branches and to online and digital services for disabled and visually impaired customers.

Managing Misconduct, Ethical Issues, and Corruption

Our compliance framework and programs aim to foster a culture of ethical conduct and embed our expectations for behavior throughout the Bank. Our approach begins with a strong "tone from the top" culture, starting with our board and senior management. We also believe in accountability for all employees when it comes to compliance and ethical conduct. We empower employees to do what's right by setting clear expectations, not only to act responsibly but also to speak up and escalate ethical concerns or misconduct.

To do this, we have established independent and confidential channels to report misconduct, ethical concerns, or any suspicion related to bribery or corruption. Our Whistleblowing Policy enables employees to identify instances that are classified as misconduct without fear of detriment or retribution. The policy also provides multiple channels for employees to report concerns, as well as the ways through which we protect whistleblowers and safeguard their identity, subject to applicable laws and regulations. CIB prohibits any form of retaliation against whistleblowers or any concerned parties. We also guarantee a fair, independent, and confidential investigation process regarding whistleblowing reports.

In the same context, CIB has established the Anti-Bribery and Corruption (ABC) Program that advocates zero tolerance when it comes to involvement in bribery or corruption. The program sets standards that guarantee we comply with anti-bribery and corruption laws and guidelines. The group also onboarded a new Anti-Bribery and Corruption Manager reporting to the Head of Financial Crime to raise awareness on identifying and escalating instances of non-compliance.

Compliance Monitoring and Control Program

Utilizing a hands-on approach, the Internal Control Management and Compliance Monitoring and Testing teams take the pulse of the compliance program, providing independent assessments of the compliance and control environment. The teams act as an independent testing arm while managing the role of process control oversight as part of the second line of defense. The teams also lead the Bank-wide compliance risk assessment and design and implement risk-based reviews to provide assurance related to compliance and controls at an organizational level.

Accountability, Culture, and Talent

A compliance, risk-aware culture is the most valuable asset that CIB continues to invest in, especially as we are confronted with ever-changing regulatory requirements and industry standards. We believe this culture guarantees our ability to manage uncertainty and change more effectively. While the Board and senior management believe in instilling this culture of compliance, we acknowledge the challenges this can pose in a fast-paced environment. We believe this continued focus will allow us to continue striving for excellence and adding value for our colleagues, clients, and communities.

Our overall approach toward managing talent and culture is confounded by the principle of accountability. We prioritize strong governance and decision-making and require colleagues to speak up with transparency.

Despite the exceptionally challenging circumstances imposed by the COVID-19 pandemic, the Board agreed to invest heavily in the training and development of control and compliance staff, with 25% of the Bank-wide budget allocated to these areas. As such 100% of compliance staff have been provided on-the-job technical training, including post-graduate level technical certifications from globally renowned accredited compliance associations. The Bank made the same pledge of investment for 2022.

CIB employees have been trained on different compliance-related topics, including financial crime combatting, sanctions, customer due diligence, the Foreign Account Tax Compliance Act (FATCA) requirements, whistleblowing, anti-bribery and corruption, and customer rights protection. In 2021, we chose to disseminate key messages through campaigns directed toward raising awareness, including information on customers' rights protection, speaking-up and whistleblowing, and compliance culture.

We have focused our efforts in 2021 on the modernization of **our compliance risk framework while continuing to enhance synergies** with our partners across different lines of defense.

Internal Audit

An independent and objective function that provides assurance and consulting services to its stakeholders, CIB's Internal Audit Group (IAG) evaluates the effectiveness of governance, enterprise risk management, and controls, in a systematic and disciplined manner.

CIB's Board Audit Committee oversees IAG and approves its charters and risk-based plans. The committee gives the division full and unrestricted access to any of the Bank's records, documentation, systems, properties, and personnel.

IAG complies with the International Professional Practice Framework (IPPF) of the Institute of Internal Auditors (IIA) and its Code of Ethics. This falls in line with results derived from a regular, external quality assessment, which takes place as a part of the quality assurance and improvement program that IAG maintains. The assessment covers all aspects of IAG's mandate and allows it to increase the efficiency and effectiveness of the division's activities while identifying opportunities for improvement.

IAG's activities are backed by a team of highly qualified, professional calibers that are continuously undergoing professional development, awareness, and training.

2021 Highlights

IAG continued to focus on the Bank's digital transformation and the effectiveness of controls in this regard while utilizing the Bank's big data capabilities. In addition, the Bank's credit and lending function came into greater focus this year to ensure the adequacy of provisions and quality of the portfolio.

2022 Forward-Looking Strategy

IAG will continue to monitor ever-shifting market dynamics to meet its mandates and strategic alignment with CIB's objectives. The division's strategy is fundamental to remaining relevant, playing an important role in achieving a balance between cost and value, while making meaningful contributions to the organization's overall governance, risk management, and internal controls.

IAG complies with the **International Professional Practice Framework (IPPF)** of the Institute of Internal Auditors (IIA) and its Code of Ethics.

06

ESG

100 USD/MN

corporate green bond

CIB's commitment to **creating shared value is the guiding post of its sustainability** and sustainable finance strategy.

Sustainable Finance

Over the years, CIB has gradually enhanced its commitment to sustainability across its business, integrating environmental, social, and governance (ESG) dimensions into its policies, procedures, operations, and culture

CIB's journey has been distinguished by its ability to link business growth to its desire to advance the economic, social, and environmental ecosystem in which it operates. This has found expression in embracing sustainability to achieve stakeholder value creation, from employees to clients, regulators, shareholders, the wider community, and the environment. Over the years, CIB has gradually enhanced its commitment to sustainability across its business, integrating environmental, social, and governance (ESG) dimensions into its policies, procedures, operations, and culture.

2021 was a year of achievements for CIB on the sustainability front, introducing a structured approach to embed sustainability across the Bank. Being a founding signatory of the United Nations Environment Program – Finance Initiative (UNEP-FI) Principles for Responsible Banking, CIB continues to act as a domestic and regional influencer in promoting the UNEP-FI this year, and it has worked to integrate all the principles in every aspect of its operations. In 2021, CIB also celebrated its sixth year of GRI Sustainability Reporting and introduction of SASB disclosures, a testament to the Bank's longstanding commitment to ESG transparency and disclosure.

2021 Key Updates

Sustainability Governance
- New Board Sustainability Committee
- Creation of Sustainable Finance work streams as a strategy implementation tool

Sustainable Finance Strategy
- Integration of Sustainable Finance Strategy in CIB Strategy
- Issuing Egypt's first corporate green bond

Sustainability Frameworks
- Founding member of the NZBA, representing Africa in the NZBA Steering Committee
- Co-lead in the Outreach and Recruitment Task Force in NZBA
- Supporting the TCFD, first bank in Egypt and second in the Middle East, and currently implementing it
- Founding signatory of the UNEP-FI Principles for Responsible Banking, representing the MENA region on its Banking Board
- Founding signatory of the UNEP-FI Commitment to Financial Health and Inclusion
- Signatory of the PRI
- Adopting the Equator Principles
- Reporting annually according to GRI since 2015
- Issued 1st report integrating SASB disclosures

Sustainability Indices
- Ranked first in the EGX Sustainability Index
- Included in the FTSE4Good Index
- Included in the Carbon Disclosure Project
- Included in the Bloomberg Gender Equality Index

Gender Empowerment
- Awarded the Egyptian Gender Equity Seal guided by the World Bank Gender Equity Model (GEM)
- First bank in Egypt and MENA Region to Co-Chair the Closing Gender Gap Accelerator supported by the World Economic Forum

Environmental and Social Impact Assessment
- First bank in Egypt to conduct a debit and credit life cycle assessment
- First bank in Egypt to conduct an environmental and social impact assessment on borrowing SMEs

System Building

Sustainable Finance Policy
CIB's Sustainable Finance Policy defines and sets a comprehensive framework that translates the Bank's ESG commitments into achieving long-term value creation for all stakeholders and instilling a governance framework to monitor proper implementation. It was developed in alignment with national, regional, and international agreements, goals, and standards concerning sustainability (E&S Risk Management, Sustainable Finance, and Operational Footprint). CIB's Sustainable Finance Policy is applicable to all the Bank's departments, functions, and lines of business. It provides guidance to all internal stakeholders who are responsible for aligning with the requirements of this policy in their respective areas of responsibility.

Environmental and Social Risk Management System
CIB has had a robust Environmental and Social Risk Management System (ESRM) in place since 2016, which positions the Bank as the leader in sustainable finance in the Egyptian market and the region and provides clients with the necessary tools and products to aid their transition to a more responsibly profitable economic model. CIB's E&S credit risk policy guide is in line with:
- National Laws and Regulations
- IFC Performance Standards
- EBRD Performance Standards
- Equator Principles (EP)

Streamlining ESG in CIB Culture

Sustainable Finance Academy and Capacity Building
As CIB further cements its position as an industry leader in sustainability education, this year witnessed the inclusion of a Sustainable Finance course in the Analyst Program and SME Academy. The course was delivered to future officers and covered the introduction to sustainable finance, ESG integration in CIB operations and portfolio, and cases related to the ESRM system implemented at CIB.

The Sustainable Finance Academy also provided specialized training modules to 120 officers from the Risk, Business Banking, Corporate Banking, and Global Customer Relations departments covering the integration of ESRM system.

Evolution of Sustainability Strategic Network to the Sustainable Finance Work Streams
2021 witnessed a new milestone in CIB's sustainability structure update with the introduction of eight work streams of cross-functional teams that represent different departments and are responsible for communicating and helping implement the sustainable finance system building and strategy. The streams are designed to address the four sustainable finance system pillars: risk, revenue generation, ecological footprint, and reputation. They are governed by a charter that stipulated the establishment of the Sustainable Finance System Building and Strategy Steering Committee (SFSS), chaired by the CSO, to communicate progress and challenges to the Management Committee monthly.

The sustainable finance work streams are as follows:
1. Risk Management
2. Corporate Banking
3. Business Banking and Financial Inclusion
4. Direct Investment
5. Ecological Footprint
6. Sustainable Finance Branding and Advocacy
7. Sustainable Finance Education
8. Sustainable Finance Innovation: ESG Data Digitalization

2021 Framework Highlights
In line with CBE and FRA directives and regulations, CIB has been a forerunner in establishing a governance structure, which was completed in 2021 and evidenced by the establishment of its Sustainability

The **CIB Green Bond Framework** is aligned with the four core components of the Green Bond Principles (GBP) 2018.

department in 2013, the creation of the Sustainable Finance department in 2020, the appointment of CIB's first Chief Sustainability Officer (CSO), and the establishment of the Board of Sustainability Committee in its new form in 2021. The year also saw CIB continue its Sustainability System Building with a focus on its framework architecture and memberships.

CIB's global commitments can be summarized through its KPI monitoring and reporting practices, in adherence with the following standards and frameworks, some of which are set to be implemented during the time of writing:

	Global Reporting Initiative (GRI)
	Sustainability Accounting Standards Board (SASB)
	UNEP-FI Principles for Responsible Banking (PRB)
	Task Force on Climate-related Financial Disclosures (TCFD)
	UN Global Compact (UNGC)
	Equator Principles
	Net-Zero Banking Alliance (NZBA)
	UN Principles for Responsible Investment (PRI)
	Commitment to Financial Health and Inclusion
	Gender Equity Seal
	EBRD Performance Requirements
	IFC Performance Standards

Net-Zero Banking Alliance (NZBA)

CIB became a founding member of the UN-Convened Net-Zero Banking Alliance (NZBA) in 2021. NZBA brings together an initial cohort of 43 of the world's biggest banks with a focus on delivering the banking sector's ambition to align its climate commitments with the Paris Agreement goals with collaboration, rigor, and transparency. With this, CIB is committed to the transition of operational and attributable GHG emissions from its lending and investment portfolios to align with strategies to achieve net-zero by 2050 or sooner.

As a founding signatory of the alliance, CIB was appointed to represent Africa in the NZBA Steering Group, alongside member banks representing diverse geographies and business models. The CEO and Managing Director represents CIB at the principal level, while the CSO holds a representative role. Principal level delegates ensure the strategy is embedded at the heart of organizations, and representative, working-level delegates tackle the commitment's practicalities.

CIB is also co-leading the Outreach and Recruitment Track, a working group that will handle advocacy and capacity building for alliance members, as well as recruitment of additional active members. CIB will be part of the Sector Track, aiming to gain exposure and knowledge exchange among the track members.

Global and Local Sustainability Advocate

CIB Participation in COP26

As Egypt's leading private sector bank and a strong advocate of climate change, CIB was the only Egyptian bank present at COP26 in Glasgow and engaged in active discussions on the hot topic of private-public partnerships for climate finance in the region. CIB co-organized a panel discussion in collaboration with the Egyptian Ministry of Planning and Economic Development and the Ministry of Environment, titled "Public-Private Partnerships for Improved Climate Finance in Africa and the Middle East." The panel was chaired by H.E. Dr. Hala El Said, the Egyptian Minister of Planning and Economic Cooperation. It explored the challenges of financing climate change adaptation in Africa and the Middle East being the most vulnerable areas to the irrefutable impacts of climate change. The panel also explored the tools and policies through which developing countries can access climate finance.

CIB also contributed to another panel titled "Going Green: Developing an International Framework for Innovative Climate Financing", headed by H.E. Dr. Rania Al-Mashat, the Egyptian Minister of International Cooperation, and H.E. Dr. Yasmine Fouad, the Egyptian Minister of the Environment. The events came as part of the Bank's continuous endeavors to adopt best practices in sustainability and support Egypt's Sustainable Development Vision 2030 and global initiatives that accelerate the transition to a green economy.

3rd Annual Forum on Strategies for Transition to Green Economy

CIB participated in Egypt's third annual forum on Strategies for Transition to Green Economy: Sustainable Finance and Green Investment, as the event's sustainable finance partner. The forum, which was held on 14 June 2021, aimed to create opportunities and partnerships between participants interested in achieving sustainable development in the country and helping shift toward a green economy to face future climate risks.

Sustainability Reporting Innovations

CIB's sustainability reporting journey has been transforming and developing at a rapid pace, meeting the urgency and criticality of the subject in today's world. Since becoming one of the first institutions in Egypt to introduce sustainability reporting in 2015, CIB has gradually enhanced its commitment to sustainability across its business, integrating ESG dimensions into its policies, procedures, operations, and culture. 2021 witnessed a breakthrough in CIB's reporting through innovative updates to its reports and disclosure strategy. This year, CIB proudly issued its second Principles of Responsible Banking Impact Assessment, covering the entire business portfolio, its first Sustainability Report to include SASB disclosures, and a comprehensive Ecological Footprint Report that covers the environmental impact of all CIB operations and locations.

2020 Sustainability Report

2021 saw CIB issue its sixth sustainability report, and the first one to include Sustainability Accounting Standards Board (SASB) disclosures, outlining the Bank's continued progress and achievements in its sustainability efforts. By consistently reviewing and reporting on our practices on a yearly basis, CIB can monitor the effectiveness of its approach and identify areas for improvement. The report's focus was the Bank's role in leading Egypt's transition to a green economy, covering everything from environmental and social highlights to sustainable finance, responsible banking, and ESG and PRB strategy implementation.

Key highlight: Sustainability Accounting Standards Board (SASB) Disclosures

Introduced in 2018, SASB Standards comprise globally applicable standards for 77 industries that enable businesses to identify, manage, and communicate financially material sustainability information to their investors. On an annual basis, companies use an evidence-based approach to report on impacts, risks and opportunities related to their operations and portfolios. The number of companies reporting on the SASB Standards increased 136% y-o-y in 2020 to 279.

By assessing and aligning our ESG practices to SASB disclosures, CIB aims to monitor our key material sustainability issues to identify four specific impacts, namely revenues and costs, assets, liabilities, and/or the cost of capital. Those issues are closely tied to resource use, business models, and other factors at play in the financial industry and answers investors' interest along five factors, as per the SASB.

Taking the first steps of addressing those factors, this report reflects CIB practices to address some of the indicators under the five factors at this stage:

- Data security
- Financial inclusion and capacity building
- Incorporation of ESG factors in credit analysis
- Business ethics
- Systematic risk management

Ecological Footprint Report

This year, CIB will broaden its scope in the 2019–2020 report to be the first commercial bank in Africa to report on its ecological footprint. CIB understands that the de-carbonization action plan that it developed and adopted should be based not only on the associated GHG reduction but also account for the land footprint and water footprint reduction to correctly establish the priority actions, desired outcomes, and impacts. We aim to use our newfound knowledge of our ecological impact to better develop more sustainable business scenarios and embed ESG principles into our policies.

An Ecological Footprint Analysis uniquely approaches the issue of sustainability through reference to the overall carrying capacity of the planet. Thus, it can link individual behavior to organizational, regional, and global targets using concepts such as the 'earth share'—the average, sustainable, bio-productive capacity available per person. The ecological footprint indicator is shown to have several advantages: the single index provides for ease of communication and understanding; a variety of goods, activities, and services can readily be assessed and compared; a link can easily be made between local and global consumption; an assessment of sustainability is possible; the relationship between different impacts can be explored; and values are based on ecological realities rather than arbitrary weighings. The annual footprint accounting report also enables CIB to benchmark performance indicators and evaluate progress over time.

Principles for Responsible Banking (PRB) Impact Assessment

The CIB-PRB journey started in 2019, when CIB became a core founding signatory of the United Nations Environment Program – Finance Initiative (UNEP-FI) Principles for Responsible Banking, amongst 130 international banks. The Principles for Responsible Banking are the first ESG principles specifically tailored for the banking sector to encompass social, environmental, and governance practices as part of their day-to-day operations. This year, CIB is celebrating a milestone in its ESG reporting journey, as part of its accountability and pioneering efforts in Sustainable Finance.

The Principles for Responsible Banking define the framework through which banks can ensure their sustainability strategies are aligned with Sustainable Development Goals (SDGs) and the 2015 Paris Climate Agreement. By becoming signatories, banks commit to analyzing the current impact of their portfolios on the economy, society, and environment, setting targets for the most significant impact areas, and publicly reporting on their progress toward the implementation of the six Principles for Responsible Banking and their targets.

In the first year since the signing, CIB worked on all six principles, with a special focus on Principle 1: Alignment, Principle 2: Impact and Target Setting, and Principle 5: Governance and Culture.

Focusing on the impact front, and in alignment with Principle 2: Impact and Target Setting, CIB has followed a staged approach to performing an impact assessment on its portfolio, using the UNEP-FI Portfolio impact analysis tool. In March 2021, CIB performed and published the impact assessment on its Business Banking portfolio as a pilot, then it extended its assessment to two more business lines, namely Corporate and Consumer Banking, with the full comprehensive report to be published in 2Q2022.

Finally, the impact assessment exercise enabled CIB's lines of business to identify their most significant positive and negative impact areas, capitalizing on positive areas and mitigating the negative ones. Following the Impact Analysis exercise, the respective lines of business proceed with Target Setting in order to ensure that both the Loan and Investment portfolios advance Egypt's Vision 2030 through aligning the Bank's targets with those of our national strategy.

Leading with Sustainable Products and Services

Green Finance: The First Corporate Green Bond in Egypt

Despite the challenges brought on by COVID-19, CIB remained resilient and further inclined to advance Sustainable Finance. 2021 was a remarkable year for the Bank, as it issued Egypt's first green bond worth up to USD 100 million in the form of a private placement with the International Finance Cooperation (IFC). The CIB Green Bond Framework is aligned with the four core components of the Green Bond Principles (GBP) 2018, according to the Second Party Opinion (SPO) verified Vigeo.
The bond issuance serves as the latest addition to a suite of environmentally beneficial products to leverage capital market, fixed-income instruments and fund adaptation and mitigation measures. The offering of these climate-friendly securities acknowledges the key role that financial institutions play in economic development and the allocation of financial resources to sustainable economic activities. The proceeds from the bonds will observe UN Sustainable Development Goals (SDGs) numbers 6, 7, 9, 11, and 13, which fall within the materiality of CIB.

The approved green bond pipeline currently includes 10 projects in different industrial sectors for a total of USD 22.6 million, in addition to USD 54 million for CIB's New Capital headquarters building, recording a total volume of approved projects worth USD 76.6 million. This is in addition to existing projects worth USD 70.4 million, leading to a total pipeline of USD 147 million.

IFC Green Bond Technical Advisory Service

In cooperation with the IFC, CIB launched the IFC Technical Advisory Service in October 2021. The Technical Advisory Service provides CIB with employee capacity building programs covering energy efficiency and renewable energy and introduces the IFC Climate Finance Reporting Tools (CAFI). The capacity building program also extends to clients in priority and high potential sectors. Other services include Sustainable Energy Finance product development, LEAD and EDGE certifications, green building financing, and communication support.

Women's Economic Empowerment: Women in Business Program

CIB is focused on tailoring its offerings to the needs of women by utilizing data analytics to incorporate a comprehensive gender segmentation across all our products and services. In 2021, lending to women-owned businesses increased by 63% y-o-y, while our female customer base grew by 186%.

CIB also has a special lending program for Women in Business (WIB), a subsidiary of Super Business Loan program but with higher approved limits and lower risk acceptance criteria to support women in business. The program includes:

- Special lending offers
- Additional discounts with partners of the Bank's non-financial service program
- Free mentorship sessions for our women-led business customers, as exemplified in one of our partners' 10 free mentorship sessions offer
- Sponsoring events that serve women-led businesses in the banking sector, financial literacy, and business solutions

Measuring Business Impact

From assessment to product enhancements

CIB became the first bank in Egypt and the MENA region to complete the Life Cycle Analysis (LCA) of its cards in 2020. The program was driven by a unique in-depth LCA of CIB credit and debit cards, starting from raw material extraction to transportation, use, manufacturing, and safe disposal. The LCA is a comprehensive cradle-to-grave assessment of both our direct and indirect activities, showcasing the Bank's environmental impacts, which allows the opportunity to set an environmental management framework for a range of short- to long-term, high-impact procedures.

Measuring Climate Risk: First Bank in Egypt to support the Taskforce for Climate Related Disclosures (TCFD)

CIB is the first bank in Egypt to join the Task Force on Climate-Related Financial Disclosures (TCFD) and is currently in the process of implementation. The TCFD was established in December 2015 by the Financial Stability Board (FSB) to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, to provide decision-useful information to investors, lenders, and other stakeholders. The TCFD encourages sustainable investments to build a resilient economy in the face of climate-related uncertainties. TCFD is becoming a mandatory requirement by the FRA, which mandates EGX-listed companies to issue ESG and climate change disclosures.

The year also saw CIB complete the UNEP-FI TCFD Capacity Building Program, launched in February 2021. The program was attended by seven Risk team members who are currently well-equipped to implement the TCFD Action Plan.

Evolving from Carbon to Ecological Footprint

Managing Ecological Footprint

CIB is deeply committed to preserving the environment and ecosystem and to promoting and leading the region and the world in corporate sustainability. The Bank believes that there is an obligation to our communities, investors, customers, and the world at large to operate our business sustainably.

In 2018, CIB was the first Egyptian bank to quantify and publish its GHG emissions. A year later, we concluded measurements of all our 186 branches in our first consolidated carbon footprint report, in comparison to our coverage of 52 branches across only two governorates in 2018. An extensive carbon footprint assessment has been conducted for all branches distributed all over the country.

This year, CIB adopted an integrated environmental reporting as part of its quest to sustainability, by releasing its first Ecological Footprint Report covering 2019–2020. The report is proof of the Bank's intention to go beyond standard carbon footprint reporting and transition to integrated environmental reporting, evolving from carbon to ecological. CIB's total carbon emissions associated with operations in Egypt totaled to approximately 51,000 MtCO2e in 2019–2020.

The report serves as a broad and dynamic framework for different types of impact categories. The three key impact categories the report focuses on are land footprint, total amount of land use to provide resources; carbon footprint, total amount of greenhouse gas emissions (GHGs); and water footprint, total amount of directly and indirectly consumed water, including water pollution impact. This type of analysis and reporting is a more comprehensive approach to sustainability that involves assessing an entity's overall impact on the environment.

Reduction Targets

Stemming from our serious commitment to combating climate change and in alignment with SDGs and Egypt Vision 2030, we have decided to update our 2018 reduction targets and set science-based targets according to the Well Below 2 Degrees Scenario (WB2DS) to lead the way for our industry peers and supply chains to keep the momentum. Since the WB2DS is widely seen as the accepted limitation of temperature rise, CIB will be committing to achieving the absolute reduction targets by 2025.

CIB is focused on tailoring its offerings to the needs of women by utilizing data analytics to incorporate a **comprehensive gender segmentation** across all our products and services.

CIB has reduced its carbon footprint from 51,000 mtCO2e to 45,901 mtCO2e. Considering the rapid extension of the Bank's workforce, this represents a 10% reduction in produced Greenhouse Gas (GHG), and CIB has successfully achieved the 2025 WB2D targets in 2020 with a 17.5% reduction on its own operations.

EDGE Certification

CIB is currently in the process of taking the required measures for the EDGE certificate of excellence in design for greater efficiencies for our new headquarters in the New Capital. The measures focus on four main pillars:

- **Lighting:** LED lights, lighting occupancy sensors and separate lighting control, and automatic timer
- **Domestic water:** Flow restrictors and flush control
- **Air conditioning:** Automatic timers and split unit AC system
- **Indoor air quality:** Fresh air and air curtain

Listed in Carbon Disclosure Project (CDP)

CIB has furthered its commitment to environmental transparency by becoming the only Egyptian bank to disclose its environmental impact through the CDP, a global non-profit organization that runs the world's leading environmental disclosure platform. CIB has been disclosing through CDP since 2018. This year, the Bank upgraded its rating and set the benchmark for the regional financial industry in conforming to ESG disclosures, reflecting its integrity and fiduciary duty to its investors and shareholders.

2021 was a remarkable year for the Bank, as it issued **Egypt's first corporate green bond worth up to USD 100 million**, in the form of a private placement with the International Finance Corporation (IFC).

Social Development

As Egypt's leading private sector bank, CIB strives to create a positive impact on the local community. Accordingly, it has undertaken several initiatives to promote inclusive and sustainable development across the country, as well as to provide support to underserved segments of the community through the Bank's corporate social responsibility program, the CIB Foundation, and its dedication to supporting Egyptian squash champions.

Corporate Social Responsibility

This year, CIB implemented various CSR projects and supported initiatives carried out by other organizations. The Bank diversified its community development activities by expanding its scope to include sports, culture, and social welfare. Believing that healthcare is integral to community growth, it was necessary to support different initiatives, not only in Egypt but also in Africa, over the last two years. At the onset of the COVID-19 outbreak, CIB donated EGP 45 million to support the national vaccine drive, and another EGP 25 million was directed toward the local production of the vaccine.

In collaboration with eight other banks under the auspices of the Federation of Egyptian Banks (FEB), CIB supported the Ministry of Housing, Utilities, and Urban Communities' project to build 55 housing units for high-achieving Egyptian students—a project budgeted at EGP 930,000.

In collaboration with the CBE and the Ministry of Trade and Industry, CIB participated in the national 'Old Car Conversion and Replacement' initiative, with a total budget of EGP 2 million, which allows citizens to acquire a new car at prices proportionate with their income level and replaces older diesel-fueled cars with ones running on cleaner natural gas. On the sports and community side, CIB dedicated EGP 8 million to revamping the Aswan Sports Training Center to support talented athletes across the country, an initiative managed by FEB in coordination with CBE and led by the Ministry of Youth and Sports.

On the health front, CIB dedicated EGP 4 million to supporting the new Magdi Yacoub Heart Foundation, Adult Outpatient Department. As the current Aswan Heart Centre has been stretched beyond capacity and is unable to meet the needs and demands for cardiovascular treatment with its current resources, the Magdi Yacoub Heart Foundation developed the Magdi Yacoub Global Heart Centre (MYGHC) in Cairo. The new center will build on the Aswan Heart Centre's legacy of excellence, while tripling the scale of operations and capacity to reach patients in the MENA region, GCC, and Africa and become a regional focal point for innovation.

Social Activities

KidZania

Since the founding of their partnership in 2013, CIB has organized several annual trips to KidZania for underprivileged and special needs children, as well as children with health conditions. The trips provided children with a fun setting in which they learned about different banking operations, such as debit cards, issuing cheques, and depositing and withdrawing money using KidZania's official currency, Kidzos.

Autism International Day/ADVANCE

The Bank continued its sponsorship of the Egyptian Advance Society for Persons with Autism and Other Disabilities (ADVANCE). A number of activities took place in April, including a media campaign to increase awareness about Autism Spectrum Disorder (ASD), as well as highlighting Autism Awareness Week in schools and workplaces from 29 March to 4 April 2021. Other initiatives included organizing a hybrid conference to celebrate World Autism Awareness day at the Ministry of Social Solidarity on 1 April 2021; organizing an art exhibition in collaboration with the Ministry of Culture at the Cairo Opera House from 7 to 12 April 2021 under the theme of 'Baladna Ya Helwa' (Our Lovely Country); and lighting some CIB branches in blue on International Autism Day.

Beena

Beena, an agreement signed between CIB and the Ministry of Social Solidarity, encourages active youth participation in the community and monitors the development of social care services. The Bank has been Beena's main partner and financial sponsor for five consecutive years, and while the agreement ended on June 2021, the initiative successfully attracted thousands of young people across Egypt who volunteered with orphans, senior citizens, and individuals with special needs.

Every Child Deserves to Smile

2021 witnessed the launch of Every Child Deserves to Smile, where CIB brought joy to children this Eid holiday with two donation boxes at two of CIB's headquarters (El Giza and Smart Village). CIB employees spread the joy by donating toys and clothes to children in need, with over 1,000 pieces of clothing and toys donated.

Supporting Squash: Best Bank – Best Players

In 2021, CIB continued to positively impact local communities by strengthening the support for sports in Egypt, as well as nurturing the country's athletic talents. Squash-related initiatives were again at the core of CIB's CSR agenda, and we broadened our support to generate more opportunities and value for a wider community.

At CIB, we recognized early on the true potential of Egypt's squash players, who are not only dominating world rankings but are also completely revolutionizing how the game is played. This year, we extended our support of the sport to capitalize on the traction its players are carrying out globally. We believe that through supporting these talents, more opportunities are generated for Egypt's athletic community and more opportunities are presented to raise Egypt's ranking on the global arena.

Egyptian squash players have entertained worldwide spectators and brought home trophies due to their innovative techniques, and Egypt has produced five number ones in the men's game and three in the women's game in global competitions. As of December 2021, seven Egyptian men and six Egyptian women have made it to their respective world top 10 players list.

The country's dominant position in the game stems from a tight-knit squash community, which embodies the values that CIB strives to instill in its own staff and promote to the wider Egyptian community.

Squash Tournaments

CIB has expanded its squash-related sponsorships to allow for more Egyptian athletes to progress in the PSA world rankings by sponsoring the World's PSA Platinum CIB PSA BlackBall Squash Open 2021 to support our Egyptian stars in one of the most successful international tournaments. CIB, in cooperation with the Karim Darwish Academy, is bringing to Egypt the PSA World Tour Finals for the third consecutive year at the Park, Mall of Arabia, and is thrilled to sponsor the first ever World's PSA Platinum El Gouna International Squash Open 2021. The most notable sponsorship in 2021 was the CIB Egyptian Squash Open Women's and Men's Platinum, which took place for the third consecutive year by the Great Pyramids of Giza and brought together 96 athletes for a total prize of USD 540,000. The tournament made significant tides in both the local and global sporting arenas.

Sponsoring the Egyptian Squash Federation

CIB maintained its sponsorship of the Egyptian Squash Federation for the tenth consecutive year. The Bank also expanded its commitment by providing a series of Four Challenger Tour category tournaments to support young talents to improve their performance and rankings.

Currently, Egyptian players hold the Men's World Team Championship, the Women's World Team Championship, and the Juniors' World Team Championship titles.

Sponsoring Egyptian Athletes

In support of young players leading the world's squash rankings, CIB has tailored special sponsorships to help eleven talented players maintain their rankings and continue representing the country around the world. As of December 2021, the following players were recipients of the sponsorships:

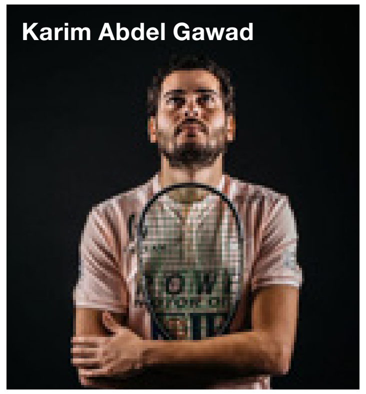
- **Ali Farag: #1** on the Men's PSA World Squash List — Since graduating from Harvard University with a degree in Mechanical Engineering in 2014, Egypt's Ali Farag has established himself as one of the most popular players on the PSA World Tour.
- **Karim Abdel Gawad: #10** on the Men's PSA World Squash List — Giza-born Karim Abdel Gawad has firmly established himself as one of the world's leading players after a breakthrough start to the 2016/17 season. He won the first PSA World Tour event that he participated in, the 2008 Goshen Cup, at the tender age of seventeen and has gone on to rise up the rankings since his maiden title.
- **Tarek Momen: #4** on the Men's PSA World Squash List — Tarek Momen graduated with a BA in electronic engineering from the American University of Cairo before fully committing himself to the sport of squash, where he has gone on to become one of the best players of the generation.
- **Hania El-Hammamy: #4** on the Women's PSA World Squash List — Hania El Hammamy has already made her name in the squash world, becoming the PSA World Tour's most recent first-time major winner, after winning the 2020 CIB Black Ball Women's Squash Open at the tender age of 19. After starring at a number of junior events, such as the British Junior Open, El Hammamy became the first person born this century to win a PSA World Tour title, which came at the 42nd Geneva Open in March 2015.
- **Mohamed Abouelghar: #13** on the Men's PSA World Squash List — Mohamed Abouelghar joined the PSA World Tour in 2009 and lifted his first title at the Royal Jordanian Squash Open in 2010, before going on to become in and around the top 10 of the World Rankings.
- **Marwan ElShorbagy: #7** on the Men's PSA World Squash List — Marwan ElShorbagy is one of only four players to win the World Junior Championships and he has built on his performances in the PSA World Tour. ElShorbagy shot to prominence by securing the under-17 British Junior Open and winning the under-19 event in 2012.
- **Salma Hany: #8** on the Women's PSA World Squash List — Salma Hany gained many admirers in 2012 and 2013 for a number of impressive performances as she captured three tour titles over that period.
- **Fares Dessouky: #9** on the Men's PSA World Squash List — Fares Dessouky has enjoyed a meteoric rise up the PSA World Rankings in recent years. Dessouky turned professional in 2011 and amassed his first PSA World Tour title at the NSA Open.
- **Rowan El Araby: #10** on the Women's PSA World Squash List — Rowan El Araby joined the PSA World Tour in 2016 and went on to lift her maiden PSA World Tour title at the first time of asking at the age of 15. El Araby then won her second tournament when she lifted the Keith Grainger Memorial UCT Squash Open to claim back-to-back titles.
- **Farida Mohamed: #27** on the Women's PSA World Squash List — Farida Mohamed has made her way into the top 50 in the World Rankings as in her first appearance on tour, Mohamed took victory winning the Growthpoint S.A. Open.
- **Nour El Tayeb: #9** on the Women's PSA World Squash List — Nour is one of the most consistent female players on the PSA World Tour and a flamboyant crowd favorite, known for her acrobatic diving abilities.

Partnership with Wadi Degla Clubs' Darwish Squash Academy

CIB continued its partnership with Wadi Degla Clubs to support young Egyptian squash athletes by developing their skills and enhancing their international rankings. The partnership is part of the Bank's strategy to support up-and-coming talents from the ground up. CIB sponsors Wadi Degla athletes Nouran Gohar, Ali Farag, Hania El Hammamy, Rowan El Araby, and Karim Abdel Gawad.

Nouran Gohar, #2 on the Women's PSA World Squash List — nicknamed 'the Terminator', took over the World #1 spot in July 2020. She lifted her first tour


Ali Farag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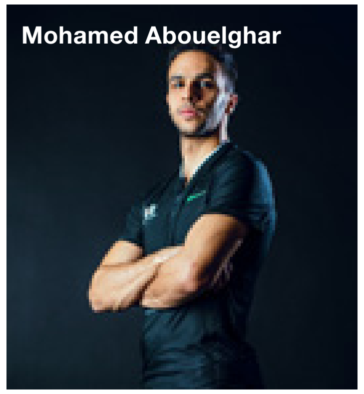
Tarek Momen


Hania El-Hammamy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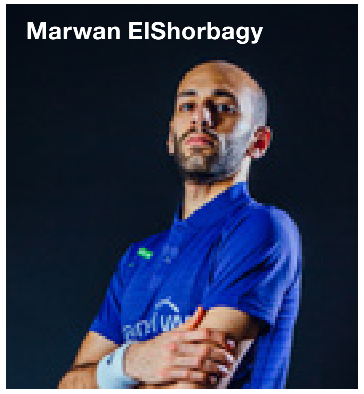
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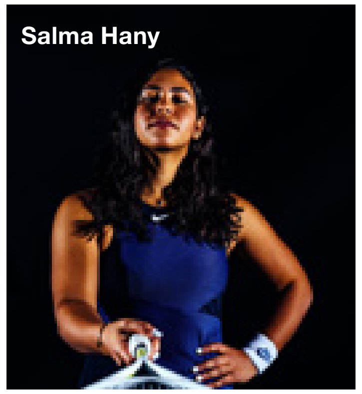
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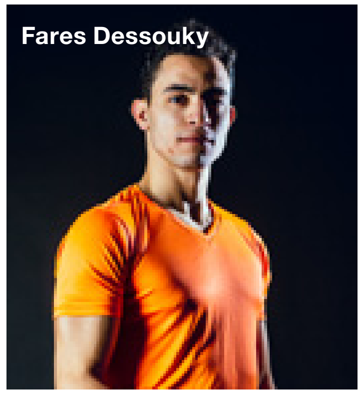
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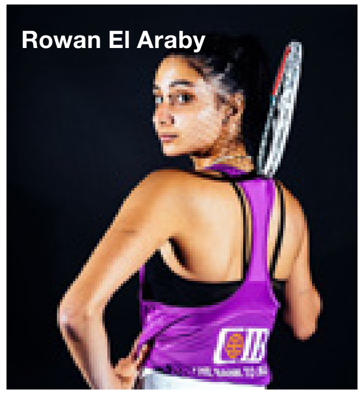
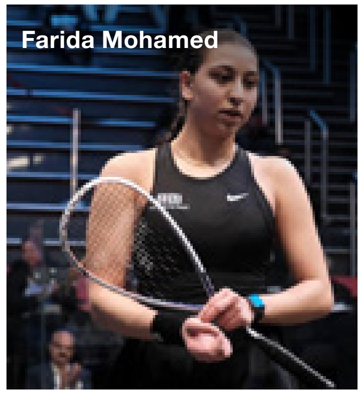

Rowan El Araby


Farida Mohamed


Nour El Tayeb

11

world ranking Egyptian squash players sponsored.

title at the Prague Open in December 2013 where she played at just 16 years of age.

CIB Foundation

CIB Foundation is dedicated to improving health-care and nutrition services extended to children of underprivileged families with limited access to quality healthcare. Its efforts include not only donations, but also the monitoring of projects' impact. In addition to the direct donations made to its fundraising account, the Bank supports the CIB Foundation with 1.5% of its annual net profit. With a vision to ease the burden on families in need, the CIB Foundation works with private, public, and non-governmental healthcare providers that offer free-of-charge services to ensure the widest community reach and to maximize the value of its work through achieving positive and sustainable results.

New Projects

57357 Fighters

Maintaining the longstanding partnership between 57357 and CIB Foundation, and to cover the increases in the cost of treatment, CIB Foundation allocated a fund amounting to EGP 30 million to be utilized in supporting the annual diagnosis and treatment costs provided by the hospital, such as conducting medical tests, examinations, chemotherapy, radiotherapy, immunotherapy, etc. This fund served 7,000 children in 2021. The full amount was disbursed in 2021.

Furthermore, the foundation also allocated EGP 4 million to fund key activities for the hospital's Cairo and Tanta branches, including pathology, blood banks, radiology laboratories, medication, radio-therapy, nuclear medicine, and supplies. The total amount was disbursed in 2021.

One Heart

CIB Foundation allocated EGP 24.46 million to fund NICU and PICU with new state-of-art equipment. Since its inauguration, Al Nas Hospital, managed by Al Joud Foundation, has been a strategic partner for the CIB Foundation; the hospital operates in line with international standards, and the two units will serve approximately 2,000 children annually and offer their services free of charge to underprivileged communities.

A Warmer Winter

Building on the fruitful and continuous cooperation between the CIB Foundation and Egyptian Clothing Bank, the Board approved a budget of EGP 12.6 million to fund the eighth round of collaboration, which seeks to supply children across all 27 governorates with warm clothing during the winter months. The funding and manufacturing of 70,000 winter training suits and 70,000 pair of shoes will be distributed among children in underprivileged areas across the country. The full amount was disbursed during 2021.

A Step for Life

The Board approved EGP 12.8 million in January 2021 to establish a specialized center for psychological, physiological, and social rehabilitation of children with disabilities in Beni Suef University to integrate them into society, in collaboration with the Awad Charity Foundation. The Outfitting of Rehabilitation Center will include a pediatric rehabilitation unit, a psychomotor room, and an electromyography unit, which are expected to serve 20,000 children annually.

Faculty of Medicine – Al-Azhar University in Assuit: Establishing the Cochlear Implant Unit

The CIB Foundation allocated EGP 5 million to establish a cochlear implant unit at the Faculty of Medicine, Al-Azhar University in Assuit, since the cases that require this type of surgeries are on the rise. In certain cases, hearing aids do not achieve any results for children with hearing impairment, and the only solution to prevent hearing loss is to perform a cochlear implant surgery. This unit is expected to serve 500 children annually.

Little Smiles

The CIB Foundation allocated a budget of EGP 3.35 million to establish a general anesthesia unit in the Faculty of Dentistry in Beni Suef University. In the dental field, it is difficult to operate using only local anesthesia on children and toddlers; it is even harder when the patients are of special needs. Therefore, this necessitates that pediatric dentistry clinics have a general anesthesia unit. The project is expected to serve 1,000 children annually.

Superstars are Born from Scars

The Board allocated EGP 32.78 million to fund its third collaboration with the Ahl Masr Foundation needed for outfitting the pediatric floor in Ahl Masr Trauma and Burn Hospital. This collaboration comes in response to a severe shortage in medical care for burn victims across Egypt. It is expected to serve around 3,500 children annually.

Children Without Risk

Building on the successful collaboration with the Garden City Cosmopolitan Lions Club, the Board approved EGP 7.5 million to establish a fully equipped open-heart surgery room for children in Mabara El Maadi Hospital. It will provide health care to children with congenital heart defects and those who suffer from heart complications. This project is expected to serve approximately 720 children each year.

Our Kids Our Future

The Board approved the allocation of EGP 7.69 million to fund a project in partnership with Ibrahim A. Badran Foundation. 48 convoys will take place in underprivileged areas in Beni Suef, led by a team of qualified doctors to offer examination and treat-ment to the children in schools and health centers in the area. The project aims to serve 65,000 children annually. A total amount of EGP 3.85 million was disbursed during 2021.

Golden Smile

The Foundation granted Suez Canal University Hospital EGP 1.8 million to purchase an outfitted mobile dental clinic. It will be able to reach children living in the poverty-stricken areas in orphanages and children with special needs. The Mobile Dental clinic includes a Mobile Clinic (Vehicle), Medical Equipment (Dental Unit, Autoclave, X-Ray machine, and more) as well as Non-Medical Equipment (Air Conditioner, Cabinet, Mini Bar Fridge, and more). It serves 600 children annually.

Healing Hands

The CIB Foundation allocated a budget of EGP 290,000 to fund the purchase of an ECG stress test system in Cairo University Hospitals. The system will enable the medical team to better assess the situation of patients and set the appropriate treatment plan; this will help better diagnose and treat children with birth defects, valve diseases, cardiomyopathy, and pulmonary artery hypertension. It will serve 1,500 children annually.

At CIB, we recognized early on the **true potential of Egypt's squash players,** who are not only dominating world rankings, but completely revolutionizing how the game is played.

Their Care…Our Responsibility

As a part of CIB Foundation's longstanding partnership with Yahiya Arafa Children's Charity Foundation, the Board approved an allocation of EGP 5 million to fund the annual operating costs of Ain Shams University Hospital's pediatric congenital heart defect unit, pediatric heart surgery unit, women and obstetrics hospital's neonatal unit, children's hospital's pediatric surgery unit, and the children's hospital's neonatal unit, which will serve 14,500 children annually. The full amount was disbursed in 2021.

Strong Hearts…Stronger Future

The Aswan Heart Center

Building on the longstanding partnership between Magdi Yacoub Foundation and CIB Foundation, the Board allocated EGP 30 million to fund 200 open heart surgeries, to be performed in the Aswan Heart Center, and to purchase 345 catheterization lab consumables. A total of EGP 15 million was disbursed this year.

The New Global Heart Centre in Cairo

According to the data from Aswan Heart Centre (AHC), the center performs around 4,000 surgical and cardiac procedures (2,400 children) annu-ally under international standards. However, due to the ever-increasing demand, AHC is able to address only a small number of all the complex and critical cases. To improve access to care and meet the demand for cardiac care within Egypt, Magdi Yacoub Foundation's board has decided to establish the Magdi Yacoub Global Heart Centre in Cairo (MYGHC). The facilities in the new center will enable the medical teams to treat up to 12,000 patients per year, a three-fold increase on their current capacity.

CIB Foundation sponsored EGP 35 million over three years to establish a pediatric catheterization lab that allows doctors to perform minimally invasive tests and procedures on patients with various heart conditions. The catheterization lab dedicated to the treatment of pediatric patients will see around 960 children per year.

The Dream of the South

The CIB Foundation allocated a total budget of EGP 9.2 million to fund the outfitting of the pediatric neurosurgery department at Aswan University Hospital aiming to establish a center of excellence in Upper Egypt by establishing inpatient care, an intermediate care unit and ICU, which will serve 800 children annually. A total amount of EGP 4.34 million was disbursed during 2021.

Our Differences…Our Strength

In line with the Foundation's commitment to supporting children with special needs, CIB Foundation allocated a budget of EGP 1 million to the National Foundation for Family and Community Development to outfit the sensory, psychomotor, and occupational therapy rooms in the Asmarat Center to improve the sensory and motor skills of disabled children, especially children with autism, which is expected to serve 250 children annually.

Heal a Child…Change the World

The CIB Foundation allocated a total budget of EGP 2.17 million to support the annual operating costs for two residence facility shelters, October and Imbaba, operated and supervised by Abnaa Al Ghad Foundation – Banati. The two shelters provide various types of protection and support for children at risk, including children who spend most of their time in the streets and children deprived of family care, which will serve approximately 200 children annually. In 2021, a total amount of EGP 622,000 was disbursed.

Our Children's Health

Under the umbrella of the presidential initiative Hayah Karima, launched to support Egyptian children's physical and mental health, this initiative aims to raise the level of knowledge and awareness to enable Egyptian children to become well-capable citizens in the future. CIB Foundation allocated EGP 10.91 million to fund the operating costs of medical convoys that will reach poverty-stricken areas in Al-Waqf, Qena Governorate, in 27 elementary schools and 15 middle schools. These medical convoys will provide comprehensive medical services to those underprivileged children in many fields, such as ophthalmology, general pediatrics, anemia and stunting, diabetes and others. The convoys will also provide the necessary medications, tests, and surgeries if needed. The full amount was disbursed in 2021.

Epidermolysis Bullosa (EB) Patients – Yasmin El Samra Foundation

Epidermolysis Bullosa (EB) is a genetic rare skin disease caused by the absence of VII collagen that attaches the skin layers together. This disease causes the skin to be fragile and contain blisters. The exact prevalence of (EB) is estimated to affect 1 in 40,000 people. In this regard, CIB Foundation allocated EGP 1 million to support the remedy of EB patients.

Ongoing Projects

Children's Right to Sight Program

CIB Foundation allocated EGP 1 million to cover 177 surgeries as part of the Children's Right to Sight (CRTS) program, in collaboration with the Rotary Club of Kasr El Nile, to help eradicate the causes of blindness in children and infants. The project was completed, and a total amount of EGP 0.93 million was disbursed in 2021.

Strong Hearts…Stronger Future

Building on the longstanding partnership between Magdi Yacoub Foundation and the CIB Foundation, the Foundation allocated EGP 20 million to fund 100 pediatric open-heart surgeries and purchase catherization lab consumables for 350 children. A total amount of EGP 5 million was disbursed in 2021.

Their Care…Our Responsibility

As part of the Foundation's longstanding partnership with the Yahiya Arafa Children's Charity Foundation, the Board allocated EGP 6 million to fund the annual operating costs of five pediatric units in the Ain Shams University Hospital, supervised and managed by the Yahiya Arafa Children's Charity Foundation. The units are a congenital heart defect unit, pediatric heart surgery unit, women's obstetrics hospital's neonatal unit, children's hospital's pediatric surgery unit, and the children's hospital's neonatal unit. The Board also allocated EGP 3 million for equipping the units, which will serve around 14.5 thousand children annually. The amount disbursed during 2021 is EGP 0.65 million.

57357 Fighters

On the grounds of its longstanding partnership with the Children's Cancer Hospital 57357, the Foundation allocated EGP 30 million to establish the Digital Pathology Lab at the hospital. The Lab will use computer-based technology to generate information from digitized specimen slides.

The specimen glass slides (conventional) are converted into digital slides that can be electronically shared and analyzed using a computer software. This piece of technology will increase diagnosis efficiency by rendering faster results and reducing human error. The automated lab is expected to benefit approximately 7,000 children annually. A total amount of EGP 27.07 million was disbursed in 2021.

Children Without Virus C Program

In collaboration with the Egyptian Liver Care Society, the Foundation dedicated over EGP 5.1 million to fund the Children Without Hepatitis C program. The fund covers medications, blood tests, x-rays, medical staff training (doctors and nurses), and awareness sessions for infected children and their families. In 2021, a total amount of EGP 325,000 was disbursed.

Strong Teeth…Better Health

CIB Foundation allocated EGP 90,000 to support the operating expenses of the Maxillofacial Unit, which provides treatment for children across the country and is one of the few providers of specialized procedures. Before the center's establishment, children were treated in the general prosthodontics area with adults. In 2021, a total amount of EGP 45,000 was disbursed.

For a Better Life

Building on its longstanding partnership with the MOVE Foundation, the Board approved EGP 1.39 million to cover 50% of the annual operating costs of the Foundation. The operating costs will enable MOVE Foundation to provide free services to 100 children in need. The annual operating costs cover staff salaries, maintenance work, children's transportation, stationery expenses, as well as utility bills. During 2021, a total amount of EGP 1.35 million was disbursed.

Healthy Children

In 2019, the Board allocated EGP 3.38 million to launch two mobile clinics providing comprehensive medical services, including pediatrics, ophthalmology, and internal medicine to children in remote areas of Upper Egypt in collaboration with Raie Misr Foundation. The clinics will provide the children with checkups and medical referrals for specialized cases and medication. The clinics are expected to examine more than 96,000 children each year. In 2021, a total of EGP 1.13 million was disbursed.

Gift of Life

In light of the successful collaboration between CIB Foundation, Rotary Club of Giza Metropolitan, and El Kasr El Eini Hospital, the CIB Foundation allocated EGP 4.5 million to fund the third round of 100 open-heart surgeries to be performed in El Kasr El Eini Hospital to reduce the number of children on the waiting lists and alleviate some of the financial burden on the hospital. During 2021, CIB Foundation disbursed EGP 644,000.

Our Differences...Our strength

In line with the Foundation's commitment to support children with special needs, CIB Foundation allocated a budget of EGP 6.87 million to establish clinics; rehabilitation centers for cerebral palsy; and audio and mental measurement in five rehabilitation centers in Cairo, Giza, and Helwan under the umbrella of The National Foundation for Family and Community Development. This project is expected to serve approximately 1,000 children annually. EGP 3.55 million were disbursed during 2021.

Healing Hands

The Foundation allocated EGP 11.6 million to equip Cairo University Hospitals with a state-of-the-art CT Scanner (128-slices) to detect congenital defects and tumors in the nervous, motor, digestive, urinary, and reproductive systems, along with examinations of heart arteries. The device is expected to provide scans for 6,000 children each year. A total amount of EGP 5.24 million was disbursed during 2021.

For a Better Childhood

The Board approved a budget of EGP 1.91 million to fund 50% of the annual operating costs of the pediatric and neonatal ICU sections of Benha University hospital, which were outfitted though a fund from CIB Foundation. The two units serve about 3,500 children in Qalyubia region annually. This fund will ensure the project's sustainability and maintain the highest level of service provided to the children in both units. A total amount of EGP 477,000 was disbursed this year.

One Heart

CIB Foundation allocated EGP 10 million to cover 100 pediatric open-heart surgeries to reduce the number of children on the waiting lists and relief some of the financial burdens of the hospital. The hospital, which is managed and operated by Al Joud Foundation, is located in Shubra El Kheima and operates in line with international standards. The hospital offers its services free of charge to underprivileged children. During 2021, a total amount of EGP 5 million was disbursed.

Children Without Risk

The Board approved EGP 3.95 million to outfit a Pediatric Intensive Care Unit in Mabara El Maadi Hospital in collaboration with Lions Club Garden City. The Club financed the construction and fishing works of the unit and the Foundation will outfit the unit with the latest medical equipment. A total amount of EGP 3.94 million was disbursed in 2021.

We Can Live Together

In collaboration with the True Light Society Association, which seeks to integrate children with visual disabilities into society, the Foundation allocated EGP 1.23 million to fund the project. The project's integration aims to culturally and athletically assist visually impaired children in their general life needs and to incorporate visually impaired children into the public schooling system. Equipment provided by the Foundation include Braille typewriters and books, visual assistants, school supplies, and others. Training programs are also made available for the children and their parents. This project will benefit 470 children with visual impairments. During 2021, a total amount of EGP 267,000 was disbursed.

A Journey of Hope

In collaboration with Nile of Hope Foundation and in the pursuit of establishing a center of excellence in the greater Alexandria region to treat children with congenital defects, CIB Foundation participated in establishing a pediatric radiology department in the hospital by purchasing a Closed MRI Machine (1.5T) with a total of EGP 20.30 million. The MRI will assist in detecting and inspecting children congenital anomalies syndrome, structural or functional defects present at birth that may lead to physical or mental disabilities. This project is expected to scan approximately 4,000 children annually. A total amount of EGP 8.11 million was disbursed during 2021.

A Vision to the Future

In April 2019, The Board approved a budget of EGP 4.63 million to outfit the pediatric ophthalmic clinic at Alexandria University Hospital, considered to be a center of excellence that serves underprivileged families in the Alexandria and Delta regions. This initiative is expected to benefit 8,750 children each year. A total amount of EGP 157,000 were disbursed in 2021.

A Journey of Healing

The Foundation Board allocated EGP 11.77 million in April 2020 to outfit the pediatric department in the Shifaa Al-Orman Hospital in Luxor. The new department allows children to obtain the required chemotherapy and radiotherapy without the need to travel long distances, considering there are a few specialized centers in treating children with cancer in Upper Egypt (in most cases, children have to travel to Cairo). The travelling does not only constitute a great health hazard on the patient but also places a great financial burden on the families. The pediatric department is expected to serve around 900 children annually. A total amount of EGP 9.33 million was disbursed in 2021.

Going Miles for Their Smiles

As part of CIB Foundation's mandate to support the children in need, the Board allocated EGP 1.85 million to support the annual operating costs to FACE for Children in Need to cover a part of their medical services and care provided to orphans in Maadi Home, which hosts 50 children. In 2021, a total amount of EGP 463,000 was disbursed.

Our Children's Health Is Priceless

In 2019, the Board allocated EGP 14.75 million to establish a pediatric surgery unit at the South Valley University Hospital, which serves many governorates in Upper Egypt and the Red Sea. The unit will be equipped with state-of-the-art facilities, including a surgical theater, a pediatric ward (eight beds), an ICU (two beds), and a diagnostic unit. The hospital, one of a few in the region, will work to minimize the risk of traveling for critically ill patients and to increase the capacity of the Emergency and Accidents Department to operate on 600 children instead of 150 each year. During 2021, a total amount of EGP 14.65 million was disbursed.

The Right to Live Upright

In collaboration with Assuit University Hospital, CIB Foundation will fund establishing a specialized center in treating children with spine problems and deformities.

CIB Foundation allocated EGP 4.48 million to purchase surgical equipment to perform the complex and minimally invasive surgical procedures with the highest quality and precision. This unit will enable the hospital to serve 104 children annually. The full amount of EGP 2.7 million was disbursed in 2021.

Touch of Hope

Building on the previous successful collaboration between CIB Foundation and Sporting Students Hospital, the Foundation allocated EGP 4.1 million to establish an advanced pediatric cardiac operating room with the capsule system. Through this operating room, it is expected that the hospital operates on 288 children annually while ensuring the highest levels of sterilization and hygiene. In addition, the capsule operating room will enable the hospital to perform minimally invasive and highly advanced surgeries with the utmost accuracy according to international standards. This project will contribute to decreasing the number of children on the waiting lists for pediatric cardiac surgeries.

For a Better Eye Sight

The Board allocated EGP 3.07 million to support the establishment of a specialized pediatric eyes center in the Memorial Institute for Ophthalmic Research, Giza. The fund will be directed to outfit the outpatient clinics and will work to help eradicate the causes of blindness in children and infants. Additionally, the outpatient clinics in the Pediatric Eyes Center enable the Institute to provide specialized services tailored for children, as they are currently diagnosed and treated with adults. The specialized center will be able to extend its services to more children from Giza suburban areas, Upper Egypt, and the Delta region. The expected number to benefit from this project is 12,000 children per year.

Kidney Care and Cures

In April 2019, The Board allocated EGP 16 million to expand and outfit Sohag University Hospital's pediatric dialysis unit. As the largest unit serving children with kidney diseases in Upper Egypt, there was a pressing need for the hospital to expand. The new dialysis unit features an ICU, a plasma separation room, 16 new dialysis machines, and a central delivery system that will lower infection rates. It is expected to serve approximately 5,000 children each year.

CIB Foundation funded 50% of **the annual operating costs of the pediatric and neonatal ICU sections** of Benha University hospital.

A Bridge of Knowledge

The Foundation will fund a five-year education and training program for 150 staff members of the Ain Shams clinical team—including doctors, nurses, and technicians—in partnership with Great Ormond Street Hospital for Children (GOSH) in London. This initiative follows the upgrade of the hospital's facilities and equipment in line with international standards.

Following the program, Ain Shams University Children's Hospital is expected to double its capacity and serve an additional 67,000 children each year, along with enhancing its overall level of care.

GOSH is an international center of excellence in pediatric care, globally recognized as one of the few world-class hospitals for children suffering from rare, complex, or multiple conditions. The emphasis on education and training is key to the delivery of improved patient outcomes. GOSH trains more pediatric specialist doctors than any other center in Europe and has Europe's largest pediatric nurse education program. It will work with Ain Shams University Children's Hospital to deliver bespoke education and training, with a specific focus on pediatric/neonatal intensive care and hematology/oncology.

Kids on Wheels

In line with the Foundation's commitment to supporting children with special needs, the Board allocated EGP 4 million in April 2019 to provide 100 children with wheelchairs, in cooperation with the Al-Hassan Foundation for Differently Abled Inclusion. These wheelchairs, designed for permanent users, are tailor-made in Germany based on each child's needs. Each wheelchair can serve the

5 EGP/MN

disbursed to Magdi Yacoub Foundation in 2021

child for five years, after which the Foundation may redistribute to other children or make use of the chairs as spare parts. The project was completed in 2021, and a total of EGP 1 million was disbursed.

Super Smile

CIB Foundation allocated EGP 1.25 million to fund 50 cleft lip and cleft palate surgeries to be performed in Ain Shams University Hospitals. Rotary District 2451 has noticed during their medical convoys that this congenital/birth defect is evident in Upper Egypt. Since these defects affect the child's appearance and constitute speech difficulties, these defects hinder children from living a normal life.

New Children's Hospital in Alexandria

In 2020, CIB Foundation approved EGP 60 million to outfit of The New Children's Hospital in Alexandria. The hospital is expected to serve around 1,200 children annually during the first phase, reaching its full capacity (3,600 children annually) after two years. The fund was allocated to purchase medical equipment and medical furniture, as well as to finance the medical finishing and electro-mechanical works for the following units and areas: emergency rooms, two surgical theatres, anesthesia and recovery rooms, five pediatric cardiac care units, reception, waiting areas and service, a catheterization lab, 20 inpatient rooms, 16 neonatal ICUs, and 10 pediatric ICUs. The project will have a direct impact on reducing the mortality rates of newborns, infants, and children in the Greater Alexandria region and its surrounding governorates. The full amount was disbursed.

EGP 1.25 million allocated to fund **50 Cleft Lip and Cleft Palate Surgeries** to be performed in Ain Shams University Hospitals.

The CIB Foundation continues to honor **its longstanding commitment** to bettering communities around Egypt.

Corporate Governance

CIB's undeniable leading position in the private banking sector has always been a drive to adopt the international best practices of corporate governance. The governance framework seeks to drive long-term value for shareholders, employees, and other stakeholders through robust implementation of sound governance practices. It is anchored with a distinguished group of independent non-executive directors (NED), as well as its competent board committees and experienced management team. A set of internal policies and processes are designed to provide effective internal control within the Bank and assist the Board and senior management in making the proper decisions.

The Bank's corporate governance practices aim at promoting overall transparency while explaining the rationale behind the decision-making processes and insights into the formation of the Board of Directors (BOD), their related committees, their responsibilities, Executive Management, and financial performance.

CIB strongly believes in the importance of effective governance and stakeholder engagement, particularly in such challenging times of the pandemic, which is key to CIB achieving its purpose and to the successful delivery of its strategy.

CIB's governance structure consists of a strong independent Board of Directors with a wide range of expertise, competent board committees, a professional and highly-skilled management, transparent processes and reporting through its internal control departments (Risk, Compliance, Internal Audit, Corporate Governance, and Legal), in addition to objective and unbiased assurance performed by its external auditors. The BOD and executive management believe that corporate governance is an essential element to enhancing shareholder confidence, specifically that of minority shareholders and stakeholders. Indisputably, investors' outlook about the Bank is enhanced by increasing the level of transparency of ownership and control.

The Bank's governance framework focuses on the clear segregation of duties and responsibilities of the BOD and those of the senior management, the reporting mechanism of the internal control departments, the independence of external and internal auditing, cooperation with supervisory and regulatory authorities, and the assurance of the disclosure and transparency of information. The framework also ensures that timely, transparent, and accurate disclosures are made available with respect to material information regarding the Bank, its ownership, operations, and financial performance. It ensures the implementation of sound environmental management systems and elevates the Bank's corporate social and environmental responsibility. It also advocates the equal treatment of all shareholders with sound protection of their voting rights.

Governance policies are designed to promote a corporate culture that emphasizes building trust with key stakeholders and to provide effective internal control within the Bank.

Using best practices as its foundation, CIB's Code of Corporate Governance outlines the role and composition of the Board of Directors, relationships with shareholders and executive management, the role of the internal control departments, reporting transparency, and information disclosure with an aim of protecting shareholder investments and fostering a culture of integrity, accountability, and confidence. The code sets forth the governance policies and procedures.

The Code of Conduct articulates the values that the Bank wishes to foster in leaders and employees, in line with CIB's core values and, in doing so, defines the desired behavior expected from all employees, providing a comprehensive frame of reference regarding their rights and duties toward the Bank. The code reinforces the importance of conducting business within the framework of professional standards, laws, and regulations, together with our own policies and procedures. It also further enshrines the principles of equal employment opportunity and gender equality, encourages collaboration and innovation, and fosters a sense of care, integrity, and responsibility.

The Conflict of Interest policy demonstrates the Bank's commitment to maintaining the highest level of probity and integrity amongst its workforce. It helps ensure the Bank has a process in place when actual or potential conflicts of interest arise between the Bank and its employees' personal, professional, or business interests. The policy outlines procedures and provides guidance on how to identify, disclose, manage, and mitigate conflicts of interest within the Bank's operations, organizational structure, reporting lines, and transactions. It aims to protect the Bank's interest and decision-making process by preserving the integrity and reputation of the Bank, its employees, and the BOD.

The Staff Issues Committee handles staff complaints related to the Code of Conduct and the Performance Management. It is a communication channel for employees to express their queries, complaints, and any work-related issues to an unbiased body.

The Disclosure policy ensures that the Bank's information is disclosed to the public, investors, employees, customers, and other stakeholders in a timely, accurate, complete, understandable, and convenient manner. It helps establish and maintain effective engagement with existing shareholders and potential investors by increasing their confidence and satisfaction in the credibility and accessibility of the Bank's information. The policy promotes desirable transparency practices and aims to minimize the risks of violating relevant laws and regulations in relation to communicating information to the investing public and regulators of the capital and financial markets.

Together with the Bank's bylaws, as well as the charters of the Board and Board committees, this comprehensive set of policies guarantees CIB's fostering of a sound governance culture and the effective implementation of a strong governance framework exemplified by each of the Bank's board members' firm leadership, excellence, and great vision. CIB's competent executive management team plays an outstanding role in executing the governance strategy of the Bank through the effective implementation of the Bank's policies and procedures, executing the Bank's strategy set by the Board, and ensuring the clarity of goals and objectives of the respective LOB functions, while directing their activities in alignment with the Bank's policies and regulations.

Board of Directors

The Board aims to promote CIB's long-term success, deliver sustainable value to shareholders, and promote a culture of integrity, transparency, trust, and respect among its stakeholders, while performing its duties with entrepreneurial leadership, excellence, and in good faith.

CIB's Board is comprised of a majority of independent non-executive directors. Led by its non-executive Chairman, the Board is primarily responsible for providing a sound base for good corporate governance in the operations of the Bank, setting the Bank's strategic objectives, and providing oversight of senior management, ensuring the effectiveness of the Bank's internal control systems, managing risk, and securing CIB's institutional reputation and long-term sustainability.

The Board ensures the Bank's accounts and financial statements are fair, balanced, and understandable and provide information necessary to shareholders to assess CIB's position, performance, business model, and strategy.

The Board liaises with and supports the internal control functions of the Bank and constructively uses outcomes and reports received by these functions to take the necessary corrective actions. It ensures the clear segregation of the roles and responsibilities of the internal control functions so that each function is able to communicate directly and independently with the Board and senior management.

The Board ensures the Bank has the proper focus on risk, reviews the Bank's risk appetite as proposed by executive management, and constantly monitors the risk profile in relation to such appetite to ensure the proper mitigation of all possible risks.

It forms the respective Board committees that assist the Board in taking over and fulfilling its responsibilities, approves their respective charters, and evaluates the effectiveness and contribution of these committees on an annual basis in light of their respective charters.

The Bank's board structure complies with the local prevailing regulations and international best practices and allows for the position of a lead director. The strength of our Board is a product of the variety of our directors' experience, diversity, differing perspectives, and institutional knowledge. We are committed to maintaining independence and fostering diversity in terms of gender and nationality on our Board. As a result of this commitment, 25% of our directors are women and 88% are independent NEDs, according to the latest Board structure.

Changes to the Board of Directors During 2021

On 8 March 2021, Mr. Tarek Rouchdy joined CIB's Board of Directors as an independent NED as approved by the Central Bank of Egypt (CBE). Mr. Rouchdy brings a wealth of knowledge and experience in internal audit, controls, and risk management. He currently manages his consulting firm and is a Commissioner of the UK's Independent Commission for Aid Impact.

On 24 June 2021, and pursuant to a decision approval by CBE, Mr. Hussein Abaza was granted the responsibility to serve as the Bank's CEO and Managing Director.

CIB's Board of Directors currently consists of eight members who possess an appropriate balance of experience, competencies, and individual qualifications. These collective qualities give the Bank a distinct competitive edge. Over the course of 2021, CIB's Board of Directors met 14 times, 12 of which were conducted via video conferencing, and two meetings attended in person by the directors who were present in Cairo, with directors residing abroad joining via video conference in view of the prevailing preventive measures due to the COVID-19 pandemic.

Board Committees

Backed by an experienced executive management team, CIB's highly qualified Board of Directors is also supported by specialized board committees. Committees are chaired by the NEDs, who brief the Board on major points raised by their respective committee. Such briefings enable the members of the BOD to carry out their duties in an effective manner. CIB's BOD has six standing committees that assist in fulfilling its responsibilities. Each committee operates under a written charter that sets out its responsibilities and composition requirements and reports to the Board on a regular basis. Separate committees may be set up by the BOD to consider specific issues when the need arises.

Board Audit Committee

Responsibilities: The Audit committee was established to provide oversight over the integrity of the Bank's financial reporting process, the effectiveness of the Bank's internal control systems, and its compliance with all statutory requirements. The committee is also responsible for overseeing and reviewing the performance of the Bank's Internal Audit and Compliance functions, as well as the work of the Bank's external auditors, to ensure the independence and objectivity of each, in addition to the quality of the applied outputs.

2021 Audit Committee Highlights:

Oversight of the Financial Reporting:
During 2021, as mandated in its charter by the Board, the Audit committee reviewed the financial statements and its notes and discussed them with the relevant Bank officers and external auditors, receiving assurances that the financial statements fairly presented CIB's financial position and complied with regulatory (CBE and FRA) directives and reporting standards. This is in addition to the 2020 IFRS statements.

Meetings were held inviting the Bank's CEO and Managing Director, Acting-Chief Risk Officer, CFO, Chief Audit Executive, Chief Compliance Officer, external auditors, and all required stakeholders.

Effectiveness of the Bank's Internal Control System:
The Audit committee monitored the effectiveness of the Internal Audit Department, approving its annual work plan, discussing utilization of its resources, while also taking into account the impact of the COVID-19 pandemic on its day-to-day operations. The committee also discussed audit engagement reports regularly, addressing measures taken to remediate identified deficiencies.

The committee also discussed the proposal for the fee agreement with external auditors for the 2021 financial year.

Compliance:
The committee discussed policies, controls, and procedures related to compliance, combatting money laundering, and preventing financial crime. The committee took note of whistleblowing issues, discussing material whistleblowing cases, enhancements to whistleblowing arrangements, and plans for periodic updates to the committee. It also regularly discussed customer protection unit updates.

The committee met eight times in 2021. In light of the COVID-19 pandemic, meetings were held virtually as per the Central Bank of Egypt's regulations.

Chairperson
Mr. Tarek Rouchdy

Members
Mrs. Magda Habib, Mr. Paresh Sukthankar

Board Risk Committee

Responsibilities: The Risk committee assists the BOD in carrying out its duties related to Risk Management oversight, concurs on all Risk Policies, and makes the necessary recommendations to the BOD for resolution. The committee's role includes assisting the BOD in the organization's governance and exercising due care and diligence in relation to the risk management framework and processes for all financial and non-financial risks.

> CIB strongly believes in the **importance of effective governance and stakeholder engagement,** particularly in the challenging times of the pandemic.

2021 Risk Committee Highlights
The committee reviews forward-looking risk reports for both financial and non-financial risks, advising them with the main challenges. The information provided is comprehensive and covers items such as risk appetite, portfolio quality, balance sheet highlights, stress testing, capital adequacy ratio coverage, value-at-risk analysis, as well as other risk reporting analytics. The committee reviewed and concurred the annual ICAAP report through which it ensures adequate, current, and future capital requirements.

During and following the pandemic, the committee ensured that the Bank's liquidity, along with other financial and non-financial risks, remained stable. The committee also reviewed and challenged the Expected Credit Loss (ECL) calculation, and was confident of the Bank's relatively better and more stable portfolio quality and healthy coverage ratios. The committee also reviewed the new corporate lending rating model methodology, as well as all other risk related action points.

The committee met 13 times in 2021.

Chairperson
Mr. Jay-Michael Baslow

Members
Dr. Amani Abou-Zeid, Mr. Paresh Sukthankar

We are committed to **maintaining independence and fostering diversity** in terms of gender and nationality on our Board.

Board Governance and Nomination Committee

Responsibilities: The Governance and Nomination committee (GNC) advises the Board on the general oversight of governance matters and ensures the promotion of a sound governance culture within the Board and the Bank. The GNC also reviews additions and amendments to the Board and Committee Charters, along with the governance group of policies. This entails a periodic review of the Bank's corporate governance structure, while recommending changes, when and if necessary, to the BOD. The committee also acts as the Nomination committee, which contributes to the Board's effectiveness and governance, sets the criteria for selecting new directors, and assists the Board in identifying suitable individuals for nominations as non-shareholder representative board members. The committee's duties extend to Board succession planning, including the Bank's CEO.

2021 Governance and Nomination Committee Highlights

Throughout 2021, the committee regularly advised the Board on governance matters based on its periodic review of the Bank's governance framework. The committee assisted the Board in operating as effectively as possible and governing the Bank's operations to be executed in accordance with international governance best practices. The committee reviewed the Bank's 2021 Annual Corporate Governance report and BOD report. During the year, the committee received updates on newly issued or amended laws, executive regulations, rules, or decrees affecting the governance of the Bank, and it recommended the necessary actions. In 2021, the committee oversaw the annual Board assessment that resulted in an affirmation that the Board discussions are conducted openly and transparently, creating an environment for sustainable and robust debate. During 2021, one NED was appointed, and potential candidates were identified and assessed by the committee throughout the year. The GNC ensured that the newly appointed candidate received proper induction, and the non-executive Board committees were formed to accommodate the new director and leverage his knowledge and experience.

The committee met five times in 2021.

Chairperson:
Dr. Amani Abou-Zeid

Members:
Mr. Rajeev Kakar, Mr. Paresh Sukthankar

Board Operations and Technology Committee

Responsibilities: The Operations and Technology committee assists the Board of Directors in fulfilling its responsibilities of Operations and Technology, with respect to the direction of and alignment with the Bank's strategy and efficiency and in support of the business' robustness and resilience. This is in addition to ensuring they are at the forefront of developments, adopting cost justified best practices, with the objective of increasing the Bank's competitiveness while reducing risks.

2021 Operations and Technology Committee Highlights

During 2021, the Operations and Technology committee maintained its efforts and oversight over the 2021 key strategic projects, direction, and associated budget. The committee reviewed and challenged the operations and technology projects and strategies in light of COVID-19 challenges. Activities involved providing further guidance on enhancing the customers' experience, key service indicators and operational key performance indicators, and the importance of leveraging data to transform the business and manage risks. Focus was also given on rolling out CIB's Flex program and enabling Flexible Working Arrangements, as well as the branches' transformation and digital and agile transformation projects, including the Business Banking and Financial Inclusion for the untapped segments. The committee continued their focus on critical, non-financial risks across different domains, including IT continuity and resilience, cyber security, information security, and technology control assurance, and it recommended a revamp of the operational risk scaling definition to match global standards and further reflect on their significance from a business perspective. The committee also focused on the outstanding internal and external audit issues and stressed on the importance of having full alignment and consistency across the different layers of defense in identifying and assessing the associated risk criticality and the business impact. In preparation for the 2022 budget, the committee stressed on the importance of focusing on the customers' journey and the projects that support the business strategy, properly segregating between critical projects needed to run the Bank and those required to change the Bank.

The committee met five times in 2021.

Chairperson:
Mr. Rajeev Kakar

Members:
Mrs. Magda Habib, Mr. Tarek Rouchdy

Board Compensation Committee

Responsibilities: The Compensation committee was established to provide guidance regarding the appropriate compensation for the Board and the Bank's executive officers and to ensure that compensation is consistent with the Bank's objectives, strategy, and control environment. The committee ensures that clear policies for the Bank's salaries and compensation schemes are in place, and that they are effective at attracting and retaining the best caliber professionals.

2021 Compensation Committee Highlights

During 2021, the committee assessed executive officers' and expatriates' performance for the year 2020, and it recommended the appropriate compensation accordingly. The committee also reviewed and approved the Bank's overall variable compensation guidelines for 2020.

The committee met twice in 2021.

Chairperson:
Mr. Rajeev Kakar

Members:
Mr. Jay-Michael Baslow, Mrs. Magda Habib

Board Sustainability Committee

Responsibilities: The CIB BOD established the Board Sustainability committee to ensure that sustainable finance is well attended on the Bank's agenda. The committee provides the Bank with strategic guidance on Environmental, Social, and Governance matters and oversees the effective integration of ESG practices within the Bank's business and operations, while ensuring alignment with global and regional frameworks. In acknowledging and identifying that all businesses have the potential to affect people and the planet in both positive and negative ways, CIB's focus is to ensure that its products and services are intended to minimize the Bank's long-term negative impacts and to create and maximize sustainable value to all its stakeholders.

2021 Highlights of the Board Sustainability Committee

The committee has reviewed the Sustainable Finance Governance Structure, Framework Architecture, System Building, and Strategy to give directions for ESG integration within policies and procedures. It has widened the scope of sustainable finance within the group to incorporate Mayfair CIB, covering the Bank's activities in Kenya, and encouraged additional business side engagement by including further members from the business to the Sustainable Finance Steering committee. It has followed up on the Bank's disclosure strategy covering:

- CIB annual GRI Sustainability Report for 2020
- The Bank's carbon footprint reporting expanded to an Ecological Footprint Report for the first time
- The Carbon Disclosure Project
- The Principles of Responsible Banking Report, including impact assessment utilizing the UNEP FI tool on the business banking lending portfolio

The committee was established on 30 March 2021 in its new form and met three times in 2021.

Chairperson:
Mr. Jay-Michael Baslow

Members:
Dr. Amani Abou-Zeid, Mr. Tarek Rouchdy

External Auditor

The Board Audit committee recommends the appointment and/or termination of the external auditor, which is approved at the General Assembly Meeting of Shareholders. Moreover, the Board Audit committee evaluates the performance of the external auditor and endorses the prepared financial statements to ensure they reflect the Bank's performance and faithfully reveal its genuine financial position. In adherence to CBE regulations, external auditors are reappointed every five years to ensure objectivity and exposure to new practices.

Shareholders' Rights

CIB's Annual General Meeting of Shareholders is held in March of each year, no later than three months after the end of the Bank's financial year. Additional extraordinary general shareholder meetings may be convened at any time by the BOD. The General Assembly provides a platform for shareholders to engage with the BOD, ask questions, and exercise their voting rights. Shareholder consent is required for key decisions, such as:

- The adoption of financial statements
- Voting on proposed dividends by the BOD
- Significant changes to the Bank's corporate governance practices
- The remuneration policy
- The remuneration of NEDs
- The appointment of the external auditor
- The appointment, suspension, or dismissal of the members of the BOD
- The issuance of shares or rights to shares, restriction or exclusion of preemptive rights of shareholders, and repurchase or cancellation of shares
- Amendments to the Articles of Association

Backed by an experienced executive management team, **CIB's highly qualified Board of Directors** are also supported by specialized board committees.

25%

of our Board of Directors are women

Governance policies are designed to promote a **corporate culture that emphasizes building trust with key stakeholders** and to provide effective internal control within the Bank.

07

SUBSIDIARIES AND ASSOCIATES

7

strategic subsidiaries and associates

CIB's subsidiaries and associates are a **core part of the Bank's strategy** to build a diversified institution.

Subsidiaries

CVentures

CVentures invests in fast moving, forward-thinking founders with deep market insights and a long-term commitment to building successful businesses. CVentures is focused on achieving above average financial returns through equity investments in early-stage tech startups, in addition to supporting and complementing CIB's innovation agenda, financial inclusion strategy, and digital expansion efforts whenever possible.

2021 Highlights

In 2021, CVentures strengthened its Board of Directors and Investment Committee by bringing in top tier venture capital expertise to further align its investment activities with industry norms. Capitalizing on the consistent evolution of the Egyptian startup ecosystem, CVentures also refined its investment thesis and focused its investment activities on its home market. Moreover, the company widened its vertical focus beyond FinTech in order to capture the growing opportunities in verticals, such as e-commerce, health-tech, agri-tech, and other verticals that are perceived to have high potential. In a short period, the company was able to successfully build a robust pipeline of potential investment targets in preparation for expanding its footprint and achieving its target of being the CVC of choice in the Egyptian market.

2022 Forward-Looking Strategy

In addition to continuing to focus on complementing CIB's innovation agenda, CVentures remains focused on actively growing its portfolio while targeting above industry-average returns and expanding its footprint, primarily in the Egyptian ecosystem.

Mayfair CIB Bank Limited (MCIB)

Established in 2017, Kenya's Mayfair CIB Bank (MCIB), formerly known as Mayfair Bank Kenya, has five branches in Nairobi, Eldoret, and Mombasa, making it Kenya's fourth smallest lender. In April 2020, CIB acquired 51% of the bank, marking CIB's first cross-border acquisition into Sub-Saharan Africa. CIB's strategy for MCIB focuses on trade finance activities and digital banking solutions, particularly growing the Egypt-Kenya trade corridor, enabling Egyptian large corporates and SMEs to do business in the hub of Eastern Africa.

The Bank's niche market is large- and medium-sized corporates, and high net worth individuals.

2021 Highlights

As of 30 September, the bank's total capital and core capital stood at KES 4.069 billion (USD 37.6 million), against a minimum core capital threshold of KES 1 billion (USD 9.3 million). Both the total capital and core capital in relation to risk weighted assets stood at 38%, against a regulatory minimum of 10.5% and 14.5% respectively, reflecting that the bank was adequately capitalized.

MCIB broke even in 2021 and recorded Profit After Tax (PAT) of KES 36.57 million as at 30 September, compared to a loss of KES 379.27 million as at end of 2020 and beating the previously projected PAT figure of KES 11.54 million for the same period.

Trade finance income surged by 300% compared to the year-end 2020, from KES 5.60 million to KES 19.78 million, in line with the bank's strategy to focus on trade finance activity.

The liquidity ratio stood at 78%, against a statutory floor of 20%, echoing prudent growth in direct lending due to the impact of COVID-19 on various economic sectors. The bank has been disposing of excess liquidity in government securities.

Loan Portfolio at Risk decreased from 14.1% as at end of 2020 to 8.7% as at September 30. Meanwhile, the Non-Performing Loans ratio stood at only 3.96%, reflecting the bank's prudent Risk Management Strategy in enhancing the quality of loan portfolio.

MCIB's Risk Governance Framework is characterized by active Board and Senior Management oversight, adequate policies, procedures, charters, and terms of reference and MIS reporting, with the BOD having ultimate responsibility over the Risk Management Framework.

As part of leveraging on group synergies between Mayfair CIB Bank and the parent bank, CIB has provided support to Mayfair CIB in various areas, such as Financial Institutions, Operations and Shared Services, Compliance, Credit Risk, Human Resources, Information Technology and Security, and Resilience Management.

Falcon Group

Established in 2006 as a joint venture between CIB, the CIB Employees Fund, Al-Ahly for Marketing, and other private entities, Falcon Group management's strategy is centered on service excellence. The company provides state-of-the-art, holistic solutions tailored to every client, such as security, money transfers, technical systems and security products, public services and project management, and tourism and concierge services to a variety of industries, such as the industrial, commercial, tourism, and public sectors. Its key strength lies in its single-point-of-contact solutions that ensure it provides consistent services at the highest quality, lowest risk, and with great flexibility at a reasonable cost.

Falcon for Security Services

Falcon for Security Services has been the main security service provider for several top-tier governmental and non-governmental organizations, such as the United Nations and a number of embassies in Egypt. With a portfolio of over 754 clients, the company provides a myriad of services, such as property protection, event security, corporate security and training, personal protection, and safety and industrial training to some of the biggest companies in Egypt.

2021 Highlights

Falcon for Security Services achieved its 2021 goal of working with numerous prominent institutions and added new clients to its clientele, such as Egyptian Co. For Metro Management and Operation (METRO), securing several projects, such as Tahrir Square, Alamein University, GlobeMed Egypt for Healthcare, Galala University, and King Salman University. It entered into new securing contracts with Royal City compound, Console Masters Company (Mamsha Ahl Masr), and the Sovereign Fund of Egypt. The company also secured numerous public events in 2021, including the Egypt Defense EXPO, and organized the Aswan International Women's Film Festival.

2022 Forward-looking Strategy

Falcon for Security Services continuously works to increase its market share y-o-y. In 2022, the Group plans to expand its market presence and work to maintain its market leadership by growing both organically and through acquisitions. As part of the Group's goal of providing top-notch solutions, Falcon plans to use managed service providers for its activities. The Group also expects to target prominent institutions and clients to add to its roster, while simultaneously expanding its product and service offering to ensure clients remain fully satisfied and confident in the company as the number one choice for efficiency and customer service.

Falcon for Public Services and Project Management

Falcon for Public Services and Project Management operates all facility systems to the comfort and satisfaction of facility occupants. The company offers general cleaning, landscaping, façade cleaning, and marble polishing at the highest quality, efficiency, and cost effectiveness. Falcon for Public Services and Project Management holds a market share of 20%, serving a large client base.

2021 Highlights

Through considerable efforts to build solid relationships and gain the trust and confidence of public and private institutions, the company signed on several new clients, such as Galala University, Alamein University, and King Salman University. It also renewed important contracts, such as with the Port Said Security Directorate, the Embassy of the Sultanate of Oman, and the Social and Healthcare Improvement Fund for Police Staff.

2022 Forward-looking Strategy

The company's strategy is based on the firm belief that performance is measured by its clients' success. Over the next year, the company plans to sign several sizeable contracts with new customers.

Falcon for Cash in Transit Services

Falcon's Cash in Transit division works with reputable banks and companies in Egypt, providing CIT services, ATM replenishment, maintenance, vaulting, cash management, and valuables transportation through a highly qualified team.

Falcon Tech

Falcon Tech designs, implements, and maintains all integrated electronic systems in the field of technical security for facilities and individuals.

2021 Highlights

Falcon Tech expanded its market share during the year, signing several new contracts to provide security systems to airports, commercial malls, and universities. Among its new clients were the Ministry of Defense, new CIB branches, Egypt Post for Investment, Cairo Airport Company (maintenance and supply contract), Egyptian Airport Company (maintenance and supply contract), and the Ministry of Interior's Department of Technical Assistance (maintenance contract).

Falcon for PR and Communications (Tawasul)

Falcon for PR and Communications (Tawasul) specializes in communication services and constancy, as well as event and conference management, and it also offers media services.

Fawry Plus

Fawry Plus was established in 2017 as a joint venture between CIB, Banque Misr, Fawry, and ACIS to become Egypt's first banking agent and forerunner in the nation's strategy to achieve financial inclusion. Fawry Plus seeks to provide a wide array of banking and financial services to consumers and businesses through a network of retail branches across Egypt, with a focus on urban and underserved regions. Fawry Plus branches provide banking services, including limited KYC services and a document collection service for mobile wallet registration, prepaid, credit card issuance, and loan issuance. Other services include mail and bank correspondence collection, loan and credit card payments, cash withdrawals and deposits, as well as various bill payments, including utilities, telecom, subscription fees, taxes, and fines.

2021 Highlights

In 2021, Fawry Plus opened an additional 80 branches, bringing the total number of operating branches to 160, and it signed an agreement to triple the number of branches by using a shop-in-shop model that will allow consumers even easier access to the business. It also witnessed a growth of more than 66% in revenues because of this expansion in operations. Fawry Plus also partnered with several banks and received CBE approvals to introduce the Meeza prepaid card KYC service and international remittance disbursement service, in addition to the wallet registration services, expanding the portfolio of agent banking services.

2022 Strategy – Way forward

Fawry Plus seeks to become the banking destination of choice for customers in 2022. Therefore, the company looks to increase the number of its branches to cover all governorates, attracting customers through the convenience of its branches, which are less crowded, more accessible, and operate longer working hours than banks (seven days a week). The company will also seek to expand its scope of services through a multitude of avenues. Looking to have partnerships with some of Egypt's leading banks, financial institutions, and industry players to offer their services through Fawry Plus. In addition, it will focus on serving the e-commerce industry through offering cash management and logistics solutions, including setting up branches as drop-off/pick-up stations. Fawry Plus will always aim to double their cash management services each year.

CIB's subsidiaries and associates **complement the Bank's strategy** to diversify operations

Associates

ACE

Investment Overview

Al Ahly Computer Equipment (ACE) was established in October 1996, under law No.159 for the year 1981, as a joint stock company. ACE has a long track record in the field of Information Technology. The company's product mix ranges from tailored maintenance services to specialized hardware, whereby the company sources the original hardware from recognized companies in the field, such as Sedco, Fujitsu, Cisco, and Oracle. ACE provides IT maintenance services all over Egypt through a large team of highly trained technical engineers. The company is well-positioned as the IT system integrator of choice for government entities, major banks, and large institutions.

2021 Highlights

In 2021, ACE's management team has exerted notable effort to increase the company's revenues through securing maintenance and sales contracts with well-known banks and governmental bodies in Egypt. In addition, the company's marketing team has been working to add new offerings to ACE's portfolio of products by initiating a collaboration agreement with well-established brands in the IT Sector.

ACE 2022 Forward Looking Strategy

The company's management will continue focusing on maintaining their strong relationships with existing customers, in addition to enhancing its maintenance experience and expanding its clientele base. ACE is also planning to introduce new services and products to its current and potential customers. The main goals are to expand the company's market reach, increase market share, and build a solid competitive edge.

TCA

Investment Overview

In January 2021, CIB and TMG (Talaat Moustafa Group) established a new Real Estate SPV, "TCA Properties". TCA started its operations early 2021 by acquiring a number of TMG Holding's outstanding premium commercial assets located in Al Rehab and Madinaty.

2021 Highlights

During 2021, the management company of TCA, Alexandria Company for Projects Management "APM", embarked on the promotion of TCA commercial assets for rent to reputable brand names in the F&B and retail businesses. The company has been able to secure various contracts with many market players in those areas.

TCA 2022 Forward Looking Strategy

The company's management team will continue focusing on expanding TCA's clientele base through targeting the best in-class retailers enabling TCA to include a premium tenant mix, serving customers' needs and fulfilling market demand. In addition, TCA's management will be exploring other expansion projects to add to the company's portfolio.

Damietta Shipping and Marine Services

Damietta Shipping and Marine Services (DSMS) is a shareholding company established in 1986 through a public offering. CIB acquired a 32% stake in the company in July 2018, which it raised to 49.95% in October 2020. DSMS is a small-sized company with minimal operations focusing on marine services, mainly container repairs, fuel tank rentals, and electricity generators. CIB's strategy is to exit the investment in DSMS. The company's main income is the dividend income derived from its investment in Damietta Container and Cargo Handling (DCHC).

CIB's partnerships with associates **continue to reflect positively** on their performance.

08

FINANCIAL STATEMENTS

Auditor's Report

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

AUDITORS' REPORT

To the Shareholders of Commercial International Bank – Egypt

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Commercial International Bank (Egypt) S.A.E, which comprise the separate statement of financial position as at December 31, 2021 and the related separate statements of income, other comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Separate Financial Statements

These separate financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations. Management's responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of separate financial statements that are free from material misstatement, whether due to fraud or error; management's responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Commercial International Bank (Egypt) as of December 31, 2021 and of its separate financial performance and its separate cash flows for the year then ended, in accordance with Central Bank of Egypt's rules, pertaining to the preparation and presentation of the banks' financial statements, issued on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Legal and Other Regulatory Requirements

As explained in note (42) to the financial statements, during the year ended 31 December 2020, the bank received the Central Bank of Egypt report dated 10 November 2020, which included reference to violations of certain articles of the Central Bank of Egypt Law No. 88 for year 2003. During the year ended 31 December 2021, the Bank's management has been implementing the corrective action plan as approved by its Board of Directors according to the approved timetable specified in the said plan. Except for the above, no other material contraventions during the financial year ended 31 December 2021, of the provisions of Central Bank of Egypt and the Banking System Law no 194 of 2020 has come to our attention as part of our audit of the financial statements.

The Bank maintains proper books of accounts, which include all that is required by law and by the statutes of the bank. The separate financial statements are in agreement thereto.

The separate financial information included in the Board of Directors' report, prepared in accordance with law no. 159 of 1981 and its executive regulations, is in agreement with the Bank's books of account.

Auditors

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

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

Cairo; February 21, 2022

Separate Balance Sheet

As at December 31, 2021

EGP Thousands

	Notes	Dec. 31, 2021	Dec. 31, 2020
Assets			
Cash and balances at the central bank	15	43,385,222	33,572,597
Due from banks	16	79,991,287	86,997,034
Loans and advances to banks, net	18	312,216	776,980
Loans and advances to customers, net	19	144,765,808	118,854,880
Derivative financial instruments	20	225,376	248,759
Investments			
- Financial Assets at Fair Value through P&L	21	240,987	359,959
- Financial Assets at Fair Value through OCI	21	192,390,931	147,646,432
- Financial assets at Amortized cost	21	20,318,767	25,020,917
- Investments in associates and subsidiaries	22	1,014,350	874,348
Other assets	23	11,141,917	9,095,212
Deferred tax assets (Liabilities)	32	460,026	437,772
Property and equipment	24	2,404,237	2,259,940
Total assets		**496,651,124**	**426,144,830**
Liabilities and equity			
Liabilities			
Due to banks	25	862,759	8,815,561
Due to customers	26	406,100,916	340,086,524
Derivative financial instruments	20	265,265	331,073
Current tax liabilities		2,234,985	859,582
Other liabilities	29	8,021,310	5,679,266
Issued debt instruments	27	1,557,263	-
Other loans	28	5,140,782	7,746,946
Other provisions	30	3,539,676	3,221,252
Total liabilities		**427,722,956**	**366,740,204**
Equity			
Issued and paid up capital	31	19,702,418	14,776,813
Reserves	34	33,767,423	33,085,554
Reserve for employee stock ownership plan (ESOP)	34	1,674,392	1,064,648
Retained earnings *	34	13,783,935	10,477,611
Total equity and net profit for the year		**68,928,168**	**59,404,626**
Total liabilities and equity		**496,651,124**	**426,144,830**

The accompanying notes are an integral part of these financial statements.
(Audit report attached)

** Including net profit for the current year*

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Separate Income Statement

For the Year Ended December 31, 2021

EGP Thousands

	Notes	Dec. 31, 2021	Dec. 31, 2020
Interest and similar income		44,945,445	42,070,598
Interest and similar expense		(20,057,935)	(16,980,635)
Net interest income	6	24,887,510	25,089,963
Fee and commission income		4,036,955	3,053,536
Fee and commission expense		(1,654,671)	(983,450)
Net fee and commission income	**7**	**2,382,284**	**2,070,086**
Dividend income	8	84,700	98,175
Net trading income	9	696,738	395,701
Profits (Losses) on financial investments	21	684,417	922,832
Administrative expenses	10	(6,096,221)	(5,552,800)
Other operating (expenses) income	11	(1,981,093)	(2,737,550)
Impairment release (charges) for credit losses	12	(1,677,450)	(4,989,288)
Profit before income tax		**18,980,885**	**15,297,119**
Income tax expense	13	(5,678,659)	(5,084,670)
Deferred tax assets (Liabilities)		118,159	87,433
Net profit for the year		**13,420,385**	**10,299,882**
Earning per share	14		
Basic		6.10	4.67
Diluted		6.06	4.63

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Separate Statement of Other Comprehensive Income

As at December 31, 2021

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Net profit for the year	13,420,385	10,299,882
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Change in fair value of equity instruments measured at fair value through other comprehensive income after tax impact related to OCI that will not be reclassified to the profit or loss	(149,323)	(13,966)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income after tax impact related to OCI that will be reclassified to the profit or loss	(2,208,603)	763,176
Change in fair value from selling FVOCI financial instruments	(702,776)	(1,018,469)
Transferred from reserve on disposal of financial assets at fair value through OCI	(177,488)	(76,717)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(93,566)	205,182
Total other comprehensive income for the year	**10,088,629**	**10,159,088**

Separate Cash Flow

For the Year Ended December 31, 2021

EGP Thousands

	Notes	Dec. 31, 2021	Dec. 31, 2020
Cash flow from operating activities			
Profit before income tax		18,980,885	15,297,119
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	24	858,609	677,501
Impairment charge for credit losses (Loans and advances to customers and banks)	12	1,753,908	4,777,592
Other provisions charges	30	381,601	1,232,731
Impairment charge for credit losses (due from banks)	**12**	17,108	6,514
Impairment (Released) charge for credit losses (financial investments)	12	(93,566)	205,182
Impairment (Released) charge for other assets		31,975	69,217
Exchange revaluation differences for financial assets at fair value through OCI and at amortized cost	21	17,261	249,642
Impairment (Released) charge financial assets at fair value through OCI	21	-	79,126
Utilization of other provisions	30	(45,483)	(2,382)
Other provisions no longer used	30	(2,451)	(13,273)
Exchange differences of other provisions	30	(15,243)	(7,193)
Losses (profits) from selling property and equipment	11	(2,947)	(1,094)
Losses (profits) from selling financial investments	21	(702,776)	(1,018,469)
Shares based payments		609,744	552,438
Impairment (Released) charges of investments in associates and subsidiaries	21	18,359	16,511
Operating losses (profits) before changes in operating assets and liabilities		**21,806,984**	**22,121,162**
Net decrease (increase) in assets and liabilities			
Due from banks	15 - 16	(17,927,084)	(10,899,927)
Financial assets at fair value through P&L	21	118,972	58,822
Derivative financial instruments	20	(42,425)	16,109
Loans and advances to banks and customers	18 - 19	(27,183,640)	(4,276,558)
Other assets	41	(2,155,845)	649,301
Due to banks	25	(7,952,802)	(2,995,046)
Due to customers	26	66,014,392	35,602,869
Income tax obligations paid		(3,443,674)	(3,779,782)
Other liabilities	29	1,490,795	(7,700,878)
Net cash generated from operating activities		**30,725,673**	**28,796,072**
Cash flow from investing activities			
Proceeds from investments in associates.		-	750
Payments for investment in subsidiaries and associates.		(158,360)	(721,352)
Payment for purchases of property, equipment and branches constructions		(942,173)	(987,061)
Proceeds from selling property and equipment	11	2,947	1,094
Proceeds from redemption of financial assets at amortized cost	21	4,705,849	82,203,469
Payment for purchases of financial assets at amortized cost	21	(3,844)	-
Payment for purchases of financial assets at fair value through OCI	21	(250,190,493)	(112,382,696)
Proceeds from selling financial assets at fair value through OCI		203,196,606	54,970,226
Net cash used in (generated from) investing activities		**(43,389,468)**	**23,084,430**

Separate Cash Flow (Cont.)

For the Year Ended December 31, 2021

EGP Thousands

	Notes	Dec. 31, 2021	Dec. 31, 2020
Cash flow from financing activities			
Decreased (increase) in long term loans	28	(2,606,164)	4,474,200
Dividend paid		(1,360,652)	(3,370,464)
Issued debt instruments		1,557,263	-
Capital increase		-	85,992
Net cash used in (generated from) financing activities		**(2,409,553)**	**1,189,728**
Net (decrease) increase in cash and cash equivalent during the year		(15,073,348)	53,070,230
Beginning balance of cash and cash equivalent		75,965,247	22,895,017
Cash and cash equivalent at the end of the year		**60,891,899**	**75,965,247**
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	43,385,222	33,572,597
Due from banks	16	80,031,726	87,020,365
Treasury bills and other governmental notes	17	41,579,504	39,464,714
Obligatory reserve balance with CBE	15	(38,016,793)	(27,610,380)
Due from banks with maturities more than three months		(23,801,430)	(16,280,760)
Treasury bills with maturity more than three months		(42,286,330)	(40,201,289)
Total cash and cash equivalent		**60,891,899**	**75,965,247**

Separate Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2021

EGP Thousands

Dec. 31, 2020	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Total
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	8,291,229	-	1,440	-	-	(8,431,833)	(450,942)	-
Dividend paid	-	-	-	-	-	-	-	(3,370,464)	-	(3,370,464)
Net profit for the year	-	-	-	-	-	-	-	10,299,882	-	10,299,882
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	(76,717)	-	76,717	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	101,013	-	101,013
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(269,259)	-	-	-	(269,259)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	1,259	(1,259)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	205,182	-	-	-	205,182
Cost of employees stock ownership plan (ESOP)	-	-	-	-		-	-	-	552,438	552,438
Ending 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**

Separate Statement of Changes in Shareholders' Equity

For the Year Ended December 31, 2021

EGP Thousands

Dec. 31, 2021	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Total
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 year	-	-	-	-	-	-	-	13,420,385	-	13,420,385
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	(177,488)	-	177,488	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(3,060,702)	-	-	-	(3,060,702)
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	-	-	-	-	-	(93,566)	-	-	-	(93,566)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	609,744	609,744
Ending balance	**19,702,418**	**3,293,074**	**28,260,532**	**1,549,445**	**16,000**	**639,231**	**9,141**	**13,783,935**	**1,674,392**	**68,928,168**

Proposed Appropriation Account

For the Year Ended December 31, 2021

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Net profit after tax	13,420,385	10,299,882
Deduct:		
Profits selling property, plant and equipment transferred to capital reserve according to the law	(2,947)	(1,094)
Bank risk reserve	(2,840)	(2,718)
Available net profit for distributing	**13,414,598**	**10,296,070**
Added:		
Retained earnings beginning balance	177,729	-
Transferred to retained earnings	185,821	177,729
Total	**13,778,148**	**10,473,799**
To be distributed as follows:		
Legal reserve	670,872	514,939
General reserve	8,333,404	8,420,479
Dividends to shareholders	2,684,077	-
Staff profit sharing	1,341,460	1,029,607
Board members bonus	49,420	73,643
CIB's foundation	201,219	154,441
Support and development of banking sector fund	**134,146**	**102,961**
Retained earnings ending balance	363,550	177,729
Total	**13,778,148**	**10,473,799**

Notes to the Separate Financial Statements

For the Year Ended December 31, 2021

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 188 branches, and 27 units employing 7308 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 on February 21, 2022.

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 as modified by 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 the Egyptian Accounting Standards for policies not specifically mentioned in the instructions of the Central Bank of Egypt, under the historical cost convention, as modified by the initial recognition of financial instruments at fair value, financial instruments categorized at fair value through profit or loss ("FVTPL") and at fair value through other comprehensive income ("FVOCI"). The principal accounting policies applied in the preparation of these financial statements have been consistently applied to all periods presented and are set below.

Subsidiaries 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 year ended on 31 December, 2021 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are those investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Bank applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the Bank's functional and presentation currency.

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the period are translated into the Egyptian pound using the prevailing exchange rates on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances are recognized in the income statement and reported under the following line items:

- Net trading income from held-for-trading assets and liabilities.
- Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.
- Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income right The ownership of the difference in the change in the fair value (fair value reserve / financial investments at fair value through comprehensive income).

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition.

Financial instruments at FVTPL are initially recorded at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss. All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the bank commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories.
The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

Financial Instrument	Methods of Measurement according to Business Models		
	Amortized Cost	Fair Value	
		Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin.

Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	• The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds. • Sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument. • Lowest sales in terms of turnover and value. • The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	• Both the collection of contractual cash flows and sales are complementary to the objective of the model. • High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	Other business models include trading - management of financial assets at fair value - maximizing cash flows by selling)	• The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. • Collecting contractual cash flows is an incidental event for the model objective. • Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Bank did not change its business model during the current and comparative year and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

Agreements of repos & reverse repos are shown by the net in the financial statement in treasury bills and other governmental notes.

2.7. Derivative financial instruments and hedge accounting

Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement unless the Bank chooses to designate the hybrid contract as at fair value through net trading income through profit and loss.

The timing method of recognition in profit and loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge)
- Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.7.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit and loss immediately together with any changes in the fair value of the hedged asset or liability that is attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit and loss in 'net trading income'.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit and loss from that date using the effective interest method.

2.7.2. Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value, in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

2.8. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.
- When calculated interest for corporate are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.9. Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset.

Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions.

Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities and the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement.

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

2.10. Dividend income

Dividends are recognized in the income statement when the right to collect it is declared.

2.11. Sale and repurchase agreements

Securities may be lent or sold according to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased according to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest rate method.

Investment property
The investment property represents lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore do not include real estate assets which the Bank is carrying out its operations through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with property and equipment.

2.12. Property and equipment
Lands and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and safes	3/5 years.
Typewriters, calculators and air-conditions	5 years
Vehicles	3/5 years
Computers and core systems	3 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, on each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.13. Impairment of non-financial assets
Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Assets are tested for impairment with reference to the lowest level of cash generating unit(s). A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that the original impairment not been recognized.

2.13.1. Goodwill
Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement.

Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.13.2. Other intangible assets
The intangible assets other than goodwill and computer programs (trademarks, licenses, contracts for benefits, the benefits of contracting with clients).

Other intangible assets that are acquired by the Bank are recognized at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized and tested for impairment.

2.14. Leases
The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value. The other leases contracts are considered operating leases contracts.

2.14.1. Being lessee
Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.14.2. Being lessor
For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the period. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.15. Cash and cash equivalents
For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.16. Other provisions
Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation on the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.17. Share based payments

The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions, performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments on the date of grant. On each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund

Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obliged to pay to the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian accounting standards.

2.18. Income tax

Income tax on the profit and loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable on the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable on the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.19. Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost also any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.20. Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.21. Comparatives

Comparative figures have been adjusted to conform with changes in the presentation of the current period where necessary.

2.22. Non-current assets held for sale

A non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

(a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
(b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

(a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
(b) Presented separately on the face of the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.23. Discontinued operation

Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and

(a) Represents a separate major line of business or geographical area of operations,
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

Important Accounting Estimates, and Judgements in Applying Accounting Policies

The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The bank used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were CBE key interest rate, GDP growth rate, Foreign currency index and Inflation rate. In addition to these assumptions, unemployment rate has been used for the retail sector.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP 664,882 thousand as of 31 December 2021 (31 December 2020: by EGP 633,535 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP 654,793 thousand as of 31 December 2021 (31 December 2020: by EGP 386,041 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP 716,600 thousand at 31 December 2021 (31 December 2020: increase or decrease of EGP 879,960 thousand).

Credit exposure on revolving credit facilities. For certain loan facilities, the bank's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the bank's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the bank measures ECLs over the period that the bank is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The bank applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the bank becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the bank applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The bank considered historical information and experience about: (a) the period over which the bank is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the bank segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period using, for Corporate and Business Banking: transition in risk ratings, delinquency status, industry and restructured status and for retail: watch list, individual profile, restructured status, and delinquency status. The bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.

The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

3. Financial risk management

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.

Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1. Credit risk

The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly.

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

Bank's rating	Description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

3.1.1.2. Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses.

The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2. Risk limit control and mitigation policies
The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral
The Bank sets a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

3.1.2.2. Derivatives
The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

3.1.2.3. Clearing house
The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3.1.2.4. Credit related commitments
The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.3. Impairment and provisioning policies
The internal rating system described in Note 3.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred on the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

	December 31, 2021		December 31, 2020	
Bank's rating	Loans and advances (%)	Impairment provision (%)	Loans and advances (%)	Impairment provision (%)
1-Performing loans	77.82	18.97	80.16	22.79
2-Regular watching	11.91	22.03	11.14	17.60
3-Watch list	5.14	14.89	4.43	25.74
4-Non-Performing loans	5.13	44.11	4.27	33.87

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collective impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies loans and advances based on more detailed subgroups in accordance with instructions for the implementation of the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance with EAS. That excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE Rating	Categorization	Provision%	Internal rating	Categorization
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non performing loans
9	Doubtful	50%	4	Non performing loans
10	Bad debts	100%	4	Non performing loans

3.1.5. Maximum exposure to credit risk before collateral held

EGP Thousands

In balance sheet items exposed to credit risk	Dec. 31, 2021	Dec. 31, 2020
Cash and balances at the central bank	43,385,222	33,572,597
Due from banks	79,991,287	86,997,034
Gross loans and advances to banks	314,334	786,605
Less: ECL	(2,118)	(9,625)
Gross loans and advances to customers		
Individual:		
- Overdraft	1,264,767	1,511,221
- Credit cards	5,716,197	4,864,404
- Personal loans	31,608,307	27,792,367
- Mortgages	2,474,181	2,025,630
Corporate:		
- Overdraft	29,171,025	23,541,904
- Direct loans	49,757,774	44,736,272
- Syndicated loans	43,062,028	31,110,813
- Other loans	33,489	21,391
Unamortized bills discount	(68,410)	(104,176)
Unamortized syndicated loans discount	(312,682)	(210,680)
ECL	(17,875,739)	(16,395,749)
Suspended credit account	(65,129)	(38,517)
Derivative financial instruments	225,376	248,759
Financial investments:		
-Debt instruments	210,627,556	170,994,957
Other assets (Accrued revenues)	8,938,356	6,759,229
Total	**488,245,821**	**418,204,436**
Off balance sheet items exposed to credit risk		
Financial guarantees	5,807,379	5,463,960
Customers acceptances	3,211,139	2,701,590
Letters of credit (import and export)	5,537,277	5,848,427
Letter of guarantee	82,899,079	73,986,785
Total	**97,454,874**	**88,000,762**

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2021, before taking into account any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, 29.71% of the total maximum exposure is derived from loans and advances to banks and customers against 28.61% on December 31, 2020, while investments in debt instruments represent 43.14% against 40.89% on December 31, 2020.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both the bank's loans and advances portfolio and debt instruments based on the following:

- 89.74% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system against 91.30% on December 31, 2020
- Loans and advances assessed individualy are valued EGP 8,375,085 thousand against EGP 5,830,098 thousand on December 31, 2020
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2021.
- 95.46% of the investments in debt Instruments are Egyptian sovereign instruments against 95.33% on December 31, 2020.

3.1.6. Loans and advances

Loans and advances are summarized as follows:

	December 31, 2021		December 31, 2020	EGP Thousands
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Gross Loans and advances	**163,087,768**	**314,334**	**135,604,002**	**786,605**
Less:				
Impairment provision	17,875,739	2,118	16,395,749	9,625
Unamortized bills discount	68,410	-	104,176	-
Unamortized syndicated loans discount	312,682	-	210,680	-
Suspended credit account	65,129	-	38,517	-
Net	**144,765,808**	**312,216**	**118,854,880**	**776,980**

Impairment provision losses for loans and advances reached EGP 17,877,857 thousand.

During the year, the Bank's total loans and advances increased by 19.80% In order to minimize the propable exposure to credit risk, the Bank focuses more on the business with large enterprises,banks or retail customers with good credit rating or sufficient collateral.

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

Dec.31, 2021	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Individuals	36,509,635	3,893,211	660,606	41,063,452
Institutions and Business Banking	64,835,799	49,474,038	7,714,479	122,024,316
Total	**101,345,434**	**53,367,249**	**8,375,085**	**163,087,768**

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

Dec.31, 2021	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	EGP Thousands Total
Individuals	825,814	90,037	257,071	1,172,922
Institutions and Business Banking	1,475,220	7,597,957	7,629,640	16,702,817
Total	**2,301,034**	**7,687,994**	**7,886,711**	**17,875,739**

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

Dec.31, 2021	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Time and term loans	-	314,334	-	314,334
Expected credit losses	-	(2,118)	-	(2,118)
Net	-	**312,216**	-	**312,216**

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

Dec.31, 2021	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Facilities and guarantees	60,535,590	30,943,446	168,459	91,647,495
Expected credit losses	(1,923,569)	(1,113,857)	(165,893)	(3,203,319)
Net	**58,612,021**	**29,829,589**	**2,566**	**88,444,176**

Total balances of loans and facilities divided by stages:

Dec.31, 2020	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Individuals	34,674,902	942,359	576,361	36,193,622
Institutions and Business Banking	50,379,160	43,777,483	5,253,737	99,410,380
Total	**85,054,062**	**44,719,842**	**5,830,098**	**135,604,002**

Expected credit losses

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	EGP Thousands Total
Individuals	705,482	22,779	348,551	1,076,812
Institutions and Business Banking	1,395,756	8,756,070	5,167,111	15,318,937
Total	**2,101,238**	**8,778,849**	**5,515,662**	**16,395,749**

Loans and advances to banks divided by stages:

Dec.31, 2020	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Time and term loans	-	786,605	-	786,605
Expected credit losses	-	(9,625)	-	(9,625)
Net	-	**776,980**	-	**776,980**

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

Dec.31, 2020	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Facilities and guarantees	54,078,581	28,364,823	93,398	82,536,802
Expected credit losses	(1,439,401)	(1,400,364)	(88,729)	(2,928,494)
Net	**52,639,180**	**26,964,459**	**4,669**	**79,608,308**

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	EGP Thousands Total
Performing loans (1-5)	1%-14%	1,060,743	1,502,072	-	2,562,815
Regular watching (6)	15%-21%	414,477	3,523,422	-	3,937,899
Watch list (7)	21%-28%	-	2,572,463	-	2,572,463
Non-performing loans (8-10)	100%	-	-	7,629,640	7,629,640

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	EGP Thousands Total
Performing loans (1-5)	(0% - 5%)	825,708	-	-	825,708
Regular watching (6)	(5% - 10%)	106	-	-	106
Watch list (7)	(> 10%)	-	90,037	-	90,037
Non-performing loans (8-10)	100%	-	-	257,071	257,071

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Performing loans (1-5)	1%-12%	58,562,710	31,794,540	-	90,357,250
Regular watching (6)	12%-21%	6,273,089	13,177,317	-	19,450,406
Watch list (7)	21%-27%	-	4,502,181	-	4,502,181
Non-performing loans (8-10)	100%	-	-	7,714,479	7,714,479

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Performing loans (1-5)	(0% - 5%)	36,491,332	-	-	36,491,332
Regular watching (6)	(5% - 10%)	18,303	-	-	18,303
Watch list (7)	(> 10%)	-	3,893,211	-	3,893,211
Non-performing loans (8-10)	100%	-	-	660,606	660,606

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2020	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	EGP Thousands Total
Performing loans (1-5)	1%-14%	1,026,133	1,993,166	-	3,019,299
Regular watching (6)	15%-21%	369,623	2,598,500	1,802	2,969,925
Watch list (7)	21%-28%	-	4,164,404	1,842	4,166,246
Non-performing loans (8-10)	100%	-	-	5,163,467	5,163,467

Individual Loans:

Dec.31, 2020	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	EGP Thousands Total
Performing loans (1-5)	(0% - 5%)	704,246	-	-	704,246
Regular watching (6)	(5% - 10%)	1,236	-	-	1,236
Watch list (7)	(> 10%)	-	22,779	-	22,779
Non-performing loans (8-10)	100%	-	-	348,551	348,551

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2020	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Performing loans (1-5)	1%-12%	46,553,362	27,385,358	-	73,938,720
Regular watching (6)	12%-21%	3,825,798	11,288,228	8,551	15,122,577
Watch list (7)	21%-27%	-	5,103,897	1,842	5,105,739
Non-performing loans (8-10)	100%	-	-	5,243,344	5,243,344

Individual Loans:

Dec.31, 2020	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Performing loans (1-5)	(0% - 5%)	34,602,984	-	-	34,602,984
Regular watching (6)	(5% - 10%)	71,918	-	-	71,918
Watch list (7)	(> 10%)	-	942,359	-	942,359
Non-performing loans (8-10)	100%	-	-	576,361	576,361

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2021				EGP Thousands
Due from banks	**"Stage 1: 12 months"**	**"Stage 2: Life time"**	**"Stage 3: Life time"**	**Total**
Credit rating				
Performing loans	64,753,349	-	-	64,753,349
Regular watching	9,328,349	5,950,028	-	15,278,377
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**74,081,698**	**5,950,028**	**-**	**80,031,726**
Less: ECL	(19,725)	(20,714)	-	(40,439)
Book value	**74,061,973**	**5,929,314**	**-**	**79,991,287**

Dec.31, 2021				EGP Thousands
Individual Loans	**"Stage 1: 12 months"**	**"Stage 2: Life time"**	**"Stage 3: Life time"**	**Total**
Credit rating				
Performing loans	36,491,332	-	-	36,491,332
Regular watching	18,303	-	-	18,303
Watch list	-	3,893,211	-	3,893,211
Non-performing loans	-	-	660,606	660,606
Total	**36,509,635**	**3,893,211**	**660,606**	**41,063,452**
Less: ECL	(825,814)	(90,037)	(257,071)	(1,172,922)
Book value	**35,683,821**	**3,803,174**	**403,535**	**39,890,530**

Dec.31, 2021				EGP Thousands
Corporate and Business Banking loans	**"Stage 1: 12 months"**	**"Stage 2: Life time"**	**"Stage 3: Life time"**	**Total**
Credit rating				
Performing loans	58,562,710	31,794,540	-	90,357,250
Regular watching	6,273,089	13,177,317	-	19,450,406
Watch list	-	4,502,181	-	4,502,181
Non-performing loans	-	-	7,714,479	7,714,479
Total	**64,835,799**	**49,474,038**	**7,714,479**	**122,024,316**
Less: ECL	(1,475,220)	(7,597,957)	(7,629,640)	(16,702,817)
Book value	**63,360,579**	**41,876,081**	**84,839**	**105,321,499**

Dec.31, 2021				EGP Thousands
Financial Assets at Fair Value through OCI	**"Stage 1: 12 months"**	**"Stage 2: Life time"**	**"Stage 3: Life time"**	**Total**
Credit rating				
Performing loans	162,348,216	-	-	162,348,216
Regular watching	27,900,153	60,420	-	27,960,573
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**190,248,369**	**60,420**	**-**	**190,308,789**
Less: ECL	(515,177)	(9,721)	-	(524,898)
Book value	**189,733,192**	**50,699**	**-**	**189,783,891**

Dec.31, 2021				EGP Thousands
Financial assets at Amortized cost	**"Stage 1: 12 months"**	**"Stage 2: Life time"**	**"Stage 3: Life time"**	**Total**
Credit rating				
Performing loans	20,256,665	-	-	20,256,665
Regular watching	62,102	-	-	62,102
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**20,318,767**	**-**	**-**	**20,318,767**
Less: ECL	(1,113)	-	-	(1,113)
Book value	**20,317,654**	**-**	**-**	**20,317,654**

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2020				EGP Thousands
Due from banks	**"Stage 1: 12 months"**	**"Stage 2: Life time"**	**"Stage 3: Life time"**	**Total**
Credit rating				
Performing loans	77,096,865	-	-	77,096,865
Regular watching	9,923,500	-	-	9,923,500
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**87,020,365**	-	-	87,020,365
Less: ECL	(23,331)	-	-	**(23,331)**
Book value	**86,997,034**	-	-	86,997,034

Dec.31, 2020 Individual Loans	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Credit rating				
Performing loans	34,602,984	-	-	34,602,984
Regular watching	71,918	-	-	71,918
Watch list	-	942,359	-	942,359
Non-performing loans	-	-	576,361	576,361
Total	**34,674,902**	**942,359**	**576,361**	**36,193,622**
Less: ECL	(705,482)	(22,779)	(348,551)	(1,076,812)
Book value	**33,969,420**	**919,580**	**227,810**	**35,116,810**

Dec.31, 2020 Corporate and Business Banking loans	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Credit rating				
Performing loans	46,553,362	27,385,358	-	73,938,720
Regular watching	3,825,798	11,288,228	8,551	15,122,577
Watch list	-	5,103,897	1,842	5,105,739
Non-performing loans	-	-	5,243,344	5,243,344
Total	**50,379,160**	**43,777,483**	**5,253,737**	**99,410,380**
Less: ECL	(1,395,756)	(8,756,070)	(5,167,111)	(15,318,937)
Book value	**48,983,404**	**35,021,413**	**86,626**	**84,091,443**

Dec.31, 2020 Financial Assets at Fair Value through OCI	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Credit rating				
Performing loans	115,663,918	-	-	115,663,918
Regular watching	30,310,122	-	-	30,310,122
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**145,974,040**	-	-	**145,974,040**
Less: ECL	(619,577)	-	-	(619,577)
Book value	**145,354,463**	-	-	**145,354,463**

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

Dec.31, 2021	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	23,331	10,010,027	-	-	-	-	23,331	10,010,027
New financial assets purchased or issued	106	4,223,077	20,714	5,950,028	-	-	20,820	10,173,105
Matured or disposed financial assets	(4,149)	(1,051,335)	-	-	-	-	(4,149)	(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"	437	456,099	-	-	-	-	437	456,099
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**19,725**	**13,637,868**	**20,714**	**5,950,028**	-	-	**40,439**	**19,587,896**

Dec.31, 2021	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Individual Loans	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL 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 year	120,332	1,834,733	67,258	2,950,852	127,500	84,245	315,090	4,869,830
Write off during the year	-	-	-	-	(298,324)	-	(298,324)	-
Recoveries	-	-	-	-	79,344	-	79,344	-
Ending balance	**825,814**	**36,509,635**	**90,037**	**3,893,211**	**257,071**	**660,606**	**1,172,922**	**41,063,452**

Dec.31, 2021 Corporate and Business Banking loans	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL 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	890,002	34,867,587	1,302,089	21,224,578	-	-	2,192,091	56,092,165
Matured or disposed financial assets	(596,491)	(21,806,244)	(491,306)	(9,393,503)	(2,101)	(2,104)	(1,089,898)	(31,201,851)
Transferred to stage 1	8,894	1,047,109	(19,190)	(850,025)	-	-	(10,296)	197,084
Transferred to stage 2	(53,010)	(2,060,262)	92,677	1,765,014	(409)	(5,490)	39,258	(300,738)
Transferred to stage 3	(2,810)	(2,810)	(2,362,535)	(2,553,001)	2,544,757	2,546,806	179,412	(9,005)
"Changes in the probability of default and loss in case of default and the exposure at default"	(92,931)	2,767,260	(267,130)	(5,083,109)	(84,053)	(74,184)	(444,114)	(2,390,033)
Changes to model assumptions and methodology	(72,404)	(356,001)	652,276	586,601	-	-	579,872	230,600
Recoveries	-	-	-	-	45,431	80	45,431	80
Write off during the year	-	-	-	-	(4,366)	(4,366)	(4,366)	(4,366)
Cumulative foreign currencies translation differences	**(1,786)**	-	**(64,994)**	-	**(36,730)**	-	**(103,510)**	-
Ending balance	**1,475,220**	**64,835,799**	**7,597,957**	**49,474,038**	**7,629,640**	**7,714,479**	**16,702,817**	**122,024,316**

Dec.31, 2021 Financial Assets at Fair Value through OCI	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	619,398	38,390,014	-	-	-	-	619,398	38,390,014
New financial assets purchased or issued	218,711	19,682,229	9,721	60,420	-	-	228,432	19,742,649
Matured or disposed financial assets	(174,668)	(14,134,503)	-	-	-	-	(174,668)	(14,134,503)
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"	(148,264)	(5,232,590)	-	-	-	-	(148,264)	(5,232,590)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**515,177**	**38,705,150**	**9,721**	**60,420**	-	-	**524,898**	**38,765,570**

Dec.31, 2021 Financial assets at Amortized cost	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL 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"	934	(2,049)	-	-	-	-	934	(2,049)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**1,113**	**62,102**	-	-	-	-	**1,113**	**62,102**

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

Dec.31, 2020	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Individual Loans	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2020	96,469	26,734,505	10,394	339,408	210,068	202,357	316,931	27,276,270
Impairment during the year	609,013	7,940,397	12,385	602,951	173,270	449,965	794,668	8,993,313
Write off during the year	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
Ending balance	705,482	34,674,902	22,779	942,359	348,551	576,361	1,076,812	36,193,622

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

Dec.31, 2020	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Financial Assets at Fair Value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2020	414,395	33,728,881	-	-	-	-	414,395	33,728,881
New financial assets purchased or issued	270,021	19,326,470	-	-	-	-	270,021	19,326,470
Matured or disposed financial assets	(126,273)	(14,695,439)	-	-	-	-	(126,273)	(14,695,439)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	61,434	94,253	-	-	-	-	61,434	94,253
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**619,577**	**38,454,165**	-	-	-	-	**619,577**	**38,454,165**

Loans and advances restructured

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

Loans and advances to customer	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Corporate		
- Direct loans	10,903,602	4,794,419
Total	**10,903,602**	**4,794,419**

3.1.7. 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, 2021 — EGP Thousands

Amortized cost	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	20,318,767	-	-	-	20,318,767
Not rated	-	-	-	-	-
Total	**20,318,767**	-	-	-	**20,318,767**

Dec.31, 2021 — EGP Thousands

Fair value through OCI	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	190,308,789	-	-	-	190,308,789
Not rated	-	-	-	-	-
Total	**190,308,789**	-	-	-	**190,308,789**

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, 2021 — EGP Thousands

Fair value through OCI	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	526,011	-	-	-	526,011
Not rated	-	-	-	-	-
Total	**526,011**	-	-	-	**526,011**

3.1.7. 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

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

Dec.31, 2020 — EGP Thousands

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

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

Dec.31, 2020 — EGP Thousands

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

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

EGP Thousands

Dec.31, 2021	Cairo	Alex, Delta and Sinai	Upper Egypt	Total
Cash and balances at the central bank	43,385,222	-	-	43,385,222
Due from banks	79,991,287	-	-	79,991,287
Gross loans and advances to banks	314,334	-	-	314,334
Less: ECL	(2,118)	-	-	(2,118)
Gross loans and advances to customers				
Individual:				
- Overdrafts	837,442	338,127	89,198	1,264,767
- Credit cards	4,526,236	1,015,020	174,941	5,716,197
- Personal loans	22,133,947	7,896,793	1,577,567	31,608,307
- Mortgages	2,370,727	91,294	12,160	2,474,181
Corporate:				
- Overdrafts	25,600,808	2,359,986	1,210,231	29,171,025
- Direct loans	31,149,431	13,655,736	4,952,607	49,757,774
- Syndicated loans	39,654,747	3,326,480	80,801	43,062,028
- Other loans	33,489	-	-	33,489
Unamortized bills discount	(67,439)	(971)	-	(68,410)
Unamortized syndicated loans discount	(312,682)	-	-	(312,682)
ECL	(12,642,802)	(3,918,608)	(1,314,329)	(17,875,739)
Suspended credit account	(65,129)	-	-	(65,129)
Derivative financial instruments	225,376	-	-	225,376
Financial investments:				
-Debt instruments	210,627,556	-	-	210,627,556
Total	**447,760,432**	**24,763,857**	**6,783,176**	**479,307,465**
Total as at December 31, 2020	**383,837,171**	**20,743,853**	**6,864,183**	**411,445,207**

3.1.8.2. Industry sectors

The following table analyses the Group's main credit exposure at their book value categorized by the Bank's customers activities.

EGP Thousands

Dec.31, 2021	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Cash and balances at the central bank	43,385,222	-	-	-	-	-	-	43,385,222
Due from banks	79,991,287	-	-	-	-	-	-	79,991,287
Gross loans and advances to banks	314,334	-	-	-	-	-	-	314,334
Less: ECL	(2,118)	-	-	-	-	-	-	(2,118)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	1,264,767	1,264,767
- Credit cards	-	-	-	-	-	-	5,716,197	5,716,197
- Personal loans	-	-	-	-	-	-	31,608,307	31,608,307
- Mortgages	-	-	-	-	-	-	2,474,181	2,474,181
Corporate:								
- Overdrafts	2,585,614	14,861,282	2,836,521	1,401,418	1,502,477	5,983,713	-	29,171,025
- Direct loans	2,304,289	22,272,620	2,197,607	1,492,717	5,546,351	15,944,190	-	49,757,774
- Syndicated loans	-	8,439,131	1,488,861	-	31,481,743	1,652,293	-	43,062,028
- Other loans	-	33,489	-	-	-	-	-	33,489
Unamortized bills discount	(7,988)	(16,584)	-	-	-	(43,838)	-	(68,410)
Unamortized syndicated loans discount	-	-	-	-	-	(312,682)	-	(312,682)
Less: ECL	(121,402)	(5,623,465)	(59,441)	(163,460)	(1,069,758)	(9,665,291)	(1,172,922)	(17,875,739)
Suspended credit account	-	(17,070)	-	(36,915)	-	(11,144)	-	(65,129)
Derivative financial instruments	225,376	-	-	-	-	-	-	225,376
Financial investments:								
-Debt instruments	9,562,670	-	-	-	201,064,886	-	-	210,627,556
Total	**138,237,284**	**39,949,403**	**6,463,548**	**2,693,760**	**238,525,699**	**13,547,241**	**39,890,530**	**479,307,465**
Total as at December 31, 2020	**131,838,178**	**33,379,418**	**5,910,217**	**1,635,879**	**190,624,179**	**12,940,526**	**35,116,810**	**411,445,207**

3.2. Market risk

Market risk represents the fluctuations in fair value, future cash flow, foreign exchange rates and commodity prices, interest rates, credit spreads and equity prices, and it may reduce the Bank's income or the value of its portfolios. The bank assigns the market risk management department to measure, monitor and control the market risk. In addition, regular reports are submitted to the Asset and Liability "Management Committee (ALCO), Board Risk Committee and the heads of each business unit."

The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from market-making, position taking and others designated as marked-to-market. Non-trading portfolios include positions that primarily arise from the interest rate management of the group's retail and commercial banking assets and liabilities, financial investments designated as FVTOCI and amortized cost.

3.2.1. Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied .

3.2.1.1. Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose , but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (1 Day). The Bank estimates the VaR using the Historical Simulation methodology, which assesses the historical movements in the market prices and rates, and revalue the current positions using these movements.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management.

In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

3.2.1.2. Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

3.2.2. Value at risk (VaR) Summary

EGP Thousands

Total VaR by risk type	Last 12 months ended 31/12/2021			Last 12 months ended 31/12/2020		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	3,250	8,850	82	954	4,940	109
Interest rate risk	221,819	295,649	142,776	441,614	776,180	260,701
- For non trading purposes	221,343	295,172	142,300	448,956	790,500	264,703
- For trading purposes	476	477	476	290	290	290
Portfolio managed by others risk	11,199	20,381	7,875	6,552	14,894	3,337
Total VaR	**221,475**	**297,562**	**139,539**	**443,036**	**780,053**	**261,342**

Trading portfolio VaR by risk type	Last 12 months ended 31/12/2021			Last 12 months ended 31/12/2020		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	3,250	8,850	82	954	4,940	109
Interest rate risk	476	477	476	290	290	290
- For trading purposes	476	477	476	290	290	290
Funds managed by others risk	11,199	20,381	7,875	6,552	14,894	3,337
Total VaR	**11,910**	**20,648**	**8,091**	**6,752**	**14,696**	**3,398**

Trading portfolio VaR by risk type	Last 12 months ended 31/12/2021			Last 12 months ended 31/12/2020		
	Medium	High	Low	Medium	High	Low
Interest rate risk						
- For non trading purposes	221,343	295,172	142,300	448,956	790,500	264,703
Total VaR	**221,343**	**295,172**	**142,300**	**448,956**	**790,500**	**264,703**

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank›s risk value because of the correlation between types of risks.

3.2.3. Foreign exchange risk

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

					Equivalent EGP Thousands	
Dec.31, 2021	**EGP**	**USD**	**EUR**	**GBP**	**Other**	**Total**
Financial assets						
Cash and balances at the central bank	40,729,044	1,742,187	495,556	69,207	349,228	43,385,222
Gross due from banks	41,054,367	34,309,622	4,244,484	350,189	73,064	80,031,726
Gross loans and advances to banks	-	314,334	-	-	-	314,334
Gross loans and advances to customers	114,522,129	44,905,844	3,641,476	17,513	806	163,087,768
Derivative financial instruments	96,842	128,534	-	-	-	225,376
Financial investments						
Gross financial investment securities	190,699,412	22,977,438	1,601,217	-	-	215,278,067
- Investments in associates and subsidiaries	293,559	159,828	-	-	560,963	1,014,350
Total financial assets	**387,395,353**	**104,537,787**	**9,982,733**	**436,909**	**984,061**	**503,336,843**
Financial liabilities						
Due to banks	357,511	485,569	11,142	5,962	2,575	862,759
Due to customers	311,810,436	84,681,183	8,219,886	1,108,835	280,576	406,100,916
Derivative financial instruments	188,901	76,364	-	-	-	265,265
Issued debt instruments	-	1,557,263	-	-	-	1,557,263
Other loans	12,305	5,107,293	21,184	-	-	5,140,782
Total financial liabilities	**312,369,153**	**91,907,672**	**8,252,212**	**1,114,797**	**283,151**	**413,926,985**
Net on-balance sheet financial position	**75,026,200**	**12,630,15**	**1,730,521**	**(677,888)**	**700,910**	**89,409,858**
Total financial assets as of December 31, 2020	**316,459,285**	**105,766,625**	**9,029,784**	**513,923**	**1,311,340**	**433,080,957**
Total financial liabilities as of December 31, 2020	**253,086,441**	**95,028,728**	**7,657,363**	**936,892**	**270,680**	**356,980,104**
Net on-balance sheet financial position as of December 31, 2020	**63,372,844**	**10,737,897**	**1,372,421**	**(422,969)**	**1,040,660**	**76,100,853**

3.2.4. 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.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

						Equivalent EGP Thousands	
Dec.31, 2021	**Up to1 Month**	**1-3 Months**	**3-12 Months**	**1-5 years**	**Over 5 years**	**Non-Interest Bearing**	**Total**
Financial assets							
Cash and balances at the central bank	-	-	-	-	-	43,385,222	43,385,222
Gross due from banks	59,492,508	16,612,725	157,167	2,357,505	-	1,411,821	80,031,726
Gross loans and advances to banks	-	-	314,334	-	-	-	314,334
Gross loans and advances to customers	98,252,581	22,942,227	13,159,337	21,407,645	7,325,978	-	163,087,768
Derivatives financial instruments (including IRS notional amount)	333,316	4,720,710	436,841	1,705,959	85,348	-	7,282,174
Financial investments							
Gross financial investment securities *	4,375,381	10,563,216	47,033,221	91,161,101	61,405,464	739,684	215,278,067
- Investments in associates and subsidiaries	-	-	-	-	-	1,014,350	1,014,350
Total financial assets	**162,453,786**	**54,838,878**	**61,100,900**	**116,632,210**	**68,816,790**	**46,551,077**	**510,393,641**
Financial liabilities							
Due to banks	448,624	-	-	-	-	414,135	862,759
Due to customers	188,499,420	49,508,887	22,158,001	80,695,033	542,992	64,696,583	406,100,916
Derivatives financial instruments (including IRS notional amount)	518,244	1,938,009	63,027	11,409	4,791,374	-	7,322,063
Issued debt instruments	-	-	-	1,557,263	-	-	1,557,263
Other loans	79	4,583,402	555,461	1,840	-	-	5,140,782
Total financial liabilities	**189,466,367**	**56,030,298**	**22,776,489**	**82,265,545**	**5,334,366**	**65,110,718**	**420,983,783**
Total interest re-pricing gap	**(27,012,581)**	**(1,191,420)**	**38,324,411**	**34,366,665**	**63,482,424**	**(18,559,641)**	**89,409,858**
Total financial assets as of December 31, 2020	**164,131,192**	**34,114,684**	**55,584,940**	**102,099,135**	**52,355,042**	**35,635,381**	**443,920,374**
Total financial liabilities as of December 31, 2020	**180,901,440**	**47,925,778**	**29,299,143**	**54,599,162**	**4,962,075**	**50,131,923**	**367,819,521**
Total interest re-pricing gap as of December 31, 2020	**(16,770,248)**	**(13,811,094)**	**26,285,797**	**47,499,973**	**47,392,967**	**(14,496,542)**	**76,100,853**

** After adding Reverse repos and deducting Repos.*

3.3. 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 Poilcy 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 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.At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained strong and well above regulatory requirements.

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.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification by currency, provider, product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

EGP Thousands

Dec.31, 2021	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	862,759	-	-	-	-	862,759
Due to customers	39,195,099	48,614,200	100,190,684	208,350,841	9,750,092	406,100,916
Issued debt instruments	-	-	-	1,557,263	-	1,557,263
Other loans	79	-	555,460	2,744,651	1,840,592	5,140,782
Total liabilities (contractual and non contractual maturity dates)	**40,057,937**	**48,614,200**	**100,746,144**	**212,652,755**	**11,590,684**	**413,661,720**
Total financial assets (contractual and non contractual maturity dates)	**58,447,032**	**75,184,509**	**78,162,525**	**185,200,459**	**106,116,943**	**503,111,468**

EGP Thousands

Dec.31, 2020	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	1,264,151	7,472,749	78,661	-	-	8,815,561
Due to customers	32,792,022	32,480,332	97,124,044	166,850,344	10,839,782	340,086,524
Other loans	-	10,079	2,629,252	2,445,156	2,662,459	7,746,946
Total liabilities (contractual and non contractual maturity dates)	**34,056,173**	**39,963,160**	**99,831,957**	**169,295,500**	**13,502,241**	**356,649,031**
Total financial assets (contractual and non contractual maturity dates)	**84,620,725**	**49,072,630**	**59,598,235**	**157,255,071**	**82,285,536**	**432,832,197**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes , loans and advances to banks and customers.

In the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills and other governmental notes have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

3.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date will be settled on a net basis. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP Thousands

Dec.31, 2021	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
Foreign exchange derivatives	78,177	36,288	63,027	11,409	-	188,901
Interest rate derivatives	-	-	-	-	76,364	76,364
Total	**78,177**	**36,288**	**63,027**	**11,409**	**76,364**	**265,265**
Total as of Dec. 31, 2020	**16,230**	**44,100**	**80,072**	**6,766**	**183,905**	**331,073**

Off balance sheet items

EGP Thousands

Dec.31, 2021	Up to 1 year	1-5 years	Over 5 years	Total
Letter of credit, guarantees and other commitments	56,113,839	27,311,828	8,221,828	91,647,495
Total	**56,113,839**	**27,311,828**	**8,221,828**	**91,647,495**
Total as of Dec. 31, 2020	**49,680,180**	**23,421,797**	**9,434,825**	**82,536,802**

EGP Thousands

Dec.31, 2021	Up to 1 year	1-5 years	Total
Credit facilities commitments	3,229,408	4,490,950	7,720,358
Total	**3,229,408**	**4,490,950**	**7,720,358**
Total as of Dec. 31, 2020	**3,511,831**	**5,383,579**	**8,895,410**

3.4. Fair value of financial assets and liabilities

3.4.1. 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.

	Book value		Fair value	
	Dec.31, 2021	Dec.31, 2020	Dec.31, 2021	Dec.31, 2020
Financial assets				
Due from banks	80,031,726	87,020,365	80,459,411	87,018,791
Gross loans and advances to banks	314,334	786,605	314,334	786,605
Gross loans and advances to customers	163,087,768	135,604,002	163,388,858	135,421,732
Financial investments:				
Financial assets at Amortized cost	20,318,767	25,020,917	21,074,139	26,172,861
Total financial assets	**263,752,595**	**248,431,889**	**265,236,742**	**249,399,989**
Financial liabilities				
Due to banks	862,759	8,815,561	832,976	8,698,421
Due to customers	406,100,916	340,086,524	408,645,667	339,293,107
Issued debt instruments	1,571,670	-	1,574,487	-
Other loans	5,140,782	7,746,946	5,124,531	7,746,946
Total financial liabilities	**413,676,127**	**356,649,031**	**416,177,661**	**355,738,474**

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

Due from banks

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

Fair values of financial instruments

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 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.

		Fair value measurement using			
Dec.31, 2021	**Date of Valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (level 2)**	**Valuation techniques (level 3)**
Measured at fair value:					
Financial assets					
Financial Assets at Fair Value through P&L	31-Dec-21	240,987	240,987	-	-
Financial Assets at Fair Value through OCI	31-Dec-21	192,390,931	147,525,260	44,865,671	-
Total		**192,631,918**	**147,766,247**	**44,865,671**	-
Derivative financial instruments					
Financial assets	31-Dec-21	225,376	-	-	225,376
Financial liabilities	31-Dec-21	265,265	-	-	265,265
Total		**490,641**	-	-	**490,641**
Assets for which fair values are disclosed:					
Financial assets at Amortized cost	31-Dec-21	21,074,139	-	21,074,139	-
Loans and advances to banks	31-Dec-21	314,334	-	-	314,334
Loans and advances to customers	31-Dec-21	163,388,858	-	-	163,388,858
Total		**184,777,331**	-	**21,074,139**	**163,703,192**
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-21	1,574,487	-	1,574,487	-
Other loans	31-Dec-21	5,124,531	-	5,124,531	-
Due to customers	31-Dec-21	408,645,667	-	-	408,645,667
Total		**415,344,685**	-	**6,699,018**	**408,645,667**

		Fair value measurement using			
Dec.31, 2020	**Date of Valuation**	**Total**	**Quoted prices in active markets (Level 1)**	**Significant observable inputs (level 2)**	**Valuation techniques (level 3)**
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-20	359,959	359,959	-	-
Financial Assets at Fair value through OCI	31-Dec-20	147,646,432	107,691,850	39,954,582	-
Total		**148,006,391**	**108,051,809**	**39,954,582**	-
Derivative financial instruments					
Financial assets	31-Dec-20	248,759	-	-	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
Total		**579,832**	-	-	**579,832**
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-20	26,172,861	-	26,172,861	-
Loans and advances to banks	31-Dec-20	786,605	-	-	786,605
Loans and advances to customers	31-Dec-20	135,421,732	-	-	135,421,732
Total		**162,381,198**	-	**26,172,861**	**136,208,337**
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	339,293,107	-	-	339,293,107
Total		**347,040,053**	-	**7,746,946**	**339,293,107**

Fair value of financial assets and liabilities

Loans and advances to banks

Loans and advances to banks are represented in loans that do not consider bank placing. The expected fair value of the loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Financial Investments

Investment securities include only interest-bearing assets, financial assets at amortized cost, and fair value through OCI.

Fair value for amortized cost assets is based on market prices.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity date.

3.5. Capital management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth of the Bank's operations.

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt on a monthly basis.

Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid up capital has reached EGP 19.7 billion.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer.

Tier one:

Tier one comprises of paid-in capital, retained earnings and reserves resulting from the distribution of profits except the banking risk reserve, interim profits and deducting previously recognized goodwill and any retained losses.

Tier two:

Tier two represents the gone concern capital which is comppосed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities ,subordinated loans with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for financial assets fair value through OCI , amortized cost , subsidiaries and associates investments.

When calculating the numerator of capital adequacy ratio, the rules set limits of total tier 2 to no more than tier 1 capital and also limits the subordinated to no more than 50% of tier1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into considration the cash collatrals. Similar criteria are used for off balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of teir 1, teir 2 , the capital adequacy ratio and leverage ratio .

		EGP Thousands
1-The capital adequacy ratio	**Dec. 31, 2021**	**Dec. 31, 2020**
Tier 1 capital		
Share capital	19,702,418	14,776,813
Goodwill	(137,525)	(178,782)
Reserves	34,911,381	33,427,234
Retained Earnings (Losses)	409,540	256,266
Total deductions from tier 1 capital common equity	(774,839)	(842,792)
Interim profits	8,862,295	8,906,131
Total qualifying tier 1 capital	**62,973,270**	**56,344,870**
Tier 2 capital		
Subordinated Loans	4,583,403	4,579,135
Impairment provision for loans and regular contingent liabilities	2,422,497	2,072,612
Total qualifying tier 2 capital	**7,005,900**	**6,651,747**
Total capital 1+2	**69,979,170**	**62,996,617**
Risk weighted assets and contingent liabilities		
Total credit risk	194,072,666	165,944,439
Total market risk	3,309,278	701,776
Total operational risk	36,976,287	33,923,864
Total	**234,358,231**	**200,570,079**
***Capital adequacy ratio (%)**	**29.86%**	**31.41%**

**Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.*

		EGP Thousands
2-Leverage ratio	**Dec. 31, 2021**	**Dec. 31, 2020**
Total qualifying tier 1 capital	62,973,270	56,344,870
On-balance sheet items & derivatives	496,620,360	430,849,350
Off-balance sheet items	60,131,413	54,025,891
Total exposures	**556,751,773**	**484,875,241**
***Percentage**	**11.31%**	**11.62%**

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2021 NSFR ratio record 247% (LCY 282% and FCY 170%), and LCR ratio record 817% (LCY 902% and FCY 304%).

For December 2020 NSFR ratio record 250% (LCY 301% and FCY 168%), and LCR ratio record 1358% (LCY 1976% and FCY 336%).

4. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

4.1. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. For practicality purposes, models use only observable data; however, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

5. Segment analysis

5.1. By business segment

The Bank is divided into four main business segments on a worldwide basis:

- 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

Dec.31, 2021	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment *	12,439,437	1,875,155	6,017,750	7,770,667	632,640	28,735,649
Expenses according to business segment	(5,105,403)	(1,078,834)	(196,406)	(3,353,199)	(20,922)	(9,754,764)
Profit before tax	7,334,034	796,321	5,821,344	4,417,468	611,718	18,980,885
Tax	(2,148,525)	(233,284)	(1,705,378)	(1,294,109)	(179,204)	(5,560,500)
Profit for the year	**5,185,509**	**563,037**	**4,115,966**	**3,123,359**	**432,514**	**13,420,385**
Total assets	**158,069,828**	**3,193,320**	**218,237,747**	**40,130,705**	**77,019,524**	**496,651,124**

**Represents the net interest income and other income.*

EGP Thousands

Dec.31, 2020	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Revenue according to business segment	11,509,020	1,566,102	7,952,088	6,912,740	636,807	28,576,757
Expenses according to business segment	(8,534,961)	(880,520)	(437,153)	(3,425,209)	(1,795)	(13,279,638)
Profit before tax	2,974,059	685,582	7,514,935	3,487,531	635,012	15,297,119
Tax	(971,560)	(223,965)	(2,454,966)	(1,139,301)	(207,445)	(4,997,237)
Profit for the year	**2,002,499**	**461,617**	**5,059,969**	**2,348,230**	**427,567**	**10,299,882**
Total assets at 31 December 2020	**137,464,591**	**1,067,415**	**182,133,166**	**35,348,914**	**70,130,744**	**426,144,830**

5.2. By geographical segment

EGP Thousands

Dec.31, 2021	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	25,041,393	3,109,072	585,184	28,735,649
Expenses according to geographical segment	(7,848,223)	(1,636,433)	(270,108)	(9,754,764)
Profit before tax	**17,193,170**	**1,472,639**	**315,076**	**18,980,885**
Tax	(5,036,785)	(431,413)	(92,302)	(5,560,500)
Profit for the year	**12,156,385**	**1,041,226**	**222,774**	**13,420,385**
Total assets	**462,978,485**	**26,469,030**	**7,203,609**	**496,651,124**

EGP Thousands

Dec.31, 2020	Cairo	Alex, Delta & Sinai	Upper Egypt	Total
Revenue according to geographical segment	24,786,619	3,033,434	756,704	28,576,757
Expenses according to geographical segment	(11,548,921)	(1,471,486)	(259,231)	(13,279,638)
Profit before tax	**13,237,698**	**1,561,948**	**497,473**	**15,297,119**
Tax	(4,330,267)	(505,857)	(161,113)	(4,997,237)
Profit for the year	**8,907,431**	**1,056,091**	**336,360**	**10,299,882**
Total assets at 31 December 2020	**395,946,324**	**22,705,248**	**7,493,258**	**426,144,830**

6. Net interest income

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Interest and similar income		
- Banks	5,224,008	2,189,215
- Clients	13,099,664	12,644,831
Total	**18,323,672**	**14,834,046**
Treasury bills and bonds	25,628,523	26,539,074
Repos	16,413	4,067
Financial investments at fair value through OCI	976,837	693,411
Total	**44,945,445**	**42,070,598**
Interest and similar expense		
- Banks	(123,098)	(458,190)
- Clients	(19,426,946)	(16,027,482)
Total	**(19,550,044)**	**(16,485,672)**
Repos	(160,143)	(209,975)
Other loans	(319,008)	(284,988)
Issued debt instruments	(28,740)	-
Total	**(20,057,935)**	**(16,980,635)**
Net interest income	**24,887,510**	**25,089,963**

7. Net fee and commission income

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Fee and commission income		
Fee and commissions related to credit	1,397,003	1,185,000
Custody fee	175,697	159,082
Other fee	2,464,255	1,709,454
Total	**4,036,955**	**3,053,536**
Fee and commission expense		
Other fee paid	(1,654,671)	(983,450)
Total	**(1,654,671)**	**(983,450)**
Net income from fee and commission	**2,382,284**	**2,070,086**

8. Dividend income

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Financial assets at fair value through P&L	7,003	10,596
Financial assets at fair value through OCI	52,722	36,879
Subsidiaries and associates	24,975	50,700
Total	**84,700**	**98,175**

9. Net trading income

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Profit (Loss) from foreign exchange transactions	689,511	434,920
Profit (Loss) from forward foreign exchange deals revaluation	(9,243)	36,861
Profit (Loss) from interest rate swaps revaluation	(3,053)	(5,744)
Profit (Loss) from currency swap deals revaluation	14,876	(5,577)
Profit (Loss) from financial assets at fair value through P&L	4,647	(64,759)
Total	**696,738**	**395,701**

10. Administrative expenses

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Staff costs		
Wages and salaries	(3,172,250)	(2,897,496)
Social insurance	(138,036)	(123,625)
Other benefits	(147,685)	(125,338)
Other administrative expenses *	(2,638,250)	(2,406,341)
Total	**(6,096,221)**	**(5,552,800)**

**The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.*

11. Other operating (expenses) income

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Profits (losses) of non-trading assets and liabilities	(16,629)	25,536
Profits of selling property and equipment	2,947	1,094
Release (charges) of other provisions	(411,126)	(1,288,675)
Other income/expenses	(1,556,285)	(1,475,505)
Total	**(1,981,093)**	**(2,737,550)**

12. Impairment release (charges) for credit losses

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Loans and advances to customers	(1,753,908)	(4,777,592)
Due from banks	(17,108)	(6,514)
Financial securities	93,566	(205,182)
Total	**(1,677,450)**	**(4,989,288)**

13. Adjustments to calculate the effective tax rate

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Profit before tax	18,980,885	15,297,119
Tax rate	22.50%	22.50%
Income tax based on accounting profit	**4,270,699**	**3,441,852**
Add / (Deduct)		
Non-deductible expenses	2,329,342	2,806,489
Tax exemptions	(4,547,108)	(4,224,616)
Withholding tax	3,507,567	2,973,512
Income tax / Deferred tax	**5,560,500**	**4,997,237**
Effective tax rate	**29.30%**	**32.67%**

14. Earning per share

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Net profit for the year, available for distribution	13,414,598	10,296,070
Board member's bonus	(49,420)	(73,643)
Staff profit sharing	(1,341,460)	(1,029,607)
Profits attributable to shareholders	**12,023,718**	**9,192,820**
Weighted average number of shares	1,970,242	1,970,242
Basic earning per share	**6.10**	**4.67**
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	1,984,558	1,984,558
Diluted earning per share	**6.06**	**4.63**

15.Cash and balances at the central bank

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Cash	5,368,429	5,962,217
Obligatory reserve balance with CBE		
- Current accounts	38,016,793	27,610,380
Total	**43,385,222**	**33,572,597**
Non-interest bearing balances	**43,385,222**	**33,572,597**

16.Due from banks

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Current accounts	2,706,161	2,932,060
Deposits	77,325,565	84,088,305
Expected credit losses	(40,439)	(23,331)
Total	**79,991,287**	**86,997,034**
Central banks	51,720,551	54,425,073
Local banks	13,293,580	1,268,079
Foreign banks	14,977,156	31,303,882
Total	**79,991,287**	**86,997,034**
Non-interest bearing balances	1,411,821	1,573
Floating interest bearing balances	9,413,404	8,872,165
Fixed interest bearing balances	69,166,062	78,123,296
Total	**79,991,287**	**86,997,034**
Current balances	79,991,287	86,997,034

Due from banks

	Stage 1	Stage 2
Gross due from banks	74,081,698	5,950,028
Expected credit losses	(19,725)	(20,714)
Net due from banks	**74,061,973**	**5,929,314**

17. Treasury bills and other governmental notes

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
91 Days maturity	550	22,426
182 Days maturity	84,175	98,825
364 Days maturity	44,529,537	42,049,022
Unearned interest	(2,327,382)	(1,946,973)
Total	**42,286,880**	**40,223,300**
Repos - treasury bills	(707,376)	(758,586)
Net	**41,579,504**	**39,464,714**

Governmental bonds

	Dec. 31, 2021 Financial Assets at Fair Value through OCI	Dec. 31, 2020 Financial Assets at Fair Value through OCI
		EGP Thousands
Governmental bonds	142,702,951	105,998,913
Repo	(3,536,336)	(7,472,925)
Net	**139,166,615**	**98,525,988**

Treasury bills have been classified in OCI (Note 21)

18.Loans and advances to banks, net

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Time and term loans	314,334	786,605
ECL	(2,118)	(9,625)
Net	**312,216**	**776,980**
Current balances	312,216	776,980
Net	**312,216**	**776,980**

Analysis for ECL of loans and advances to banks

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	(9,625)	(4,516)
Released (charged) during the year	7,507	(5,109)
Ending balance	**(2,118)**	**(9,625)**

Analysis for ECL of loans and advances to banks	Stage 2	Stage 2
		EGP Thousands
Beginning Balance	(9,625)	(4,516)
Released (charged) during the year	7,507	(5,109)
Ending balance	**(2,118)**	**(9,625)**

Below is an analysis of outstanding balance:

Rating	Balance	Rating	Balance
B-	312,216	B-	776,980

19.Loans and advances to customers, net

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Individual		
- Overdraft	1,264,767	1,511,221
- Credit cards	5,716,197	4,864,404
- Personal loans	31,608,307	27,792,367
- Mortgage loans	2,474,181	2,025,630
Total 1	**41,063,452**	**36,193,622**
Corporate		
- Overdraft	29,171,025	23,541,904
- Direct loans	49,757,774	44,736,272
- Syndicated loans	43,062,028	31,110,813
- Other loans	33,489	21,391
Total 2	**122,024,316**	**99,410,380**
Total Loans and advances to customers (1+2)	**163,087,768**	**135,604,002**
Less:		
Unamortized bills discount	(68,410)	(104,176)
Unamortized syndicated loans discount	(312,682)	(210,680)
ECL	(17,875,739)	(16,395,749)
Suspended credit account	(65,129)	(38,517)
Net loans and advances to customers	**144,765,808**	**118,854,880**
Distributed to		
Current balances	63,924,184	51,070,650
Non-current balances	80,841,624	67,784,230
Total	**144,765,808**	**118,854,880**

Analysis of ECL on loans and advances to customers by type during the year was as follows:

EGP Thousands

	Dec.31, 2021				
Individual Loans:	Overdrafts	Credit cards	Personal loans	Mortgages	Total
Beginning balance	(9,559)	(242,278)	(762,850)	(62,125)	(1,076,812)
Released (charged) during the year	(32)	(124,535)	(203,123)	12,600	(315,090)
Written off during the year	3,072	100,263	194,989	-	298,324
Recoveries	(1)	(38,456)	(40,887)	-	(79,344)
Ending balance	**(6,520)**	**(305,006)**	**(811,871)**	**(49,525)**	**(1,172,922)**

	Dec.31, 2021				
Corporate and Business Banking loans:	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,319,514)	(10,533,928)	(3,459,950)	(5,545)	(15,318,937)
Released (charged) during the year	(336,595)	(364,747)	(743,733)	(1,250)	(1,446,325)
Written off during the year	-	4,366	-	-	4,366
Recoveries	(80)	(45,351)	-	-	(45,431)
foreign currencies translation differences	7,615	73,208	22,687	-	103,510
Ending balance	**(1,648,574)**	**(10,866,452)**	**(4,180,996)**	**(6,795)**	**(16,702,817)**

EGP Thousands

	Individual				
Dec.31, 2020	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Released (charged) 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	**(9,559)**	**(242,278)**	**(762,850)**	**(62,125)**	**(1,076,812)**

	Corporate				
Dec.31, 2020	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Released (charged) 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	**(1,319,514)**	**(10,533,928)**	**(3,459,950)**	**(5,545)**	**(15,318,937)**

**From previously written off amounts*

20. Derivative financial instruments

20.1. Derivatives

The Bank uses the following financial derivatives for non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (Off balance sheet). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

20.1.1.For trading derivatives

						EGP Thousands
	Dec.31, 2021			Dec.31, 2020		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Foreign currencies derivatives						
- Forward foreign exchange contracts	11,069,167	68,089	178,122	9,070,529	41,790	142,579
- Currency swap	3,502,055	28,753	10,779	3,364,578	7,686	4,589
Total (1)		**96,842**	**188,901**		**49,476**	**147,168**

20.1.2.Fair value hedge

						EGP Thousands
	Dec.31, 2021			Dec.31, 2020		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate derivatives						
- Customers deposits hedging	7,056,798	128,534	76,364	10,839,417	199,283	183,905
Total (2)		128,534	76,364		199,283	183,905
Total financial derivatives (1+2)		**225,376**	**265,265**		**248,759**	**331,073**

20.2. Hedging derivatives

Fair value hedge

The Bank uses interest rate swap contracts to cover part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 52,170 thousand at the end of December 31, 2021 against EGP 15,378 thousand at December 31, 2020, resulting in profits from hedging instruments at December 31, 2021 of EGP 36,792 thousand against losses of EGP 47,393 thousand at December 31, 2020. Profits arose from the hedged items at December 31, 2021 reached EGP 146,227 thousand against losses EGP 55,573 thousand at December 31 , 2020.

21.Movement of financial investment securities:

	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost
Beginning balance	89,897,257	107,225,613
Addition	112,404,036	-
Disposals	(54,137,187)	(82,203,469)
Exchange revaluation differences for foreign financial assets	(248,415)	(1,227)
Profit (losses) from fair value difference	(269,259)	-
Ending Balance as of Dec.31, 2020	**147,646,432**	**25,020,917**

	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost
Beginning balance	147,646,432	25,020,917
Addition	250,190,493	3,844
Disposals	(202,464,081)	(4,705,849)
Profit (losses) from fair value difference	(2,964,797)	-
Exchange revaluation differences for foreign financial assets	(17,116)	(145)
Ending Balance as of Dec.31, 2021	**192,390,931**	**20,318,767**

21. Financial investments securities

EGP Thousands

	Dec.31, 2021			
	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	139,166,615	20,318,767	159,485,382
Securitized bonds	-	6,788,005	-	6,788,005
Equity instruments	-	170,640	-	170,640
Portfolio managed by others	240,987	-	-	240,987
Sukuk	-	1,400,000	-	1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	41,579,504	-	41,579,504
Securitized bonds	-	2,774,665	-	2,774,665
Equity instruments	-	246,823	-	246,823
Mutual funds	-	264,679	-	264,679
Total	**240,987**	**192,390,931**	**20,318,767**	**212,950,685**

EGP Thousands

	Dec.31, 2020			
	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	98,525,988	25,020,917	123,546,905
Securitized bonds	-	7,983,338	-	7,983,338
Equity instruments	-	480,792	-	480,792
Portfolio managed by others	359,959	-	-	359,959
Sukuk	-	701,732	-	701,732
Investments not listed in the market				
Treasury bills and other governmental notes	-	39,464,714	-	39,464,714
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
Total	**359,959**	**147,646,432**	**25,020,917**	**173,027,308**

disclosure and measurement of financial assets and financial liabilities:

The following table shows the financial assets and the net financial liabilities according to the business model classification:

Dec.31, 2021	Amortized cost	Debt financial Assets at Fair value through OCI	Financial Assets at Fair value through OCI	Financial Assets/ Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	43,385,222	-	-	-	43,385,222
Due from banks	79,991,287	-	-	-	79,991,287
Treasury bills	-	41,579,504	-	-	41,579,504
Loans and advances to customers, net	144,765,808	-	-	-	144,765,808
Loans and advances to banks, net	312,216	-	-	-	312,216
Derivative financial instruments	-	-	-	225,376	225,376
Financial Assets at Fair value through OCI	-	150,129,285	682,142	-	150,811,427
Amortized cost	20,318,767	-	-	-	20,318,767
Financial Assets at Fair value through P&L	-	-	-	240,987	240,987
Total 1	**288,773,300**	**191,708,789**	**682,142**	**466,363**	**481,630,594**
Due to banks	862,759	-	-	-	862,759
Due to customers	406,100,916	-	-	-	406,100,916
Derivative financial instruments	-	-	-	265,265	265,265
Other loans	5,140,782	-	-	-	5,140,782
Issued debt instruments	1,557,263	-	-	-	1,557,263
Other provisions	3,539,676	-	-	-	3,539,676
Total 2	**417,201,396**	**-**	**-**	**265,265**	**417,466,661**

21.1. Profits (Losses) on financial investments

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Profit (Loss) from selling FVOCI financial instruments	702,776	1,018,469
Released (Impairment) charges of FVOCI	-	(79,126)
Released (Impairment) charges of investments in associates and subsidiaries	(18,359)	(16,511)
Total	**684,417**	**922,832**

22. Investments in associates and subsidiaries

EGP Thousands

Dec.31, 2021	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
Subsidiaries							
- CVenture Capital	Egypt	143,491	1,806	1,386	(2,674)	159,828	99.99
- Damietta shipping & marine services	Egypt	28,346	1,999	2,132	411	97,991	49.95
- Mayfair Bank	Kenya	1,860,020	1,250,661	95,361	4,918	560,963	51.00
Associates							
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	65,623	37,788	51,796	3,945	23,108	39.34
- Fawry Plus	Egypt	124,845	97,088	76,903	14,473	14,100	14.99
- International Co. for Security and Services (Falcon)	Egypt	1,084,916	791,149	509,571	(931)	-	30.00
Total		**3,307,241**	**2,180,491**	**737,149**	**20,142**	**1,014,350**	

EGP Thousands

Dec.31, 2020	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
Subsidiaries							
- 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
Associates							
- Al Ahly Computer	Egypt	82,094	49,824	49,254	7,140	22,191	39.34
- Fawry Plus	Egypt	122,518	143,914	45,506	(11,011)	-	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,062,033	799,693	472,714	723	9,000	30.00
Total		**3,351,039**	**2,241,700**	**902,461**	**(94,162)**	**874,348**	

23. Other assets

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Accrued revenues	8,938,356	6,759,229
Prepaid expenses	421,083	285,585
Advances to purchase of fixed assets	1,134,366	1,195,099
Accounts receivable and other assets (after deducting the provision)*	528,559	755,836
Assets acquired as settlement of debts	153,423	169,855
Insurance	45,130	40,608
Gross	11,220,917	9,206,212
Impairment of other assets	(79,000)	(111,000)
Net	**11,141,917**	**9,095,212**

A provision with amount EGP 47 million has been released.

This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in in another asset category.

24. Property and equipment

EGP Thousands

Dec.31, 2021	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
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 year	-	46,193	611,641	24,293	165,597	140,810	14,372	1,002,906
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Cost at end of the year (2)	**64,709**	**1,169,516**	**3,142,053**	**156,316**	**928,154**	**826,083**	**148,638**	**6,435,469**
Accumulated depreciation at beginning of the year (3)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Depreciation for the year	-	53,402	489,170	13,973	164,358	122,110	15,596	858,609
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Accumulated depreciation at end of the year (4)	-	505,828	2,093,373	66,687	703,593	559,392	102,359	4,031,232
Ending net assets (2-4)	64,709	663,688	1,048,680	89,629	224,561	266,691	46,279	2,404,237
Beginning net assets (1-3)	**64,709**	**670,897**	**926,209**	**79,309**	**223,322**	**247,991**	**47,503**	**2,259,940**

EGP Thousands

Dec.31, 2021	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2020 (1)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	113,828	4,871,432
Additions during the year	-	71,822	393,202	22,234	79,972	142,227	25,286	734,743
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Cost at end of the year (2)	**64,709**	**1,129,713**	**2,541,603**	**132,023**	**808,039**	**700,886**	**136,093**	**5,513,066**
Accumulated depreciation at beginning of the year (3)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Current year depreciation	-	52,898	348,926	11,074	141,207	109,727	13,669	677,501
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Accumulated depreciation at end of the year (4)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Ending net assets (2-4)	**64,709**	**670,897**	**926,209**	**79,309**	**223,322**	**247,991**	**47,503**	**2,259,940**
Beginning net assets (1-3)	**64,709**	**651,973**	**881,933**	**68,149**	**284,557**	**215,491**	**35,886**	**2,202,698**

25. Due to banks

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Current accounts	666,659	392,725
Deposits	196,100	8,422,836
Total	**862,759**	**8,815,561**
Central banks	198,234	114,786
Local banks	5,234	5,233,885
Foreign banks	659,291	3,466,890
Total	**862,759**	**8,815,561**
Non-interest bearing balances	414,135	232,019
Floating bearing interest balances	117,516	871,427
Fixed interest bearing balances	331,108	7,712,115
Total	**862,759**	**8,815,561**
Current balances	862,759	8,815,561

26. Due to customers

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Demand deposits	134,352,996	107,404,782
Time deposits	79,212,681	57,875,676
Certificates of deposit	102,139,939	100,130,108
Saving deposits	86,405,762	70,737,586
Other deposits	3,989,538	3,938,372
Total	**406,100,916**	**340,086,524**
Corporate deposits	179,860,385	140,253,514
Individual deposits	226,240,531	199,833,010
Total	**406,100,916**	**340,086,524**
Non-interest bearing balances	64,696,583	49,899,904
Floating interest bearing balances	17,469,106	33,533,480
Fixed interest bearing balances	323,935,227	256,653,140
Total	**406,100,916**	**340,086,524**
Current balances	295,627,470	237,899,134
Non-current balances	110,473,446	102,187,390
Total	**406,100,916**	**340,086,524**

In 2021, Due to customers contains an amount of EGP 641 million representing guarantees of irrevocable commitments for documentary credits - export compared to EGP 817 million in 2020. The fair value of these deposits is approximately their present value.

27. Issued debt instruments

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Fixed rate bonds with 5 years maturity				
Green bonds (USD)	Fixed rate	-	1,557,263	-
Total			1,557,263	-
Non current balances			1,557,263	-
Total			**1,557,263**	-

28. Other loans

EGP Thousands

	Interest rate %	Loan duration	Due within one year	Dec. 31, 2021	Dec. 31, 2020
CDC subordinated loan	Floating rate	10 years	-	1,440,063	1,432,715
European Bank for Reconstruction and Development (EBRD)	Floating rate	2 years	523,890	523,890	1,573,210
International Finance Corporation (IFC)	Floating rate	1 renewable year	-	-	1,573,210
Environmental Compliance Project (ECO)	Fixed rate	3-5 years	315	1,155	1,391
Agricultural Research and Development Fund (ARDF)	Fixed rate	3-5 years*	7,000	8,000	20,000
Egyptian Pollution Abatement Program (EPAP)	Floating / Fixed rate	Less than 1 year	24,334	24,334	-
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	-	1,571,670	1,573,210
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	-	1,571,670	1,573,210
Balance			**555,539**	**5,140,782**	**7,746,946**

Interest rates on variable-interest subordinated loans are determined in advance every 3 months. Subordinated loans are not repaid before their repayment dates.

**Represents the date of loan repayment to the lending agent.*

29. Other liabilities

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Accrued interest payable	1,553,629	1,165,714
Accrued expenses	1,610,509	1,316,093
Accounts payable	4,717,019	3,083,529
Other credit balances	140,153	113,930
Total	**8,021,310**	**5,679,266**

30. Other provisions

EGP Thousands

Dec.31, 2021	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
Provision for legal claims	52,604	-	857	(43,826)	(2,451)	7,184
Provision for contingent	2,928,494	309,300	(34,475)	-	-	3,203,319
Provision for other claim*	240,154	72,301	18,375	(1,657)	-	329,173
Total	**3,221,252**	**381,601**	**(15,243)**	**(45,483)**	**(2,451)**	**3,539,676**

EGP Thousands

Dec.31, 2020	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
Provision for legal claims	66,106	-	(44)	(185)	(13,273)	52,604
Provision for contingent	1,790,692	1,143,171	(5,369)	-	-	2,928,494
Provision for other claim	154,571	89,560	(1,780)	(2,197)	-	240,154
Total	**2,011,369**	**1,232,731**	**(7,193)**	**(2,382)**	**(13,273)**	**3,221,252**

** To face the potential risk of banking operations.*

31. Equity

31.1. Capital

The authorized capital is EGP 50 billion according to the extraordinary general assembly decision on 12 June 2019.

- Issued and Paid in Capital increased by an amount of EGP 4,925,605 thousand on August 16, 2021 to reach 19,702,418 according to Ordinary General Assembly Meeting decision on March 15 ,2020 by distribution of a one share for every three outstanding shares by capitalizing on the General Reserve.
- Issued and Paid in Capital increased by an amount of EGP 85,992 thousand on September 21 ,2020 to reach EGP 14,776,813 thousand according to Board of Directors decision on January 5, 2020 by issuance of eleventh tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 105,413 thousand on November 18,2019 to reach EGP 14,690,821 thousand according to Board of Directors decision on February 4, 2019 by issuance of tenth tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 2,917,082 thousand on February 14, 2019 to reach 14,585,408 according to Ordinary General Assembly Meeting decision on March 4 ,2018 by distribution of a one share for every four outstanding shares by capitalizing on the General Reserve.

31.2. Reserves

According to The Bank status 5% of net profit is used to increase the legal reseve to reaches 50% of The Bank's issued and paid in capital. Central Bank of Egypt concurrence for usage of special reserve is required.

32. Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

EGP Thousands

	Assets (Liabilities) Dec. 31, 2021	Assets (Liabilities) Dec. 31, 2020
Fixed assets (depreciation)	(77,116)	(84,418)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	183,417	210,526
Other items	(23,013)	72,119
Reserve for employee stock ownership plan (ESOP)	376,738	239,545
Balance	**460,026**	**437,772**

33. 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:

EGP Thousands

	Dec.31, 2021 No. of shares in thousand	Dec.31, 2020 No. of shares in thousand
Outstanding at the beginning of the year	38,498	36,480
Granted during the year	17,661	15,046
Forfeited during the year	(153)	(1,591)
Exercised during the year	-	(11,437)
Outstanding at the end of the year	**56,006**	**38,498**

Details of the outstanding tranches are as follows:

EGP

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

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

	14th tranche	13th tranche
Exercise price	10	10
Current share price	59.19	83.02
Expected life (years)	3	3
Risk free rate %	13.63%	13.66%
Dividend yield%	0.00%	1.50%
Volatility%	25%	25%

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

34 . Reserves and retained earnings

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Legal reserve	3,293,074	2,778,135
General reserve	28,260,532	24,765,658
Capital reserve	16,000	14,906
Retained earnings	13,783,935	10,477,611
Reserve for financial assets at fair value through OCI	639,231	3,970,987
Reserve for employee stock ownership plan	1,674,392	1,064,648
Banking risks reserve	9,141	6,423
General risk reserve	1,549,445	1,549,445
Ending balance	**49,225,750**	**44,627,813**

34.1. Banking risks reserve

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	6,423	5,164
Transferred to banking risk reserve	2,718	1,259
Ending balance	**9,141**	**6,423**

34.2. Legal reserve

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	2,778,135	2,188,029
Transferred to legal reserve	514,939	590,106
Ending balance	**3,293,074**	**2,778,135**

34.3. Reserve for financial assets at fair value through OCI

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	3,970,987	4,111,781
Transferred from reserve on disposal of financial assets at fair value through OCI	(177,488)	(76,717)
Net unrealised gain/(loss) on financial assets at fair value through OCI	(3,060,702)	(269,259)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(93,566)	205,182
Ending balance	**639,231**	**3,970,987**

34.4. Retained earnings

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	10,477,611	11,803,555
Transferred to reserves	(8,936,512)	(8,431,833)
Dividend paid	(1,360,652)	(3,370,464)
Net profit for the year	13,420,385	10,299,882
Transferred (from) to banking risk reserve	(2,718)	(1,259)
Transferred from previous years' outstanding balances	8,333	101,013
Transferred from reserve on disposal of financial assets at fair value through OCI	177,488	76,717
Ending balance	**13,783,935**	**10,477,611**

34.5. Reserve for employee stock ownership plan

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	1,064,648	963,152
Transferred to reserves	-	(450,942)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	609,744	552,438
Ending balance	**1,674,392**	**1,064,648**

34.6. General risk reserve

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Beginning balance	1,549,445	1,549,445
Ending balance	**1,549,445**	**1,549,445**

35. Cash and cash equivalent

	Dec. 31, 2021	Dec. 31, 2020
		EGP Thousands
Cash and balances at the central bank	43,385,222	33,572,597
Due from banks	80,031,726	87,020,365
Treasury bills and other governmental notes	41,579,504	39,464,714
Obligatory reserve balance with CBE	(38,016,793)	(27,610,380)
Due from banks with maturities more than three months	(23,801,430)	(16,280,760)
Treasury bills with maturities more than three months	(42,286,330)	(40,201,289)
Total	**60,891,899**	**75,965,247**

36. Contingent liabilities and commitments

36.1. Legal claims

- -There is a number of existing cases against the bank on December 31, 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. (Note No. 30)

36.2. Capital commitments

36.2.1.Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 20,628 thousand as follows:

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	157,167	136,539	20,628

36.2.2.Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets, contracts, and branches constructions that have not been implemented till the date of the financial statements amounted to EGP 454,166 thousand against EGP 718,211 thousand in 2020.

36.3. Letters of credit, guarantees and other commitments

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Letters of guarantee	82,899,079	73,986,785
Letters of credit (import and export)	5,537,277	5,848,427
Customers acceptances	3,211,139	2,701,590
Total	**91,647,495**	**82,536,802**

36.4. Credit facilities commitments

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Credit facilities commitments	7,720,358	8,895,410

36.5. Lease commitments

The total minimum lease payments for non-cancellable operating leases are as follows:

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Not more than one year	44,854	8,053
More than one year and less than five years	285,103	172,410
More than five years	87,380	85,212

37.Mutual funds

Osoul fund

- CIB established an accumulated return mutual fund under license no.331 issued from capital market authority on February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 9,269,815 with redeemed value of EGP 4,663,922 thousands.
- The market value per certificate reached EGP 503.13 on December 31, 2021.
- The Bank's portion is 187,112 certificates with a redeemed value of EGP 94,142 thousands.

Istethmar fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 362,261 with redeemed value of EGP 74,662 thousands.
- The market value per certificate reached EGP 206.10 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 10,305 thousands.

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 336,834 with redeemed value of EGP 36,796 thousands.
- The market value per certificate reached EGP 109.24 on December 31, 2021.
- The Bank's portion is 32,596 certificates with a redeemed value of EGP 3,561 thousands.

Hemaya fund

- CIB bank established an accumulated return mutual fund under license no.585 issued from financial supervisory Authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 87,862 with redeemed value of EGP 25,220 thousands.
- The market value per certificate reached EGP 287.04 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 14,352 thousands.

Thabat fund

- CIB bank established an accumulated return mutual fund under license no.613 issued from financial supervisory authority on September 13, 2011. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 1,846,163 with redeemed value of EGP 688,397 thousands.
- The market value per certificate reached EGP 372.88 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 18,644 thousands.

Takamol fund

- CIB bank established an accumulated return mutual fund under license no.431 issued from financial supervisory authority on February 18, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 124,527 with redeemed value of EGP 25,575 thousands.
- The market value per certificate reached EGP 205.38 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 10,269 thousands.

38. 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.

38.1. Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans, advances and other assets	1,059,893
Deposits	160,927
Contingent liabilities	56,685

38.2. Other transactions with related parties

		EGP Thousands
	Income	Expenses
International Co. for Security & Services	26	167,843
CVenture Capital	122	351
Fawry plus	155	-
Mayfair bank	502	-
Damietta shipping & marine services	2	1,012
Al ahly computer	4	-
TCA Properties	126,216	325

39. Main currencies positions

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Egyptian pound	(3,306,200)	(750,477)
US dollar	2,363,775	97,057
Sterling pound	2,050	3,487
Japanese yen	(1,422)	(8)
Swiss franc	1,136	2,175
Euro	20,209	(218,881)

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

40 . Tax status

Corporate income tax

- Settlement of corporate income tax since the start of activity till 2018
- 2019 & 2020 examined & paid
- The yearly income tax return is submitted in legal dates

Salary tax

- Settlement of salary tax since the start of activity till 2020

Stamp duty tax

- The period since the start of activity till 31/07/2006 was examined & paid, disputed points have been transferred to the court for adjudication
- The period from 01/08/2006 till 31/12/2020 was examined & paid in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

41. Other assets - net increase (decrease)

	EGP Thousands Dec.31, 2021
Total other assets by end of 2020	9,095,212
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Total 1	**7,730,258**
Total other assets by end of year 2021	11,141,917
Assets acquired as settlement of debts	(153,423)
Advances to purchase of fixed assets	(1,134,366)
Impairment charge for other assets	31,975
Total 2	**9,886,103**
Change (1-2)	(2,155,845)

	EGP Thousands Dec.31, 2020
Total other assets by end of year	9,747,939
Assets acquired as settlement of debts	(356,382)
Advances to purchase of fixed assets	(942,781)
Total 1	**8,448,776**
Total other assets by end of year	9,095,212
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Impairment charge for other assets	69,217
Total 2	**7,799,475**
Change (1-2)	649,301

42 .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 and the board audit committee periodically follow up on the implementation of the above mentioned plan, where most of the observations reported in the CBE's report received by CIB's BoD at the end of 2020 have been rectified and corrected according to the timeline for the corrective action plan. we are continuing to follow up to complete the procedures for the remaining observations, the timelines of which extended beyond the fiscal year 2021."
- "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 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).

Libor transition

A significant change occurred in 2021 when the Financial Conduct Authority (FCA) (UK regulator) announced that all LIBOR settings for all currencies will either cease or no longer be representative immediately after the following dates:

- 31 December 2021, for Sterling, Euro, Swiss Franc and Japanese Yen LIBOR settings in all tenors, and US Dollar LIBOR 1-week and 2-month settings; and
- 30 June 2023, for US Dollar Overnight, 1-month, 3-month, 6-month and 12-month settings.

These changes may impact CIB products such as derivatives, bonds, loans, structured products and mortgages, which use benchmark rates to determine interest rates and payment obligations. LIBOR, is probably the most widely used benchmark.

Certain currencies use other benchmarks such as EURIBOR and EONIA for EUR.
Main changes are listed below:

Currency	Current rate	Alternative Rate
US Dollar (USD)	USD LIBOR	Secured Overnight Financing Rate (SOFR)
Sterling (GBP)	GBP LIBOR	Sterling Overnight Index Average (SONIA)
Euro (EUR)	Euro Overnight Index Average (EONIA),Euro Interbank Offered Rate (EURIBOR) and Euro LIBOR	Euro Short-Term Rate (€STR)
Swiss Franc (CHF)	CHF LIBOR	Swiss Average Rate Overnight (SARON)

Impact on CIB:

For time being the impact will not be significant due to postpone of applying USD rate.

Auditor's Report

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

Deloitte - Saleh, Barsoum & Abdel Aziz
Accountants & Auditors

AUDITORS' REPORT

To the Shareholders of Commercial International Bank - Egypt

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Commercial International Bank (Egypt) S.A.E, which comprise the consolidated statement of Financial Position as at December 31, 2021 and the consolidated statements of income, other comprehensive income, changes in shareholder's equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of Bank's management. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations. Management's responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; management's responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Commercial International Bank (Egypt) as of December 31, 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with the rules of preparation and presentation of the banks' financial statements, basis of recognition and measurement issued by Central Bank of Egypt on December 16, 2008 as amended by the regulations issued on February 26, 2019 and in light of the prevailing Egyptian laws and regulations related to the preparation of these consolidated financial statements.

Report on Legal Requirements

As explained in note (42) to the financial statements, during the year ended 31 December 2020, the bank received the Central Bank of Egypt report dated 10 November 2020, which included reference to violations of certain articles of the Central Bank of Egypt Law No. 88 for year 2003. During the year ended 31 December 2021, the Bank's management has been implementing the corrective action plan as approved by its Board of Directors according to the approved timetable specified in the said plan. Except for the above, no other material contraventions during the financial year ended 31 December 2021, of the provisions of Central Bank of Egypt and the Banking System Law no 194 of 2020 has come to our attention as part of our audit of the financial statements.

<u>Auditors</u>

Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"
PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants

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

Cairo; February 21, 2022

Consolidated Balance Sheet

as at December 31, 2021

	Notes	Dec. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Assets			
Cash and balances at the central bank	15	43,492,248	33,768,549
Due from banks	16	80,141,769	87,426,301
Loans and advances to banks, net	18	312,216	776,980
Loans and advances to customers, net	19	145,575,243	119,570,005
Derivative financial instruments	20	225,376	248,759
Investments			
- Financial Assets at Fair Value through P&L	21	240,987	359,959
- Financial Assets at Fair Value through OCI	21	193,198,894	148,118,372
- Financial assets at Amortized cost	21	20,547,465	25,285,225
- Investments in associates	22	205,315	139,871
Other assets	23	11,207,128	9,175,525
Goodwill	43	137,525	178,782
Intangible assets	44	34,554	44,920
Deferred tax assets (Liabilities)	32	456,002	437,772
Property and equipment	24	2,461,116	2,311,147
Total assets		**498,235,838**	**427,842,167**
Liabilities and equity			
Liabilities			
Due to banks	25	866,056	8,817,535
Due to customers	26	407,241,538	341,169,450
Derivative financial instruments	20	265,470	331,073
Current tax liabilities		2,234,985	859,582
Other liabilities	29	8,085,545	5,735,269
Issued debt instruments	27	1,557,263	-
Other loans	28	5,140,782	7,746,946
Other provisions	30	3,541,462	3,223,501
Total liabilities		**428,933,101**	**367,883,356**
Equity			
Issued and paid up capital	31	19,702,418	14,776,813
Reserves	34	33,774,990	33,094,580
Reserve for employee stock ownership plan (ESOP)	34	1,674,392	1,064,648
Retained earnings *	34	13,696,402	10,539,715
Total equity and net profit for the year		**68,848,202**	**59,475,756**
Minority interest		454,535	483,055
Total minority interest, equity and net profit for the year		**69,302,737**	**59,958,811**
Total liabilities and equity		**498,235,838**	**427,842,167**

The accompanying notes are an integral part of these financial statements .
(Audit report attached)

**Including net profit for the current year*

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Consolidated Income Statement

for the Year Ended December 31, 2021

	Notes	Dec. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Interest and similar income		45,078,169	42,196,235
Interest and similar expense		(20,112,378)	(17,023,815)
Net interest income	6	**24,965,791**	**25,172,420**
Fee and commission income		4,045,573	3,059,264
Fee and commission expense		(1,655,096)	(983,450)
Net fee and commission income	7	**2,390,477**	**2,075,814**
Dividend income	8	59,725	50,175
Net trading income	9	708,297	406,631
Profits (Losses) on financial investments	21	594,863	922,832
Administrative expenses	10	(6,182,730)	(5,625,883)
Other operating (expenses) income	11	(1,986,692)	(2,742,996)
Goodwill amortization		(41,257)	(27,505)
Intangible assets amortization		(10,366)	(6,911)
Impairment release (charges) for credit losses	12	(1,679,747)	(5,018,781)
Profits from subsidiaries acquisition		-	8,086
Bank's share in the profits of associates		14,996	22,426
Profit before income tax		**18,833,357**	**15,236,308**
Income tax expense	13	(5,679,734)	(5,087,418)
Deferred tax assets (Liabilities)		114,135	87,433
Net profit for the year		**13,267,758**	**10,236,323**
Minority interest		(4,451)	(1,834)
Bank shareholders		**13,272,209**	**10,238,157**
Earning per share	14		
Basic		6.10	4.67
Diluted		6.06	4.63

Hussein Abaza
CEO & Managing Director

Sherif Samy
Chairman

Consolidated Statement of Other Comprehensive Income

for the Year Ended December 31, 2021

	Dec. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Net profit for the year	13,267,758	10,236,323
Other comprehensive income items that will not be reclassified to the Profit or Loss:		
Change in fair value of equity instruments measured at fair value through other comprehensive income after tax impact related to OCI that will not be reclassified to the profit or loss	(149,323)	(13,966)
Other comprehensive income items that is or may be reclassified to the profit or loss:		
Change in fair value of debt instruments measured at fair value through other comprehensive income after tax impact related to OCI that will be reclassified to the profit or loss	(2,210,989)	767,703
Change in fair value from selling FVOCI financial instruments	(702,776)	(1,018,469)
Transferred from reserve on disposal of financial assets at fair value through OCI	(177,488)	(76,717)
Cumulative foreign currencies translation differences	(4,218)	(3,684)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(93,566)	205,182
Total other comprehensive income for the year	**9,929,398**	**10,096,372**
As follows:		
Bank's shareholders	9,933,849	10,098,206
Minority interest	(4,451)	(1,834)
Total other comprehensive income for the year	**9,929,398**	**10,096,372**

Consolidated Cash Flow

for the Year Ended December 31, 2021

	Notes	Dec. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Cash flow from operating activities			
Profit before income tax from continued operations		18,833,357	15,236,308
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	24	885,060	733,032
Impairment charge for credit losses (Loans and advances to customers and banks)	12	1,756,505	4,806,518
Other provisions charges	30	381,138	1,234,980
Impairment charge for credit losses (due from banks)	12	16,808	7,081
Impairment (Released) charge for credit losses (financial investments)	12	(93,566)	205,182
Impairment (Released) charge for other assets		31,975	69,217
Exchange revaluation differences for financial assets at fair value through OCI and at amortized cost	21	17,261	249,642
Goodwill amortization	43	41,257	27,505
Intangible assets amortization	44	10,366	6,911
Impairment (Released) charge financial assets at fair value through OCI	21	-	79,126
Utilization of other provisions	30	(45,483)	(2,382)
Other provisions no longer used	30	(2,451)	(13,273)
Exchange differences of other provisions	30	(15,243)	(7,193)
Profits from selling property and equipment	11	(2,947)	(1,094)
Losses (profits) from selling financial investments	21	(702,776)	(1,018,469)
Impairment (Released) charges of investments in associates and subsidiaries	21	107,913	16,511
Shares based payments		609,744	552,438
Bank's share in the profits of associates		(14,996)	(22,426)
Operating losses (profits) before changes in operating assets and liabilities		**21,813,922**	**22,159,614**
Net decrease (increase) in assets and liabilities			
Due from banks	15 - 16	(17,183,300)	(10,899,927)
Financial assets at fair value through P&L	21	118,972	58,822
Derivative financial instruments	20	(42,220)	16,109
Loans and advances to banks and customers	18 - 19	(27,280,547)	(5,020,609)
Other assets	41	(2,135,921)	568,988
Due to banks	25	(7,951,479)	(2,993,072)
Due to customers	26	66,072,088	36,720,995
Income tax obligations paid		(3,444,749)	(3,779,782)
Other liabilities	29	1,499,027	(7,645,182)
Net cash generated from operating activities		**31,465,793**	**29,185,956**
Cash flow from investing activities			
Proceeds from Investments in associates.		-	750
Payment for purchases of associates		(158,360)	-
Payment for purchases of property, equipment and branches constructions		(981,186)	(1,091,829)
Proceeds from selling property and equipment	11	2,947	1,094
Proceeds from redemption of financial assets at amortized cost	21	4,741,459	82,309,481
Payment for purchases of financial assets at amortized cost	21	(3,844)	(233,765)
Payment for purchases of financial assets at fair value through OCI	21	(250,679,698)	(112,791,966)
Proceeds from selling financial assets at fair value through OCI		203,315,958	54,137,187
Proceeds from investment in subsidiaries.		-	194,722
Net cash used in (generated from) investing activities		**(43,762,724)**	**22,525,674**

Consolidated Cash Flow (Cont.)

for the Year Ended December 31, 2021

	Notes	Dec. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Cash flow from financing activities			
Decreased (increase) in long term loans	28	(2,606,164)	4,474,200
Dividend paid		(1,384,721)	(3,370,464)
Issued debt instruments		1,557,263	-
Capital increase		-	85,992
Net cash used in (generated from) financing activities		**(2,433,622)**	**1,189,728**
Net (decrease) increase in cash and cash equivalent during the year		(14,730,553)	52,901,358
Beginning balance of cash and cash equivalent		75,796,375	22,895,017
Cash and cash equivalent at the end of the year		**61,065,822**	**75,796,375**
Cash and cash equivalent comprise:			
Cash and balances at the central bank	15	43,492,248	33,768,549
Due from banks	16	80,182,766	87,450,490
Treasury bills and other governmental notes	17	41,579,504	39,497,692
Obligatory reserve balance with CBE	15	(38,100,936)	(27,744,700)
Due from banks with maturities more than three months		(23,801,430)	(16,974,367)
Treasury bills with maturity more than three months		(42,286,330)	(40,201,289)
Total cash and cash equivalent		**61,065,822**	**75,796,375**

Consolidated Statement of Changes in Shareholders' Equity

for the Year Ended December 31, 2020

EGP Thousands

Dec. 31, 2020	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Reserve for transactions under common control	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Cumulative foreign currencies translation differences	Total Shareholders Equity	Minority Interest	Total
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	-	13,466	4,111,781	5,164	11,881,657	963,152	2,501	51,880,445	-	51,880,445
Capital increase	85,992	-	-	-	-	-	-	-	-	-	-	85,992	-	85,992
Transferred to reserves	-	590,106	8,291,229	-	-	1,440	-	-	(8,431,833)	(450,942)	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(3,370,464)	-	-	(3,370,464)	-	(3,370,464)
Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	485,779	485,779
Net profit of the year	-	-	-	-	-	-	-	-	10,238,157	-	-	10,238,157	(1,834)	10,236,323
Transferred from reserve of financial assets at fair value through OCI	-	-	-	-	-	-	(76,717)	-	76,717	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	101,013	-	-	101,013	-	101,013
Change in retained earnings from acquisition of subsidiaries	-	-	-	-	-	-	-	-	45,727	-	-	45,727	-	45,727
Reserve for transactions under common control	-	-	-	-	8,183	-	-	-	-	-	-	8,183	-	8,183
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(264,732)	-	-	-	-	(264,732)	-	(264,732)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	1,259	(1,259)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	205,182	-	-	-	-	205,182	-	205,182
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	552,438	-	552,438	-	552,438
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(6,185)	(6,185)	(890)	(7,075)
Balance at the end of the year	**14,776,813**	**2,778,135**	**24,765,658**	**1,549,445**	**8,183**	**14,906**	**3,975,514**	**6,423**	**10,539,715**	**1,064,648**	**(3,684)**	**59,475,756**	**483,055**	**59,958,811**

Consolidated Statement of Changes in Shareholders' Equity

for the Year Ended December 31, 2021

EGP Thousands

Dec. 31, 2021	Issued and paid up capital	Legal reserve	General reserve	General risk reserve	Reserve for transactions under common control	Capital reserve	Reserve for financial assets at fair value through OCI	Banking risks reserve	Retained earnings	Reserve for employee stock ownership plan	Cumulative foreign currencies translation differences	Total Shareholders Equity	Minority Interest	Total
Beginning balance	14,776,813	2,778,135	24,765,658	1,549,445	8,183	14,906	3,975,514	6,423	10,539,715	1,064,648	(3,684)	59,475,756	483,055	59,958,811
Capital increase	4,925,605	-	(4,925,605)	-	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	514,939	8,420,479	1,461	-	1,094	-	-	(8,937,973)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,360,652)	-	-	(1,360,652)	(24,069)	(1,384,721)
Minority Interest share	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net profit of the year	-	-	-	-	-	-	-	-	13,272,209	-	-	13,272,209	(4,451)	13,267,758
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	-	(177,488)	-	177,488	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	8,333	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(3,063,088)	-	-	-	-	(3,063,088)	-	(3,063,088)
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	-	-	-	-	-	-	(93,566)	-	-	-	-	(93,566)	-	(93,566)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	609,744	-	609,744	-	609,744
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(534)	(534)	-	(534)
Balance at the end of the year	**19,702,418**	**3,293,074**	**28,260,532**	**1,550,906**	**8,183**	**16,000**	**641,372**	**9,141**	**13,696,402**	**1,674,392**	**(4,218)**	**68,848,202**	**454,535**	**69,302,737**

Notes to the consolidated financial statements

for the year ended December 31, 2021

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 188 branches, and 27 units employing 7308 employees on the statement of financial position date.
Commercial international Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange.

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

Financial statements have been approved by board of directors on February 21, 2022.

2. Summary of accounting policies

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

2.1. Basis of preparation

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

2.1.1. Basis of consolidation

The basis of the consolidation is as follows:

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

2.2. Subsidiaries and associates

2.2.1. Subsidiaries

Subsidiaries are those investees, including structured entities, that the Bank controls because the Bank (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of investor's returns. The existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Bank has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Bank may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Bank assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Bank from controlling an investee. Subsidiaries are consolidated in the Bank's consolidated financial statements from the date on which control is transferred to the Bank, and are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries [other than those acquired from parties under common control]. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. The Bank measures non-controlling interest that represents present ownership interest and entitles the holder to a proportionate share of net assets in the event of liquidation on a transaction by transaction basis, either at: (a) fair value, or (b) the non-controlling interest's proportionate share of net assets of the acquiree. Non-controlling interests that are not present ownership interests are measured at fair value.

Goodwill is measured by deducting the net assets of the acquiree from the aggregate of the consideration transferred for the acquiree, the amount of non-controlling interest in the acquiree and fair value of an interest in the acquiree held immediately before the acquisition date. Any negative amount ("negative goodwill") is recognized in profit or loss, after management reassesses whether it identified all the assets acquired and all liabilities and contingent liabilities assumed, and reviews appropriateness of their measurement.

The consideration transferred for the acquiree is measured at the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed, including fair value of assets or liabilities from contingent consideration arrangements, but excludes acquisition related costs such as advisory, legal, valuation and similar professional services. Transaction costs incurred for issuing equity instruments are deducted from equity; transaction costs incurred for issuing debt are deducted from its carrying amount and all other transaction costs associated with the acquisition are expensed.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated; unrealized losses are also eliminated unless the cost cannot be recovered. The Bank and all its subsidiaries use uniform accounting policies consistent with the Group's policies.

Non-controlling interest is that part of the net results and of the equity of a subsidiary attributable to interests which are not owned, directly or indirectly, by the Bank. Non-controlling interest forms a separate component of the Group's equity.

Purchases and sales of non-controlling interests. The Bank applies the economic entity model to account for transactions with owners of non-controlling interest. Any difference between the purchase consideration and the carrying amount of non-controlling interest acquired is recorded as a capital transaction directly in equity. The Bank recognizes the difference between sales consideration and carrying amount of non-controlling interest sold as a capital transaction in the statement of changes in equity.

2.2.2. Associates

Associates are entities over which the Bank has significant influence (directly or indirectly), but not control, generally accompanying a shareholding of between 20 and 50 percent of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost. The carrying amount of associates includes goodwill identified on acquisition less accumulated credit losses, if any. Dividends received from associates reduce the carrying value of the investment in associates. Other post-acquisition changes in Group's share of net assets of an associate are recognized as follows: (i) the Group's share of profits or losses of associates is recorded in the consolidated profit or loss for the year as share of result of associates, (ii) the Group's share of other comprehensive income is recognized in other comprehensive income and presented separately, (iii); all other changes in the Group's share of the carrying value of net assets of associates are recognized in profit or loss within the share of result of associates. However, when the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates; unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Bank applies the impairment requirements in IFRS 9 to long-term loans, preference shares and similar long-term interest that in substance form part of the investment in associate before reducing the carrying value of the investment by a share of a loss of the investee that exceeds the amount of the Group's interest in the ordinary shares.

Disposals of subsidiaries, associates or joint ventures. When the Group ceases to have control or significant influence, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity, are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are recycled to profit or loss.

2.3. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns different from those of segments operating in other economic environments.

2.4. Foreign currency translation

2.4.1. Functional and presentation currency

The financial statements are presented in Egyptian pound, which is the Bank's functional and presentation currency.

2.4.2. Transactions and balances in foreign currencies

The Bank maintains its accounting records in Egyptian pound. Transactions in foreign currencies during the period are translated into the Egyptian pound using the prevailing exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the end of reporting period at the prevailing exchange rates. Foreign exchange gains and losses resulting from settlement and translation of such transactions and balances

are recognized in the income statement and reported under the following line items:

- Net trading income from held-for-trading assets and liabilities.
- Items of other comprehensive income with equity in relation to investments in equity instruments at fair value through comprehensive income.Other operating revenues (expenses) from the remaining assets and liabilities.

Changes in the fair value of financial instruments of a monetary nature in foreign currencies that are classified as financial investments at fair value through comprehensive income (debt instruments) are analyzed between valuation differences that resulted from changes in the cost consumed for the instrument and differences that resulted from changing the exchange rates in effect and differences caused by changing the fair value For the instrument, the evaluation differences related to changes in the cost consumed are recognized in the income of loans and similar revenues and in the differences related to changing the exchange rates in other operating income (expenses) item, and are recognized in the items of comprehensive income.

Valuation differences arising from the measurement of items of a non-monetary nature at fair value through profit and losses resulting from changes in the exchange rates used to translate those items include, and then are recognized in the income statement by the total valuation differences resulting from the measurement of equity instruments classified at fair value through Profits and losses, while the total valuation differences resulting from the measurement of equity instruments at fair value through comprehensive income are recognized within other comprehensive income items in equity, fair value reserve item for financial investments at fair value through comprehensive income.

2.5. Financial assets

Key Measurement Terms:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of fair value is price in an active market. An active market is one in which transactions for the asset or liability take place with enough frequency and volume to provide pricing information on an ongoing basis. Fair value of financial instruments traded in an active market is measured as the product of the quoted price for the individual asset or liability and the quantity held by the entity.

Valuation techniques such as discounted cash flow models or models based on recent arm's length transactions or consideration of financial data of the investees, are used to measure fair value of certain financial instruments for which external market pricing information is not available. Fair value measurements are analyzed by level in the fair value hierarchy as follows: (i) level one are measurements at quoted prices (unadjusted) in active markets for identical assets or liabilities, (ii) level two measurements are valuations techniques with all material inputs observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices), and (iii) level three measurements are valuations not based on solely observable market data (that is, the measurement requires significant unobservable inputs).

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. An incremental cost is one that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid. Transaction costs do not include debt premiums or discounts.

Amortized cost is the amount at which the financial instrument was recognized at initial recognition less any principal repayments, plus accrued interest, and for financial assets less any allowance for expected credit losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and of any premium or discount to maturity amount using the effective interest method.

The effective interest method is a method of allocating interest income or interest expense over the relevant period, so as to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument.

The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount, which reflects the credit spread over the floating rate specified in the instrument, or other variables that are not reset to market rates. Such premiums or discounts are amortized over the expected life of the instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

Financial instruments – initial recognition.
Financial instruments at FVTPL are initially recorded at fair value. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets. After the initial recognition, an ECL allowance is recognized for financial assets measured at amortized cost and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date on which the bank commits to deliver a financial asset. All other purchases are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets – classification and subsequent measurement – measurement categories.
The bank classifies financial assets in the following measurement categories: FVTPL, FVOCI and AC. The classification and subsequent measurement of debt financial assets depends on: (i) the bank's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset.

The following table summarizes measurement categories

Financial Instrument	Methods of Measurement according to Business Models		
		Fair Value	
	Amortized Cost	Through Other Comprehensive Income	Through Profit or Loss
Equity Instruments	Not Applicable	An irrevocable election at Initial Recognition	Normal treatment of equity instruments
Debt Instruments / Loans & Facilities	Business Model of Assets held for Collecting Contractual Cash Flows	Business Model of Assets held for Collecting Contractual Cash Flows & Selling	Business Model of Assets held for Trading

Financial assets – classification and subsequent measurement – business model.
The business model reflects how the bank manages the assets in order to generate cash flows – whether the bank's objective is: (i) solely to collect the contractual cash flows from the assets ("hold to collect contractual cash flows",) or (ii) to collect both the contractual cash flows and the cash flows arising from the sale of assets ("hold to collect contractual cash flows and sell") or, if neither of (i) and (ii) is applicable, the financial assets are classified as part of "other" business model and measured at FVTPL.

Business model is determined for a group of assets (on a portfolio level) based on all relevant evidence about the activities that the bank undertakes to achieve the objective set out for the portfolio available at the date of the assessment. Factors considered by the bank in determining the business model include the purpose and composition of a portfolio, past experience on how the cash flows for the respective assets were collected, how risks are assessed and managed, how the assets' performance is assessed.

Financial assets – classification and subsequent measurement – cash flow characteristics.
Where the business model is to hold assets to collect contractual cash flows or to hold contractual cash flows and sell, the bank assesses whether the cash flows represent solely payments of principal and interest ("SPPI"). Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are consistent with the SPPI feature. In making this assessment, the bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for credit risk, time value of money, other basic lending risks and profit margin. Where the contractual terms introduce exposure to risk or volatility that is inconsistent with a basic lending arrangement, the financial asset is classified and measured at FVTPL. The SPPI assessment is performed on initial recognition of an asset and it is not subsequently reassessed.

The following table summarizes the classification of the Banks Financial Assets in accordance with the business model:

Financial asset	Business model	Basic characteristics
Financial Assets at Amortized Cost (AC)	Business model for financial assets held to collect contractual cash flows	• The objective of the business model is to retain the financial assets to collect the contractual cash flows of the principal amount of the investment and the proceeds. • Sale is an exceptional event for the purpose of this model and under the terms of the criterion of a deterioration in the creditworthiness of the issuer of the financial instrument. • Lowest sales in terms of turnover and value. • The Bank makes clear and reliable documentation of the reasons for each sale and its compliance with the requirements of the Standard.
Financial Assets at Fair Value through Other Comprehensive Income (FVTOCI)	Business model of financial assets held to collect cash flows and sales	• Both the collection of contractual cash flows and sales are complementary to the objective of the model. • High sales (in terms of turnover and value) compared to the business model retained for the collection of cash flows.
Financial Assets at Fair Value through Profit or Loss (FVTPL)	Other business models include trading - management of financial assets at fair value - maximizing cash flows by selling)	• The objective of the business model is not to retain the financial asset for the collection of contractual or retained cash flows for the collection of contractual cash flows and sales. • Collecting contractual cash flows is an incidental event for the model objective. • Management of financial assets at fair value through profit or loss to avoid inconsistency in accounting measurement.

Financial assets – reclassification. Financial instruments are reclassified only when the business model for managing the portfolio as a whole changes. The Bank did not change its business model during the current and comparative year and did not make any reclassifications.

Financial assets impairment – credit loss allowance for ECL. The bank assesses, on a forward-looking basis, the ECL for debt instruments measured at AC and FVOCI and for the exposures arising from loan commitments and financial guarantee contracts. The bank measures ECL and recognizes credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting date about past events, current conditions and forecasts of future conditions.

The bank applies a three-stage model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit-impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the bank identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL"). If the bank determines that a financial asset is credit-impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL.

Financial assets – write-off. Financial assets are written-off, in whole or in part, when the bank exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event.

Financial assets – derecognition. The bank derecognizes financial assets when (a) the assets are redeemed or the rights to cash flows from the assets otherwise expired or (b) the bank has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement while (i) also transferring substantially all risks and rewards of ownership of the assets or (ii) neither transferring nor retaining substantially all risks and rewards of ownership, but not retaining control. Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose restrictions on the sale.

Financial liabilities – measurement categories. Financial liabilities are classified as subsequently measured at AC, except for financial liabilities at FVTPL: this classification is applied to derivatives or financial liabilities held for trading (e.g. short positions in securities)

Financial liabilities – derecognition. Financial liabilities are derecognized when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

2.6. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a legally enforceable right to offset the recognized amounts and there is an intention to be settled on a net basis.

2.7. Derivative financial instruments and hedge accounting

Derivatives are recognized initially, and subsequently, at fair value. Fair values of exchange traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivatives are classified as assets when their fair value is positive and as liabilities when their fair value is negative.

Embedded derivatives in other financial instruments, such as conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract, provided that the host contract is not classified as at fair value through profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in income statement unless the Bank chooses to designate the hybrid contact as at fair value through net trading income in profit or loss.

The timing of recognition in profit and loss, of any gains or losses arising from changes in the fair value of derivatives, depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Bank designates certain derivatives as:

- Hedging instruments of the risks associated with fair value changes of recognized assets or liabilities or firm commitments (fair value hedge).
- Hedging of risks relating to future cash flows attributable to a recognized asset or liability or a highly probable forecast transaction (cash flow hedge)
- Hedge accounting is used for derivatives designated in a hedging relationship when the following criteria are met.

At the inception of the hedging relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, At the inception of the hedge, and on ongoing basis, the Bank documents whether the hedging instrument is expected to be highly effective in offsetting changes in fair values of the hedged item attributable to the hedged risk.

2.7.1. Fair value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recognized in profit or loss immediately together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The effective portion of changes in the fair value of the interest rate swaps and the changes in the fair value of the hedged item attributable to the hedged risk are recognized in the 'net interest income' line item of the income statement. Any ineffectiveness is recognized in profit or loss in 'net trading income'.

When the hedging instrument is no longer qualified for hedge accounting, the adjustment to the carrying amount of a hedged item, measured at amortized cost, arising from the hedged risk is amortized to profit or loss from that date using the effective interest method.

2.7.2. Derivatives that do not qualify for hedge accounting

All gains and losses from changes in the fair values of derivatives that do not qualify for hedge accounting are recognized immediately in the income statement. These gains and losses are reported in 'net trading income', except where derivatives are managed in conjunction with financial instruments designated at fair value , in which case gains and losses are reported in 'net income from financial instruments designated at fair value'.

2.8. Interest income and expense

Interest income and expense for all financial instruments except for those classified as held-for-trading or designated at fair value are recognized in 'interest income' and 'interest expense' in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that represents an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once loans or debts are classified as nonperforming or impaired, the revenue of interest income will not be recognized and will be recorded off balance sheet, and are recognized as income subsequently based on a cash basis according to the following:

- When all arrears are collected for consumer loans, personnel mortgages and micro-finance loans.
- When calculated interest for corporate are capitalized according to the rescheduling agreement conditions until paying 25% from rescheduled payments for a minimum performing period of one year, if the customer continues to perform, the calculated interest will be recognized in interest income (interest on the performing rescheduling agreement balance) without the marginalized before the rescheduling agreement which will be recognized in interest income after the settlement of the outstanding loan balance.

2.9. Fee and commission income

Fees charged for servicing a loan or facility that is measured at amortized cost, are recognized as revenue as the service is provided. Fees and commissions on non-performing or impaired loans or receivables cease to be recognized as income and are rather recorded off balance sheet. These are recognized as revenue, on a cash basis, only when interest income on those loans is recognized in profit and loss, at that time, fees and commissions that represent an integral part of the effective interest rate of a financial asset, are treated as an adjustment to the effective interest rate of that financial asset. Commitment fees and related direct costs for loans and advances where draw down is probable are deferred and recognized as an adjustment to the effective interest on the loan once drawn. Commitment fees in relation to facilities where draw down is not probable are recognized at the maturity of the term of the commitment.

Fees are recognized on the debt instruments that are measured at fair value through profit and loss on initial recognition and syndicated loan fees received by the Bank are recognized when the syndication has been completed and the Bank does not hold any portion of it or holds a part at the same effective interest rate used for the other participants portions. Commission and fee arising from negotiating, or participating in the negotiation of a transaction for a third party such as the arrangement of the acquisition of shares or other securities or the purchase or sale of properties are recognized upon completion of the underlying transaction in the income statement .

Other management advisory and service fees are recognized based on the applicable service contracts, usually on accrual basis. Financial planning fees related to investment funds are recognized steadily over the period in which the service is provided. The same principle is applied for wealth management; financial planning and custody services that are provided on the long term are recognized on the accrual basis also.

Operating revenues in the holding company are:

- Commission income is resulting from purchasing and selling securities to a customer account upon receiving the transaction confirmation from the Stock Exchange.
- Mutual funds and investment portfolios management which is calculated as a percentage of the net value of assets under management according to the terms and conditions of agreement. These amounts are credited to the assets management company's revenue pool on a monthly accrual basis.

2.10. Dividend income

Dividends are recognized in the income statement when the right to collect is established.

2.11. Sale and repurchase agreements

Securities may be lent or sold subject to a commitment to repurchase (Repos) are reclassified in the financial statements and deducted from treasury bills balance. Securities borrowed or purchased subject to a commitment to resell them (Reverse Repos) are reclassified in the financial statements and added to treasury bills balance. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

2.12. Investment property

The investment property represents lands and buildings owned by the Bank in order to obtain rental returns or capital gains and therefore do not include real estate assets which the Bank is carrying out its operations through or those that have owned by the Bank as settlement of debts. The accounting treatment is the same used with property and equipment.

2.13. Property and equipment

Land and buildings comprise mainly branches and offices. All property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or as a separate asset, as appropriate, only when it is probable that future economic benefits will flow to the Bank and the cost of the item can be measured reliably. All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their residual values over estimated useful lives, as follows:

Buildings	20 years
Leasehold improvements	3 years, or over the period of the lease if less
Furniture and safes	3/5 years
Typewriters, calculators and air-conditions	5 years
Vehicles	3/5 years
Computers and core systems	3 years
Fixtures and fittings	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciable assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recovered. An asset's carrying amount is written down immediately to its recoverable value if the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. Gains and losses on disposals are determined by comparing the selling proceeds with the asset carrying amount and charged to other operating expenses in the income statement.

2.14. Impairment of non-financial assets

Assets that have an indefinite useful life are not amortized -except goodwill- and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Assets are tested for impairment with reference to the lowest level of cash generating unit/s. A previously recognized impairment loss relating to a fixed asset may be reversed in part or in full when a change in circumstances leads to a change in the estimates used to determine the fixed asset's recoverable amount. The carrying amount of the fixed asset will only be increased up to the amount that it would have been had the original impairment not been recognized.

2.14.1.Goodwill

Goodwill is capitalized and represents the excess of acquisition cost over the fair value of the Bank's share in the acquired entity's net identifiable assets on the date of acquisition. For the purpose of calculating goodwill, the fair values of acquired assets, liabilities and contingent liabilities are determined by reference to market values or by discounting expected future cash flows. Goodwill is included in the cost of investments in associates and subsidiaries in the Bank's separate financial statements. Goodwill is tested for impairment on an annual basis or shorter when trigger event took place, impairment loss is charged to the income statement. Goodwill is allocated to the cash generating units for the purpose of impairment testing. The cash generating units represented in the Bank main segments.

2.14.2.Other intangible assets

The intangible assets other than goodwill and computer programs (trademarks, licenses, contracts for benefits, the benefits of contracting with clients).

Other intangible assets that are acquired by the Bank are recognized at cost less accumulated amortization and impairment losses. Amortization is charged to the income statement on a straight-line basis over the estimated useful lives of the intangible asset with definite life. Intangible assets with indefinite life are not amortized and tested for impairment.

2.15. Leases

The accounting treatment for the finance lease is complied with the instructions of Central Bank of Egypt, if the contract entitles the lessee to purchase the asset at a specified date and predefined value. The other leases contracts are considered operating leases contracts.

2.15.1.Being lessee

Finance lease contract recognizes the lease cost, including the cost of maintenance of the leased assets in the income statement for the period in which they occurred. If the Bank decides to exercise the right to purchase the leased asset the leased assets are capitalized and included in 'property, plant and equipment' and depreciated over the useful life of the expected remaining life of the asset in the same manner as similar assets.

Operating lease payments leases are accounted for on a straight-line basis over the periods of the leases and are included in 'general and administrative expenses'.

2.15.2.Being lessor

For finance lease, assets are recorded in the property and equipment in the balance sheet and amortized over the expected useful life of this asset in the same manner as similar assets. Lease income is recognized on the basis of rate of return on the lease in addition to an amount corresponding to the cost of depreciation for the period. The difference between the recognized rental income and the total finance lease clients' accounts is transferred to the in the income statement until the expiration of the lease to be reconciled with a net book value of the leased asset. Maintenance and insurance expenses are charged to the income statement when incurred to the extent that they are not charged to the tenant.

In case there is objective evidence that the Bank will not be able to collect the of financial lease obligations, the finance lease payments are reduced to the recoverable amount.

For assets leased under operating lease it appears in the balance sheet under property, plant and equipment, and depreciated over the expected useful life of the asset in the same way as similar assets, and the lease income recorded less any discounts given to the lessee on a straight-line method over the contract period.

2.16. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with Central Bank, treasury bills and other eligible bills, loans and advances to banks, amounts due from other banks and short-term government securities.

2.17. Other provisions

Provisions for restructuring costs and legal claims are recognized when the Bank has present legal or constructive obligations as a result of past events; where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated.

In case of similar obligations, the related cash outflow should be determined in order to settle these obligations as a group. The provision is recognized even in case of minor probability that cash outflow will occur for an item of these obligations.

When a provision is wholly or partially no longer required, it is reversed through profit or loss under other operating income (expenses).

Provisions for obligations, other than those for credit risk or employee benefits, due in more than 12 months from the balance sheet date are recognized based on the present value of the best estimate of the consideration required to settle the present obligation at the balance sheet date. An appropriate pretax discount rate that reflects the time value of money is used to calculate the present value of such provisions. For obligations due within less than twelve months from the balance sheet date, provisions are calculated based on undiscounted expected cash outflows unless the time value of money has a significant impact on the amount of provision, then it is measured at the present value.

2.18. Share based payments

The Bank applies an equity-settled, share-based compensation plan. The fair value of equity instruments recognized as an expense over the vesting period using appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied. Vesting conditions include service conditions and performance conditions and market performance conditions are taken into account when estimating the fair value of equity instruments at the date of grant. At each balance sheet date the number of options that are expected to be exercised are estimated. Recognizes estimate changes, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The bank's contributions to the employees' social insurance fund

Bank employees benefit from the Social Insurance Fund that has been established under the Law No. 64 of year 84 regarding alternative social insurance systems. This system is considered an alternative to state regulations and is subject to the supervision of the Ministry of Social Insurance. A Ministerial Resolution No. 22 of year 83 was issued regarding approval of the establishment of the Social Fund for Employees. The bank is obliged to pay to the fund the contributions due for each month represented in the employer's share and the share of the insured and pay his obligations towards the fund in implementation of the provisions of the fund system. This is a system of benefits enjoyed by employees, a system of specific benefits for the bank, according to the Egyptian accounting standards.

2.19. Income tax

Income tax on the profit or loss for the period and deferred tax are recognized in the income statement except for income tax relating to items of equity that are recognized directly in equity.

Income tax is recognized based on net taxable profit using the tax rates applicable at the date of the balance sheet in addition to tax adjustments for previous years.

Deferred taxes arising from temporary time differences between the book value of assets and liabilities are recognized in accordance with the principles of accounting and value according to the foundations of the tax, this is determining the value of deferred tax on the expected manner to realize or settle the values of assets and liabilities, using tax rates applicable at the date of the balance sheet.

Deferred tax assets of the Bank recognized when there is likely to be possible to achieve profits subject to tax in the future to be possible through to use that asset, and is reducing the value of deferred tax assets with part of that will come from tax benefit expected during the following years, that in the case of expected high benefit tax, deferred tax assets will increase within the limits of the above reduced.

2.20. Borrowings

Borrowings are recognized initially at fair value net of transaction costs incurred. Borrowings are subsequently stated at amortized cost also any difference between proceeds net of transaction costs and the redemption value is recognized in the income statement over the period of the borrowings using the effective interest method.

2.21. Dividends

Dividends on ordinary shares and profit sharing are recognized as a charge of equity upon the general assembly approval. Profit sharing includes the employees' profit share and the Board of Directors' remuneration as prescribed by the Bank's articles of incorporation and the corporate law.

2.22. Comparatives

Comparative figures have been adjusted to conform to changes in presentation in the current period where necessary.

2.23. Noncurrent assets held for sale

a non-current asset (or disposal group) to be classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

Determining whether (and when) an asset stops being recovered principally through use and becomes recoverable principally through sale.

For an asset (or disposal group) to be classified as held for sale:

(a) It must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal groups);
(b) Its sale must be highly probable;

The standard requires that non-current assets (and, in a 'disposal group', related liabilities and current assets,) meeting its criteria to be classified as held for sale be:

(a) Measured at the lower of carrying amount and fair value less costs to sell, with depreciation on them ceasing; and
(b) Presented separately on the face of the statement of financial position with the results of discontinued operations presented separately in the income statement.

2.24. Discontinued operation

Discontinued operation as 'a component of an entity that either has been disposed of, or is classified as held for sale, and
(a) Represents a separate major line of business or geographical area of operations,
(b) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or
(c) Is a subsidiary acquired exclusively with a view to resale.

When presenting discontinued operations in the income statement, the comparative figures should be adjusted as if the operations had been discontinued in the comparative period.

Important Accounting Estimates, and Judgements in Applying Accounting Policies
The bank makes estimates and assumptions that affect the amounts recognized, and the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management also makes certain judgements, apart from those involving estimations, in the process of applying the accounting policies. Judgements that have the most significant effect on the amounts recognized and estimates that can cause a significant adjustment to the carrying amount of assets and liabilities within the next financial year include:

ECL measurement. Measurement of ECLs is a significant estimate that involves determination of methodology, models and data inputs. The following components have a major impact on credit loss allowance: definition of default, SICR, probability of default ("PD"), exposure at default ("EAD"), and loss given default ("LGD"), as well as models of macro-economic scenarios. The bank regularly reviews and validates the models and inputs to the models to reduce any differences between expected credit loss estimates and actual credit loss experience.

The bank used supportable forward-looking information for measurement of ECL, primarily an outcome of its own macro-economic forecasting model. The most significant forward-looking assumptions, for both corporate and retail, that correlate with ECL level and their assigned weights were CBE key interest rate, GDP growth rate, Foreign currency index and Inflation rate. In addition to these assumptions, unemployment rate has been used for the retail sector.

A change in the assigned weight to the base scenario of the forward looking macro-economic variables by 10% towards the downturn scenario would result in an increase in ECL by EGP 664,882 thousand as of 31 December 2021 (31 December 2020: by EGP 633,535 thousand). A corresponding change towards the upturn scenario would result in a decrease in ECL by EGP 654,793 thousand as of 31 December 2021 (31 December 2020: by EGP 386,041 thousand). A 10% increase or decrease in LGD estimates would result in an increase or decrease in total expected credit loss allowances of EGP 716,600 thousand at 31 December 2021 (31 December 2020: increase or decrease of EGP 879,960 thousand).

Credit exposure on revolving credit facilities. For certain loan facilities, the bank's exposure to credit losses may extend beyond the maximum contractual period of the facility. This exception applies to certain revolving credit facilities, which include both a loan and an undrawn commitment component and where the bank's contractual ability to demand repayment and cancel the undrawn component in practice does not limit its exposure to credit losses.

For such facilities, the bank measures ECLs over the period that the bank is exposed to credit risk and ECLs are not mitigated by credit risk management actions. Application of this exception requires judgement. Management applied its judgement in identifying the facilities, both retail and commercial, to which this exception applies. The bank applied this exception to facilities with the following characteristics: (a) there is no fixed term or repayment structure, (b) the contractual ability to cancel the contract is not in practice enforced as a result of day-to-day management of the credit exposure and the contract may only be cancelled when the bank becomes aware of an increase in credit risk at the level of an individual facility, and (c) the exposures are managed on a collective basis. Further, the bank applied judgement in determining a period for measuring the ECL, including the starting point and the expected end point of the exposures.

The bank considered historical information and experience about: (a) the period over which the bank is exposed to credit risk on similar facilities, including when the last significant modification of the facility occurred and that therefore determines the starting point for assessing SICR, (b) the length of time for related defaults to occur on similar financial instruments following a SICR and (c) the credit risk management actions (eg the reduction or removal of undrawn limits), prepayment rates and other factors that drive expected maturity. In applying these factors, the bank segments the portfolios of revolving facilities into sub-groups and applies the factors that are most relevant based on historical data and experience as well as forward-looking information.

Significant increase in credit risk ("SICR"). In order to determine whether there has been a significant increase in credit risk, the bank compares the risk of a default occurring over the life of a financial instrument at the end of the reporting date with the risk of default at the date of initial recognition. The assessment considers relative increase in credit risk rather than achieving a specific level of credit risk at the end of the reporting period using, for Corporate and Business Banking: transition in risk ratings, delinquency status, industry and restructured status and for retail: watch list, individual profile, restructured status, and delinquency status. The bank considers all reasonable and supportable forward-looking information available without undue cost and effort, which includes a range of factors, including behavioral aspects of particular customer portfolios. The bank identifies behavioral indicators of increases in credit risk prior to delinquency and incorporated appropriate forward-looking information into the credit risk assessment, either at an individual instrument, or on a portfolio level.

Business model assessment. The business model drives classification of financial assets. Management applied judgement in determining the level of aggregation and portfolios of financial instruments when performing the business model assessment. When assessing sales transactions, the bank considers their historical frequency, timing and value, reasons for the sales and expectations about future sales activity. Sales transactions aimed at minimizing potential losses due to credit deterioration are considered consistent with the "hold to collect" business model. Other sales before maturity, not related to credit risk management activities, are also consistent with the "hold to collect" business model, provided that they are infrequent or insignificant in value, both individually and in aggregate. The bank assesses significance of sales transactions by comparing the value of the sales to the value of the portfolio subject to the business model assessment over the average life of the portfolio. In addition, sales of financial asset expected only in stress case scenario, or in response to an isolated event that is beyond the bank's control, is not recurring and could not have been anticipated by the bank, are regarded as incidental to the business model objective and do not impact the classification of the respective financial assets.

The "hold to collect and sell" business model means that assets are held to collect the cash flows, but selling is also integral to achieving the business model's objective, such as, managing liquidity needs, achieving a particular yield, or matching the duration of the financial assets to the duration of the liabilities that fund those assets.
The residual category includes those portfolios of financial assets, which are managed with the objective of realizing cash flows primarily through sale, such as where a pattern of trading exists. Collecting contractual cash flow is often incidental for this business model.

Assessment whether cash flows are solely payments of principal and interest ("SPPI"). Determining whether a financial asset's cash flows are solely payments of principal and interest required judgement.

The time value of money element may be modified, for example, if a contractual interest rate is periodically reset but the frequency of that reset does not match the tenor of the debt instrument's underlying base interest rate. The effect of the modified time value of money was assessed by comparing relevant instrument's cash flows against a benchmark debt instrument with SPPI cash flows, in each period and cumulatively over the life of the instrument. The assessment was done for all reasonably possible scenarios, including reasonably possible financial stress situation that can occur in financial markets.

3. Financial risk management
The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank's aim is therefore to achieve an appropriate balance between risk and rewards and minimize potential adverse effects on the Bank's financial performance. The most important types of financial risks are credit risk, market risk, liquidity risk and other operating risks. Also market risk includes exchange rate risk, rate of return risk and other prices risks.

The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.
Risk management is carried out by risk department under policies approved by the Board of Directors. Bank treasury identifies, evaluates and hedges financial risks in close co-operation with the Bank's operating units.

The board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments. In addition, credit risk management is responsible for the independent review of risk management and the control environment.

3.1. Credit risk
The Bank takes on exposure to credit risk, which is the risk that counterparty will cause a financial loss for the Bank by failing to discharge an obligation. Management therefore carefully manages its exposure to credit risk. Credit exposures arise principally in loans and advances, debt securities and other bills. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. The credit risk management and control are centralized in a credit risk management team and reported to the Board of Directors and head of each business unit regularly.

3.1.1. Credit risk measurement

3.1.1.1. Loans and advances to banks and customers

Bank's rating	Description of the grade
1	performing loans
2	regular watching
3	watch list
4	non-performing loans

Loss given default or loss severity represents the Bank expectation of the extent of loss on a claim should default occur. It is expressed as percentage loss per unit of exposure and typically varies by type of counterparty, type and seniority of claim and availability of collateral or other credit mitigation.

3.1.1.2. Debt instruments and treasury and other bills

For debt instruments and bills, external rating such as standard and poor's rating or their equivalents are used for managing of the credit risk exposures, and if this rating is not available, then other ways similar to those used with the credit customers are uses. The investments in those securities and bills are viewed as a way to gain a better credit quality mapping and maintain a readily available source to meet the funding requirement at the same time.

3.1.2. Risk limit control and mitigation policies

The Bank manages, limits and controls concentrations of credit risk wherever they are identified – in particular, to individual counterparties and banks, and to industries and countries.

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by individual, counterparties, product, and industry sector and by country are approved quarterly by the Board of Directors.

The exposure to any one borrower including banks and brokers is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is also managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate.

Some other specific control and mitigation measures are outlined below:

3.1.2.1. Collateral

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Mortgage business assets such as premises, and inventory.
- Mortgage financial instruments such as debt securities and equities.

Longer-term finance and lending to corporate entities are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimize the credit loss the Bank will seek additional collateral from the counterparty as soon as impairment indicators are noticed for the relevant individual loans and advances.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other governmental securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

Derivatives

The Bank maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favorable to the Bank (i.e., assets with positive fair value), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Bank requires margin deposits from counterparties.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Bank market transactions on any single day.

3.1.2.2. Clearing house

The Bank further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favorable contracts is reduced by a master netting arrangement to the extent that if a default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Bank overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

3.1.2.3. Credit related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions – are collateralized by the underlying shipments of goods to which they relate and therefore carry less risk than a direct loan.

Commitments to extend credit represent unused portions of authorizations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Bank is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.1.3. Impairment and provisioning policies

The internal rating system described in Note 3.1.1 focus on the credit-quality mapping from the lending and investment activities perspective. Conversely, for only financial reporting purposes impairment losses are recognized for that has been incurred at the balance sheet date when there is an objective evidence of impairment. Due to the different methodologies applied, the amount of incurred impairment losses in balance sheet are usually lower than the amount determined from the expected loss model that is used for internal operational management and CBE regulation purposes.

The impairment provision reported in balance sheet at the end of the period is derived from each of the four internal credit risk ratings. However, the majority of the impairment provision is usually driven by the last two rating degrees. The following table illustrates the proportional distribution of loans and advances reported in the balance sheet for each of the four internal credit risk ratings of the Bank and their relevant impairment losses:

	December 31, 2021		December 31, 2020	
Bank's rating	Loans and advances (%)	Impairment provision (%)	Loans and advances (%)	Impairment provision (%)
1-Performing loans	77.82	18.97	80.16	22.76
2-Regular watching	11.91	22.03	11.14	18.11
3-Watch list	5.14	14.89	4.43	25.53
4-Non-Performing Loans	5.13	44.11	4.27	33.60

The internal rating tools assists management to determine whether objective evidence of impairment exists, based on the following criteria set by the Bank:

- Cash flow difficulties experienced by the borrower or debtor
- Breach of loan covenants or conditions
- Initiation of bankruptcy proceedings
- Deterioration of the borrower's competitive position
- Bank granted concessions may not be approved under normal circumstances due to economic, legal reasons and financial difficulties facing the borrower
- Deterioration of the collateral value
- Deterioration of the credit situation

The Bank's policy requires the review of all financial assets that are above materiality thresholds at least annually or more regularly when circumstances require. Impairment provisions on individually assessed accounts are determined by an evaluation of the incurred loss at balance-sheet date, and are applied to all significant accounts individually. The assessment normally encompasses collateral held (including re-confirmation of its enforceability) and the anticipated receipts for that individual account. Collective impairment provisions are provided portfolios of homogenous assets by using the available historical loss experience, experienced judgment and statistical techniques.

3.1.4. Model of measuring the general banking risk

In addition to the four categories of the Bank's internal credit ratings indicated in note 3.1.1, management classifies loans and advances based on more detailed subgroups in accordance with instructions for the implementation of the International Financial Reporting Standard (9) issued by the Central Bank of Egypt on February 26, 2019. Assets exposed to credit risk in these categories are classified according to detailed rules and terms depending heavily on information relevant to the customer, his activity, financial position and his repayment track record. The Bank calculates required provisions for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by CBE. In case, the provision required for impairment losses as per CBE credit worthiness rules exceeds the required provisions by the application used in balance sheet preparation in accordance with EAS. That excess shall be debited to retained earnings and carried to the general banking risk reserve in the equity section. Such reserve is always adjusted, on a regular basis, by any increase or decrease so, that reserve shall always be equivalent to the amount of increase between the two provisions. Such reserve is not available for distribution.

Below is a statement of institutional worthiness according to internal ratings, compared to CBE ratings and rates of provisions needed for assets impairment related to credit risk:

CBE Rating	Categorization	Provision%	Internal rating	Categorization
1	Low risk	0%	1	Performing loans
2	Average risk	1%	1	Performing loans
3	Satisfactory risk	1%	1	Performing loans
4	Reasonable risk	2%	1	Performing loans
5	Acceptable risk	2%	1	Performing loans
6	Marginally acceptable risk	3%	2	Regular watching
7	Watch list	5%	3	Watch list
8	Substandard	20%	4	Non performing loans
9	Doubtful	50%	4	Non performing loans
10	Bad debts	100%	4	Non performing loans

3.1.5. Maximum exposure to credit risk before collateral held

In balance sheet items exposed to credit risk	Dec. 31, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Cash and balances at the central bank	43,492,248	33,768,549
Due from banks	80,182,766	87,450,490
Gross loans and advances to banks	314,334	786,605
Less: ECL	(43,115)	(33,814)
Gross loans and advances to customers		
Individual:		
- Overdraft	1,268,376	1,519,369
- Credit cards	5,716,197	4,864,404
- Personal loans	31,683,161	27,882,072
- Mortgages	2,484,598	2,033,349
Corporate:		
- Overdraft	29,333,541	23,698,784
- Direct loans	50,357,437	45,228,009
- Syndicated loans	43,062,028	31,110,813
- Other loans	33,489	21,391
Unamortized bills discount	(68,410)	(104,176)
Unamortized syndicated loans discount	(312,682)	(210,680)
ECL	(17,917,363)	(16,434,813)
Suspended credit account	(65,129)	(38,517)
Derivative financial instruments	225,376	248,759
Financial investments:		
-Debt instruments	211,403,366	171,497,994
Other assets (Accrued revenues)	8,938,356	6,759,229
Total	**490,088,574**	**420,047,817**
Off balance sheet items exposed to credit risk		
Financial guarantees	5,807,379	5,463,960
Customers acceptances	3,211,139	2,701,590
Letters of credit (import and export)	5,656,740	5,861,017
Letter of guarantee	82,964,410	74,023,239
Total	**97,639,668**	**88,049,806**

The above table represents the Bank's Maximum exposure to credit risk on December 31, 2021, before taking into account any held collateral.

For assets recognized on balance sheet, the exposures set out above are based on net carrying amounts as reported in the balance sheet.

As shown above, 29.77% of the total maximum exposure is derived from loans and advances to banks and customers against 28.65% on December 31, 2020, while investments in debt instruments represent 43.14% against 40.83% on December 31, 2020.

Management is confident in its ability to continue to control and sustain minimal exposure of credit risk resulting from both the bank's loans and advances portfolio and debt instruments based on the following:

- 89.74% of the loans and advances are concentrated in the top two grades of the internal credit risk rating system.
- Loans and advances assessed individualy are valued EGP 8,375,085 thousand against EGP 5,830,098 thousand on December 31, 2020
- The Bank has implemented more prudent processes when granting loans and advances during the financial year ended on December 31, 2021.
- 95.46% of the investments in debt Instruments are Egyptian sovereign instruments against 95.33% on December 31, 2020.

3.1.6. Loans and advances

Loans and advances are summarized as follows:

EGP Thousands

	Dec.31, 2021		Dec.31, 2020	
	Loans and advances to customers	Loans and advances to banks	Loans and advances to customers	Loans and advances to banks
Gross Loans and advances	**163,938,827**	**314,334**	**136,358,191**	**786,605**
Less:				
Impairment provision	17,917,363	2,118	16,434,813	9,625
Unamortized bills discount	68,410	-	104,176	-
Unamortized syndicated loans discount	312,682	-	210,680	-
Suspended credit account	65,129	-	38,517	-
Net	**145,575,243**	**312,216**	**119,570,005**	**776,980**

Impairment provision losses for loans and advances reached EGP 17,919,481 thousand

During the period, the Bank's total loans and advances increased by 19.77%. In order to minimize the propable exposure to credit risk, the Bank focuses more on the business with large enterprises,banks or retail customers with good credit rating or sufficient collateral.

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

EGP Thousands

Dec.31, 2021	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Individuals	36,579,875	3,904,276	668,181	41,152,332
Institutions and Business Banking	65,511,996	49,532,625	7,741,874	122,786,495
Total	**102,091,871**	**53,436,901**	**8,410,055**	**163,938,827**

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

EGP Thousands

Dec.31, 2021	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
Individuals	826,702	91,111	264,646	1,182,459
Institutions and Business Banking	1,484,973	7,600,199	7,649,732	16,734,904
Total	**2,311,675**	**7,691,310**	**7,914,378**	**17,917,363**

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

EGP Thousands

Dec.31, 2021	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Time and term loans	-	314,334	-	314,334
Expected credit losses	-	(2,118)	-	(2,118)
Net	-	**312,216**	-	**312,216**

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

EGP Thousands

Dec.31, 2021	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Facilities and guarantees	60,720,384	30,943,446	168,459	91,832,289
Expected credit losses	(1,925,355)	(1,113,857)	(165,893)	(3,205,105)
Net	**58,795,029**	**29,829,589**	**2,566**	**88,627,184**

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

EGP Thousands

Dec.31, 2020	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Individuals	34,766,758	947,900	584,536	36,299,194
Institutions and Business Banking	50,932,314	43,863,497	5,263,186	100,058,997
Total	**85,699,072**	**44,811,397**	**5,847,722**	**136,358,191**

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

EGP Thousands

Dec.31, 2020	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total
Individuals	711,711	25,326	356,726	1,093,763
Institutions and Business Banking	1,403,518	8,760,972	5,176,560	15,341,050
Total	**2,115,229**	**8,786,298**	**5,533,286**	**16,434,813**

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

EGP Thousands

Dec.31, 2020	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Time and term loans	-	786,605	-	786,605
Expected credit losses	-	(9,625)	-	(9,625)
Net	-	**776,980**	-	**776,980**

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

Dec.31, 2020	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total (EGP Thousands)
Facilities and guarantees	54,127,625	28,364,823	93,398	82,585,846
Expected credit losses	(1,441,650)	(1,400,364)	(88,729)	(2,930,743)
Net	**52,685,975**	**26,964,459**	**4,669**	**79,655,103**

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total (EGP Thousands)
Performing loans (1-5)	1%-14%	1,070,496	1,502,072	-	2,572,568
Regular watching (6)	15%-21%	414,477	3,525,664	-	3,940,141
Watch list (7)	21%-28%	-	2,572,463	14,788	2,587,251
Non-performing loans (8-10)	100%	-	-	7,634,944	7,634,944

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total (EGP Thousands)
Performing loans (1-5)	(0% - 5%)	826,596	-	-	826,596
Regular watching (6)	(5% - 10%)	106	1,074	-	1,180
Watch list (7)	(> 10%)	-	90,037	-	90,037
Non-performing loans (8-10)	100%	-	-	264,646	264,646

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2021	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total (EGP Thousands)
Performing loans (1-5)	1%-12%	59,238,907	31,794,540	-	91,033,447
Regular watching (6)	12%-21%	6,273,089	13,235,904	-	19,508,993
Watch list (7)	21%-27%	-	4,502,181	21,274	4,523,455
Non-performing loans (8-10)	100%	-	-	7,720,600	7,720,600

Individual Loans:

Dec.31, 2021	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	Total
Performing loans (1-5)	(0% - 5%)	36,561,572	-	-	36,561,572
Regular watching (6)	(5% - 10%)	18,303	11,065	-	29,368
Watch list (7)	(> 10%)	-	3,893,211	-	3,893,211
Non-performing loans (8-10)	100%	-	-	668,181	668,181

Expected credit losses divided by internal classification:

Corporate and Business Banking loans:

Dec.31, 2020	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total (EGP Thousands)
Performing loans (1-5)	1%-14%	1,033,895	1,993,166	-	3,027,061
Regular watching (6)	15%-21%	369,623	2,603,402	1,802	2,974,827
Watch list (7)	21%-28%	-	4,164,404	10,884	4,175,288
Non-performing loans (8-10)	100%	-	-	5,163,874	5,163,874

Individual Loans:

Dec.31, 2020	"Scope of probability of default (PD)"	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	Total (EGP Thousands)
Performing loans (1-5)	(0% - 5%)	710,475	-	-	710,475
Regular watching (6)	(5% - 10%)	1,236	2,547	-	3,783
Watch list (7)	(> 10%)	-	22,779	4,372	27,151
Non-performing loans (8-10)	100%	-	-	352,354	352,354

The total balances of loans and facilities divided according to the internal classification:

Corporate and Business Banking loans:

Dec.31, 2020	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Performing loans (1-5)	1%-12%	47,106,516	27,385,359	-	74,491,875
Regular watching (6)	12%-21%	3,825,798	11,374,241	8,551	15,208,590
Watch list (7)	21%-27%	-	5,103,897	10,942	5,114,839
Non-performing loans (8-10)	100%	-	-	5,243,693	5,243,693

Individual Loans:

Dec.31, 2020	"Scope of probability of default (PD)"	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	EGP Thousands Total
Performing loans (1-5)	(0% - 5%)	34,694,840	-	-	34,694,840
Regular watching (6)	(5% - 10%)	71,918	5,541	-	77,459
Watch list (7)	(> 10%)	-	942,359	4,681	947,040
Non-performing loans (8-10)	100%	-	-	579,855	579,855

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2021 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	64,904,120	-	-	64,904,120
Regular watching	9,328,618	5,950,028	-	15,278,646
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**74,232,738**	**5,950,028**	**-**	**80,182,766**
Less: ECL	(20,283)	(20,714)	-	(40,997)
Book value	**74,212,455**	**5,929,314**	**-**	**80,141,769**

Dec.31, 2021 Individual Loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	36,561,572	-	-	36,561,572
Regular watching	18,303	11,065	-	29,368
Watch list	-	3,893,211	-	3,893,211
Non-performing loans	-	-	668,181	668,181
Total	**36,579,875**	**3,904,276**	**668,181**	**41,152,332**
Less: ECL	(826,702)	(91,111)	(264,646)	(1,182,459)
Book value	**35,753,173**	**3,813,165**	**403,535**	**39,969,873**

Dec.31, 2021 Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	59,238,907	31,794,540	-	91,033,447
Regular watching	6,273,089	13,235,904	-	19,508,993
Watch list	-	4,502,181	21,275	4,523,456
Non-performing loans	-	-	7,720,599	7,720,599
Total	**65,511,996**	**49,532,625**	**7,741,874**	**122,786,495**
Less: ECL	(1,484,973)	(7,600,199)	(7,649,732)	(16,734,904)
Book value	**64,027,023**	**41,932,426**	**92,142**	**106,051,591**

Dec.31, 2021 Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	162,895,328	-	-	162,895,328
Regular watching	27,900,153	60,420	-	27,960,573
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**190,795,481**	**60,420**	**-**	**190,855,901**
Less: ECL	(515,177)	(9,721)	-	(524,898)
Book value	**190,280,304**	**50,699**	**-**	**190,331,003**

Dec.31, 2021 Financial assets at Amortized cost	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	20,485,363	-	-	20,485,363
Regular watching	62,102	-	-	62,102
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**20,547,465**	**-**	**-**	**20,547,465**
Less: ECL	(1,113)	-	-	(1,113)
Book value	**20,546,352**	**-**	**-**	**20,546,352**

The following table provides information on the quality of financial assets during the financial year:

Dec.31, 2020 Due from banks	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	77,526,990	-	-	77,526,990
Regular watching	9,923,500	-	-	9,923,500
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**87,450,490**	**-**	**-**	**87,450,490**
Less: ECL	(24,189)	-	-	(24,189)
Book value	**87,426,301**	**-**	**-**	**87,426,301**

Dec.31, 2020 Individual Loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	34,694,841	-	-	34,694,841
Regular watching	71,918	5,540	-	77,458
Watch list	-	942,359	4,681	947,040
Non-performing loans	-	-	579,855	579,855
Total	**34,766,759**	**947,899**	**584,536**	**36,299,194**
Less: ECL	(711,711)	(25,326)	(356,726)	(1,093,763)
Book value	**34,055,048**	**922,573**	**227,810**	**35,205,431**

Dec.31, 2020 Corporate and Business Banking loans:	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	47,106,516	27,385,358	-	74,491,874
Regular watching	3,825,798	11,374,242	8,551	15,208,591
Watch list	-	5,103,897	10,942	5,114,839
Non-performing loans	-	-	5,243,693	5,243,693
Total	**50,932,314**	**43,863,497**	**5,263,186**	**100,058,997**
Less: ECL	(1,403,518)	(8,760,972)	(5,176,560)	(15,341,050)
Book value	**49,528,796**	**35,102,525**	**86,626**	**84,717,947**

Dec.31, 2020 Financial Assets at Fair Value through OCI	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	EGP Thousands Total
Credit rating				
Performing loans	115,902,647	-	-	115,902,647
Regular watching	30,310,122	-	-	30,310,122
Watch list	-	-	-	-
Non-performing loans	-	-	-	-
Total	**146,212,769**	-	-	**146,212,769**
Less: ECL	(619,577)	-	-	(619,577)
Book value	**145,593,192**	-	-	**145,593,192**

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

Dec.31, 2021	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		EGP Thousands Total	
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	24,189	10,440,152	-	-	-	-	24,189	10,440,152
New financial assets purchased or issued	394	4,223,077	20,714	5,950,028	-	-	21,108	10,173,105
Matured or disposed financial assets	(4,737)	(1,051,335)	-	-	-	-	(4,737)	(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"	437	456,099	-	-	-	-	437	456,099
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**20,283**	**14,067,993**	**20,714**	**5,950,028**	-	-	**40,997**	**20,018,021**

Dec.31, 2021	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Individual Loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
ECL on 1 January 2021	711,711	34,766,759	25,326	947,899	356,726	584,536	1,093,763	36,299,194
Impairment during the year	114,991	1,813,116	65,785	2,956,377	126,900	83,645	307,676	4,853,138
Write off during the year	-	-	-	-	(298,324)	-	(298,324)	-
Recoveries	-	-	-	-	79,344	-	79,344	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**826,702**	**36,579,875**	**91,111**	**3,904,276**	**264,646**	**668,181**	**1,182,459**	**41,152,332**

Dec.31, 2021 Corporate and Business Banking loans:	Stage 1 12 months ECL	Stage 1 12 months Outstanding	Stage 2 Life time ECL	Stage 2 Life time Outstanding	Stage 3 Life time ECL	Stage 3 Life time Outstanding	Total ECL	Total Outstanding
ECL on 1 January 2021	1,403,518	50,932,314	8,760,972	43,863,497	5,176,560	5,263,186	15,341,050	100,058,997
New financial assets purchased or issued	898,640	34,878,589	1,303,833	21,224,578	1,386	-	2,203,859	56,103,167
Matured or disposed financial assets	(598,685)	(21,694,203)	(492,548)	(9,420,930)	(2,903)	(2,104)	(1,094,136)	(31,117,237)
Transferred to stage 1	10,898	1,047,109	(19,271)	(850,025)	(92)	-	(8,465)	197,084
Transferred to stage 2	(53,721)	(2,060,262)	94,243	1,765,014	(1,260)	(5,490)	39,262	(300,738)
Transferred to stage 3	(17,878)	(2,810)	(2,364,361)	(2,553,001)	2,571,074	2,564,752	188,835	8,941
"Changes in the probability of default and loss in case of default and the exposure at default"	(92,931)	2,767,260	(267,130)	(5,083,109)	(84,053)	(74,184)	(444,114)	(2,390,033)
Changes to model assumptions and methodology	(63,082)	(356,001)	649,455	586,601	(15,278)	-	571,095	230,600
Recoveries	-	-	-	-	45,431	80	45,431	80
Write off during the year	-	-	-	-	(4,366)	(4,366)	(4,366)	(4,366)
Cumulative foreign currencies translation differences	**(1,786)**	-	**(64,994)**	-	**(36,767)**	-	**(103,547)**	-
Ending balance	**1,484,973**	**65,511,996**	**7,600,199**	**49,532,625**	**7,649,732**	**7,741,874**	**16,734,904**	**122,786,495**

Dec.31, 2021 Financial Assets at Fair Value through OCI	Stage 1 12 months ECL	Stage 1 12 months Outstanding	Stage 2 Life time ECL	Stage 2 Life time Outstanding	Stage 3 Life time ECL	Stage 3 Life time Outstanding	Total ECL	Total Outstanding
ECL on 1 January 2021	619,398	38,390,014	-	-	-	-	619,398	38,390,014
New financial assets purchased or issued	218,711	19,682,229	9,721	60,420	-	-	228,432	19,742,649
Matured or disposed financial assets	(174,668)	(14,134,503)	-	-	-	-	(174,668)	(14,134,503)
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"	(148,264)	(5,232,590)	-	-	-	-	(148,264)	(5,232,590)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**515,177**	**38,705,150**	**9,721**	**60,420**	-	-	**524,898**	**38,765,570**

Dec.31, 2021 Financial assets at Amortized cost	Stage 1 12 months ECL	Stage 1 12 months Outstanding	Stage 2 Life time ECL	Stage 2 Life time Outstanding	Stage 3 Life time ECL	Stage 3 Life time Outstanding	Total ECL	Total Outstanding
ECL 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"	934	(2,049)	-	-	-	-	934	(2,049)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**1,113**	**62,102**	-	-	-	-	**1,113**	**62,102**

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	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Due from banks	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	16,817	9,253,619	-	-	-	-	16,817	9,253,619
Provision for credit losses on 1 May 2020 (MAYFAIR)	383	430,125	-	-	-	-	383	430,125
New financial assets purchased or issued	5,100	1,051,335	-	-	-	-	5,100	1,051,335
Matured or disposed financial assets	(386)	80,208	-	-	-	-	(386)	80,208
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	2,367	(375,135)	-	-	-	-	2,367	(375,135)
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	(92)	-	-	-	-	-	(92)	-
Ending balance	**24,189**	**10,440,152**	-	-	-	-	**24,189**	**10,440,152**

Dec.31, 2020	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Individual Loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	96,469	26,734,504	10,394	339,408	210,068	202,357	316,931	27,276,269
Provision for credit losses on 1 May 2020 (MAYFAIR)	1,536	91,857	281	5,540	7	8,175	1,824	105,572
Impairment during the year	613,706	7,940,398	14,651	602,951	181,438	449,965	809,795	8,993,314
Write off during the year	-	-	-	-	(75,961)	(75,961)	(75,961)	(75,961)
Recoveries	-	-	-	-	41,174	-	41,174	-
Ending balance	**711,711**	**34,766,759**	**25,326**	**947,899**	**356,726**	**584,536**	**1,093,763**	**36,299,194**

Dec.31, 2020	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Corporate and Business Banking loans:	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	1,208,722	63,749,865	5,325,121	35,158,341	4,975,113	5,059,619	11,508,956	103,967,825
Provision for credit losses on 1 May 2020 (MAYFAIR)	4,155	542,142	1,411	86,014	630	9,449	6,196	637,605
New financial assets purchased or issued	508,339	22,087,369	1,499,691	17,919,504	6,440	-	2,014,470	40,006,873
Matured or disposed financial assets	(544,213)	(31,103,750)	(1,145,259)	(20,167,844)	(161,746)	(163,720)	(1,851,218)	(51,435,314)
Transferred to stage 1	6,739	123,050	(8,211)	(135,649)	-	-	(1,472)	(12,599)
Transferred to stage 2	(29,584)	(1,241,569)	106,755	1,209,324	-	-	77,171	(32,245)
Transferred to stage 3	1,465	-	(370,819)	(531,834)	479,547	538,489	110,193	6,655
"Changes in the probability of default and loss in case of default and the exposure at default"	(50,024)	(4,070,553)	548,069	2,123,630	(43,862)	(48,427)	454,183	(1,995,350)
Changes to model assumptions and methodology	306,509	845,760	2,881,778	8,202,011	-	-	3,188,287	9,047,771
Recoveries	-	-	-	-	121,721	-	121,721	-
Write off during the year	-	-	-	-	(132,224)	(132,224)	(132,224)	(132,224)
Cumulative foreign currencies translation differences	**(8,590)**	-	**(77,564)**	-	**(69,059)**	-	**(155,213)**	-
Ending balance	**1,403,518**	**50,932,314**	**8,760,972**	**43,863,497**	**5,176,560**	**5,263,186**	**15,341,050**	**100,058,997**

Dec.31, 2020	Stage 1 12 months		Stage 2 Life time		Stage 3 Life time		Total	
Financial Assets at Fair Value through OCI	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding	ECL	Outstanding
Provision for credit losses on 1 January 2020	414,395	33,728,881	-	-	-	-	414,395	33,728,881
New financial assets purchased or issued	270,021	19,326,470	-	-	-	-	270,021	19,326,470
Matured or disposed financial assets	(126,273)	(14,695,439)	-	-	-	-	(126,273)	(14,695,439)
Transferred to stage 1	-	-	-	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-	-
"Changes in the probability of default and loss in case of default and the exposure at default"	61,434	94,253	-	-	-	-	61,434	94,253
Changes to model assumptions and methodology	-	-	-	-	-	-	-	-
Write off during the year	-	-	-	-	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-
Ending balance	**619,577**	**38,454,165**	-	-	-	-	**619,577**	**38,454,165**

Loans and advances restructured

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

Loans and advances to customer	Dec.31, 2021	EGP Thousands Dec.31, 2020
Corporate		
- Direct loans	10,927,093	5,537,596
Total	**10,927,093**	**5,537,596**

3.1.8. 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, 2021 Amortized cost	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	20,547,465	-	-	-	20,547,465
Not rated	-	-	-	-	-
Total	**20,547,465**	-	-	-	**20,547,465**

Dec.31, 2021 Fair value through OCI	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	190,855,901	-	-	-	190,855,901
Not rated	-	-	-	-	-
Total	**190,855,901**	-	-	-	**190,855,901**

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, 2021 Fair value through OCI	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	526,011	-	-	-	526,011
Not rated	-	-	-	-	-
Total	**526,011**	-	-	-	**526,011**

3.1.8. 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 Amortized cost	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	25,285,225	-	-	-	25,285,225
Not rated	-	-	-	-	-
Total	**25,285,225**	-	-	-	**25,285,225**

Dec.31, 2020 Fair value through OCI	"Stage 1: 12 months"	"Stage 2: Life time"	"Stage 3: Life time"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	146,212,769	-	-	-	146,212,769
Not rated	-	-	-	-	-
Total	**146,212,769**	-	-	-	**146,212,769**

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

Dec.31, 2020 Fair value through OCI	Stage 1: Expected credit losses over 12 months	"Stage 2: Expected credit losses Over a lifetime that is not creditworthy"	"Stage 3: Expected credit losses Over a lifetime Credit default"	"Individually impaired"	EGP Thousands Total
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	619,577	-	-	-	619,577
Not rated	-	-	-	-	-
Total	**619,577**	-	-	-	**619,577**

3.1.8. Concentration of risks of financial assets with credit risk exposure

3.1.8.1. Geographical sectors

Following is a breakdown of the Bank's main credit exposure at their book values categorized by geographical region at the end of the year.

The Bank has allocated exposures to regions based on the country of domicile of its counterparties.

EGP Thousands

Dec.31, 2021	Cairo	Alex, Delta and Sinai	Upper Egypt	Outside Egypt (Kenya)	Total
Cash and balances at the central bank	43,392,199	-	-	100,049	43,492,248
Due from banks	80,032,284	-	-	150,482	80,182,766
Gross loans and advances to banks	314,334	-	-	-	314,334
Less: ECL	(42,557)	-	-	(558)	(43,115)
Gross loans and advances to customers					
Individual:					
- Overdrafts	837,442	338,127	89,198	3,609	1,268,376
- Credit cards	4,526,236	1,015,020	174,941	-	5,716,197
- Personal loans	22,133,947	7,896,793	1,577,567	74,854	31,683,161
- Mortgages	2,370,727	91,294	12,160	10,417	2,484,598
Corporate:					
- Overdrafts	25,600,808	2,359,986	1,210,231	162,516	29,333,541
- Direct loans	31,160,433	13,655,736	4,952,607	588,661	50,357,437
- Syndicated loans	39,654,747	3,326,480	80,801	-	43,062,028
- Other loans	33,489	-	-	-	33,489
Unamortized bills discount	(67,439)	(971)	-	-	(68,410)
Unamortized syndicated loans discount	(312,682)	-	-	-	(312,682)
ECL	(12,642,802)	(3,918,608)	(1,314,329)	(41,624)	(17,917,363)
Suspended credit account	(65,129)	-	-	-	(65,129)
Derivative financial instruments	225,376	-	-	-	225,376
Financial investments:					
-Debt instruments	210,704,051	-	-	699,315	211,403,366
Total	**447,855,464**	**24,763,857**	**6,783,176**	**1,747,721**	**481,150,218**
Total as at December 31, 2020	**383,949,344**	**20,743,853**	**6,864,183**	**1,755,397**	**413,312,777**

3.1.8.2. Industry sectors

The following table analyses the Group's main credit exposure at their book value categorized by the Bank's customers activities.

EGP Thousands

Dec.31, 2021	Financial institutions	Manufacturing	Real estate	Wholesale and retail trade	Government sector	Other activities	Individual	Total
Cash and balances at the central bank	43,492,248	-	-	-	-	-	-	43,492,248
Due from banks	80,182,766	-	-	-	-	-	-	80,182,766
Gross loans and advances to banks	314,334	-	-	-	-	-	-	314,334
Less: ECL	(43,115)	-	-	-	-	-	-	(43,115)
Gross loans and advances to customers								
Individual:								
- Overdrafts	-	-	-	-	-	-	1,268,376	1,268,376
- Credit cards	-	-	-	-	-	-	5,716,197	5,716,197
- Personal loans	-	-	-	-	-	-	31,683,161	31,683,161
- Mortgages	-	-	-	-	-	-	2,484,598	2,484,598
Corporate:								
- Overdrafts	2,597,098	14,874,248	2,839,645	1,464,553	1,502,477	6,055,520	-	29,333,541
- Direct loans	2,398,913	22,355,367	2,225,965	1,610,723	5,546,351	16,220,118	-	50,357,437
- Syndicated loans	-	8,439,131	1,488,861	-	31,481,743	1,652,293	-	43,062,028
- Other loans	-	33,489	-	-	-	-	-	33,489
Unamortized bills discount	(7,988)	(16,584)	-	-	-	(43,838)	-	(68,410)
Unamortized syndicated loans discount	-	-	-	-	-	(312,682)	-	(312,682)
Less: ECL	(121,889)	(5,626,426)	(59,552)	(172,005)	(1,069,758)	(9,685,274)	(1,182,459)	(17,917,363)
Suspended credit account	-	(17,070)	-	(36,915)	-	(11,144)	-	(65,129)
Derivative financial instruments	225,376	-	-	-	-	-	-	225,376
Financial investments:								
-Debt instruments	9,562,670	-	-	-	201,840,696	-	-	211,403,366
Total	**138,600,413**	**40,042,155**	**6,494,919**	**2,866,356**	**239,301,509**	**13,874,993**	**39,969,873**	**481,150,218**
Total as at December 31, 2020	**132,521,115**	**33,452,671**	**5,944,830**	**1,807,868**	**191,127,216**	**13,253,646**	**35,205,431**	**413,312,777**

3.2. Market risk

Market risk represents the fluctuations in fair value, future cash flow, foreign exchange rates and commodity prices, interest rates, credit spreads and equity prices, and it may reduce the Bank's income or the value of its portfolios. The bank assigns the market risk management department to measure, monitor and control the market risk. In addition, regular reports are submitted to the Asset and Liability "Management Committee (ALCO), Board Risk Committee and the heads of each business unit."

The bank separates exposures to market risk into trading or non-trading portfolios.

Trading portfolios include positions arising from market-making, position taking and others designated as marked-to-market. Non-trading portfolios include positions that primarily arise from the interest rate management of the group's retail and commercial banking assets and liabilities, financial investments designated as FVTOCI and amortized cost.

3.2.1. Market risk measurement techniques

As part of the management of market risk, the Bank undertakes various hedging strategies and enters into interest rate swaps to match the interest rate risk associated with the fixed-rate long-term debt instrument and loans to which the fair value option has been applied .

3.2.1.1. Value at Risk

The Bank applies a "Value at Risk" methodology (VaR) to its trading and non-trading portfolios, to estimate the market risk of positions held and the maximum losses expected under normal market conditions, based upon a number of assumptions for various changes in market conditions.

VaR is a statistically based estimate of the potential loss on the current portfolio from adverse market movements. It expresses the 'maximum' amount the Bank might lose , but only to a certain level of confidence (99%). There is therefore a specified statistical probability (1%) that actual loss could be greater than the VaR estimate. The VaR model assumes a certain 'holding period' until positions can be closed (1 Day). The Bank estimates the VaR using the Historical Simulation methodology, which assesses the historical movements in the market prices and rates, and revalue the current positions using these movements.

The use of this approach does not prevent losses outside of these limits in the event of more significant market movements. As VaR constitutes an integral part of the Bank's market risk control regime, the Market Risk Management set VaR Limits, for the trading book, which have been approved by the board, and are monitored and reported on a daily basis to the Senior Management.

In addition, monthly limits compliance is reported to the ALCO.

The Bank is calculating the Market Risk Capital Requirements by applying Basel II "Standardised Measurement Method", according to the Central Bank of Egypt regulatory requirements.

3.2.1.2. Stress testing

Stress tests provide an indication of the potential size of losses that could arise under extreme market conditions. Therefore, the bank computes on a daily basis trading Stressed VaR, combined with the trading VaR, to capture the abnormal movements in financial markets and to give more comprehensive picture of risk. The results of the stress tests are reviewed by the ALCO on a monthly basis and the board risk committee on a quarterly basis.

3.2.2. Value at risk (VaR) Summary

EGP Thousands

Total VaR by risk type	Last 12 months ended 31/12/2021			Last 12 months ended 31/12/2020		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	3,250	8,850	82	954	4,940	109
Interest rate risk	221,819	295,649	142,776	441,614	776,180	260,701
- For non trading purposes	221,343	295,172	142,300	448,956	790,500	264,703
- For trading purposes	476	477	476	290	290	290
Portfolio managed by others risk	11,199	20,381	7,875	6,552	14,894	3,337
Total VaR	**221,475**	**297,562**	**139,539**	**443,036**	**780,053**	**261,342**

Trading portfolio VaR by risk type	Last 12 months ended 31/12/2021			Last 12 months ended 31/12/2020		
	Medium	High	Low	Medium	High	Low
Foreign exchange risk	3,250	8,850	82	954	4,940	109
Interest rate risk	476	477	476	290	290	290
- For trading purposes	476	477	476	290	290	290
Funds managed by others risk	11,199	20,381	7,875	6,552	14,894	3,337
Total VaR	**11,910**	**20,648**	**8,091**	**6,752**	**14,696**	**3,398**

Non trading portfolio VaR by risk type	Last 12 months ended 31/12/2021			Last 12 months ended 31/12/2020		
	Medium	High	Low	Medium	High	Low
Interest rate risk						
- For non trading purposes	221,343	295,172	142,300	448,956	790,500	264,703
Total VaR	**221,343**	**295,172**	**142,300**	**448,956**	**790,500**	**264,703**

The three previous outcomes of the VAR were calculated independently from the positions involved and historical market movements. The aggregate value at risk for trading and non-trading is not the Bank's risk value because of the correlation between types of risks.

3.2.3. Foreign exchange risk

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

					Equivalent EGP Thousands	
Dec.31, 2021	**EGP**	**USD**	**EUR**	**GBP**	**Other**	**Total**
Financial assets						
Cash and balances at the central bank	40,736,021	1,756,193	496,872	71,047	432,115	43,492,248
Gross due from banks	41,054,367	34,456,856	4,246,756	351,115	73,672	80,182,766
Gross loans and advances to banks	-	314,334	-	-	-	314,334
Gross loans and advances to customers	114,522,128	45,038,565	3,641,476	17,513	719,145	163,938,827
Derivative financial instruments	96,842	128,534	-	-	-	225,376
Financial investments						
Gross financial investment securities	190,932,613	23,081,583	1,601,217	-	699,315	216,314,728
Investments in associates	205,315	-	-	-	-	205,315
Total financial assets	**387,547,286**	**104,776,065**	**9,986,321**	**439,675**	**1,924,247**	**504,673,594**
Financial liabilities						
Due to banks	356,538	486,550	14,439	5,954	2,575	866,056
Due to customers	311,796,838	84,779,291	8,220,225	1,111,660	1,333,524	407,241,538
Derivative financial instruments	188,902	76,568	-	-	-	265,470
Issued debt instruments	-	1,557,263	-	-	-	1,557,263
Other loans	12,305	5,107,293	21,184	-	-	5,140,782
Total financial liabilities	**312,354,583**	**92,006,965**	**8,255,848**	**1,117,614**	**1,336,099**	**415,071,109**
Net on-balance sheet financial position	**75,192,703**	**12,769,100**	**1,730,473**	**(677,939)**	**588,148**	**89,602,485**
Total financial assets as of December 31, 2020	**316,524,511**	**106,062,225**	**9,033,162**	**520,241**	**2,091,583**	**434,231,722**
Total financial liabilities as of December 31, 2020	**253,086,441**	**95,036,585**	**7,659,514**	**942,946**	**1,339,518**	**358,065,004**
Net on-balance sheet financial position as of December 31, 2020	**63,438,070**	**11,025,640**	**1,373,648**	**(422,705)**	**752,065**	**76,166,718**

3.2.4. 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.

The table below summarizes the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts, categorized by the earlier of repricing or contractual maturity dates.

						Equivalent EGP Thousands	
Dec.31, 2021	**Up to1 Month**	**1-3 Months**	**3-12 Months**	**1-5 years**	**Over 5 years**	**Non-Interest Bearing**	**Total**
Financial assets							
Cash and balances at the central bank	-	-	-	-	-	43,492,248	43,492,248
Gross due from banks	59,509,987	16,734,185	157,167	2,357,505	-	1,423,922	80,182,766
Gross loans and advances to banks	-	-	314,334	-	-	-	314,334
Gross loans and advances to customers	99,092,638	22,942,227	13,170,339	21,407,645	7,325,978	-	163,938,827
Derivatives financial instruments (including IRS notional amount)	333,316	4,720,710	436,841	1,705,959	85,348	-	7,282,174
Financial investments							
Gross financial investment securities *	4,375,381	10,563,216	47,137,366	91,394,302	62,104,779	739,684	216,314,728
Investments in associates	-	-	-	-	-	205,315	205,315
Total financial assets	**163,311,322**	**54,960,338**	**61,216,047**	**116,865,411**	**69,516,105**	**45,861,169**	**511,730,392**
Financial liabilities							
Due to banks	451,921	-	-	-	-	414,135	866,056
Due to customers	188,598,206	49,776,590	22,829,398	80,695,033	542,992	64,799,319	407,241,538
Derivatives financial instruments (including IRS notional amount)	518,244	1,938,009	63,027	11,409	4,791,374	-	7,322,063
Issued debt instruments	-	-	-	1,557,263	-	-	1,557,263
Other loans	79	4,583,402	555,461	1,840	-	-	5,140,782
Total financial liabilities	**189,568,450**	**56,298,001**	**23,447,886**	**82,265,545**	**5,334,366**	**65,213,454**	**422,127,702**
Total interest re-pricing gap	**(26,257,128)**	**(1,337,663)**	**37,768,161**	**34,599,866**	**64,181,739**	**(19,352,285)**	**89,602,690**
Total financial assets as of December 31, 2020	**165,160,476**	**34,337,968**	**55,595,952**	**102,189,230**	**52,709,533**	**35,077,980**	**445,071,139**
Total financial liabilities as of December 31, 2020	**180,915,763**	**48,510,479**	**29,684,634**	**54,599,162**	**4,962,075**	**50,232,308**	**368,904,421**
Total interest re-pricing gap as of December 31, 2020	**(15,755,287)**	**(14,172,511)**	**25,911,318**	**47,590,068**	**47,747,458**	**(15,154,328)**	**76,166,718**

** After adding Reverse repos and deducting Repos.*

3.3. 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 Poilcy 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.At the end of year, the Basel III Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) remained strong and well above regulatory requirements.

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.

3.3.1. Liquidity risk management process

The Bank's liquidity management process is carried by the Assets and Liabilities Management Department and monitored independently by the Risk Management Department, and includes projecting cash flows by major currency under various stress scenarios and considering the level of liquid assets necessary in relation thereto:

- -Maintaining an active presence in global money markets to enable this to happen.
- Maintaining a diverse range of funding sources with back-up facilities
- Monitoring balance sheet liquidity and advances to core funding ratios against internal and CBE regulations.
- Managing the concentration and profile of debt maturities.

Monitoring and reporting takes the form of cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

3.3.2. Funding approach

Sources of liquidity are regularly reviewed jointly by the bank's Assets & Liabilities Management Department and Consumer Banking to maintain a wide diversification by currency, provider,product and term.

3.3.3. Non-derivative cash flows

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturities and the maturities assumption for non contractual products on the basis of their behaviour studies, at balance sheet date.

EGP Thousands

Dec.31, 2021	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	866,056	-	-	-	-	866,056
Due to customers	39,317,887	48,878,759	100,862,081	208,432,719	9,750,092	407,241,538
Issued debt instruments	-	-	-	1,557,263	-	1,557,263
Other loans	79	-	555,460	2,744,651	1,840,592	5,140,782
Total liabilities (contractual and non contractual maturity dates)	**40,184,022**	**48,878,759**	**101,417,541**	**212,734,633**	**11,590,684**	**414,805,639**
Total financial assets (contractual and non contractual maturity dates)	**58,447,032**	**75,184,509**	**78,162,525**	**185,200,459**	**106,116,943**	**503,111,468**

EGP Thousands

Dec.31, 2020	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Financial liabilities						
Due to banks	1,266,125	7,472,749	78,661	-	-	8,817,535
Due to customers	32,904,756	33,065,033	97,509,535	166,850,344	10,839,782	341,169,450
Other loans	-	10,079	2,629,252	2,445,156	2,662,459	7,746,946
Total liabilities (contractual and non contractual maturity dates)	**34,170,881**	**40,547,861**	**100,217,448**	**169,295,500**	**13,502,241**	**357,733,931**
Total financial assets (contractual and non contractual maturity dates)	**84,620,725**	**49,072,630**	**59,598,235**	**157,255,071**	**82,285,536**	**432,832,197**

Assets available to meet all of the liabilities and to cover outstanding loan commitments include cash, due from CBE and due from banks, treasury bills, other government notes , loans and advances to banks and customers.

n the normal course of business, a proportion of customer loans contractually repayable within one year will be extended. In addition, debt instrument and treasury bills and other governmental notes have been pledged to secure liabilities. The Bank would also be able to meet unexpected net cash outflows by selling securities and accessing additional funding sources such as asset-backed markets.

3.3.4. Derivative cash flows

The Bank's derivatives include:

Foreign exchange derivatives: exchange traded options and over-the-counter (OTC) ,exchange traded forwards currency options that will be settled on a gross basis interest rate derivatives: interest rate swaps, forward rate agreements, OTC and exchange traded interest rate options, other interest rate contracts and exchange traded futures .

The table below analyses the Bank's derivative undiscounted financial liabilities into maturity groupings based on the remaining period of the balance sheet to the contractual maturity date will be settled on a net basis. The amounts disclosed in the table are the contractual undiscounted cash flows:

EGP Thousands

Dec.31, 2021	Up to 1 month	One to three months	Three months to one year	One year to five years	Over five years	Total
Liabilities						
Derivatives financial instruments						
Foreign exchange derivatives	78,177	36,288	63,232	11,409	-	189,106
Interest rate derivatives	-	-	-	-	76,364	76,364
Total	**78,177**	**36,288**	**63,232**	**11,409**	**76,364**	**265,470**
Total as of Dec. 31, 2020	**16,230**	**44,100**	**80,072**	**6,766**	**183,905**	**331,073**

Off balance sheet items

EGP Thousand

Dec.31, 2021	Up to 1 year	1-5 years	Over 5 years	Total
Letter of credit, guarantees and other commitments	56,298,633	27,311,828	8,221,828	91,832,289
Total	**56,298,633**	**27,311,828**	**8,221,828**	**91,832,289**
Total as of Dec. 31, 2020	**49,712,249**	**23,438,772**	**9,434,825**	**82,585,846**

EGP Thousands

Dec.31, 2021	Up to 1 year	1-5 years	Total
Credit facilities commitments	3,229,408	4,490,950	7,720,358
Total	**3,229,408**	**4,490,950**	**7,720,358**
Total as of Dec. 31, 2020	**3,511,831**	**5,383,579**	**8,895,410**

3.4. Fair value of financial assets and liabilities

3.4.1. 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.

	Book value		Fair value	
	Dec.31, 2021	Dec.31, 2020	Dec.31, 2021	Dec.31, 2020
Financial assets				
Due from banks	80,182,766	87,426,301	80,609,895	87,448,058
Gross loans and advances to banks	314,334	786,605	314,334	786,605
Gross loans and advances to customers	163,938,827	136,358,191	164,228,916	136,164,909
Financial investments:				
Financial assets at Amortized cost	20,547,465	25,285,225	21,310,034	26,437,169
Total financial assets	**264,983,392**	**249,856,322**	**266,463,179**	**250,836,741**
Financial liabilities				
Due to banks	866,056	8,817,535	836,273	8,700,395
Due to customers	407,241,538	341,169,450	409,825,357	340,481,150
Issued debt instruments	1,571,670	-	1,574,487	-
Other loans	5,140,782	7,746,946	5,124,531	7,746,946
Total financial liabilities	**414,820,046**	**357,733,931**	**417,360,648**	**356,928,491**

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

Due from banks

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

Fair values of financial instruments

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

Quantitative disclosures fair value measurement hierarchy for assets as at 31 December 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.

			Fair value measurement using		
Dec.31, 2021	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair Value through P&L	31-Dec-21	240,987	240,987	-	-
Financial Assets at Fair Value through OCI	31-Dec-21	193,198,894	148,072,372	45,126,522	-
Total		**193,439,881**	**148,313,359**	**45,126,522**	-
Derivative financial instruments					
Financial assets	31-Dec-21	225,376	-	-	225,376
Financial liabilities	31-Dec-21	265,470	-	205	265,265
Total		**490,846**	-	**205**	**490,641**
Assets for which fair values are disclosed:					
Financial assets at Amortized cost	31-Dec-21	21,310,034	-	21,045,985	264,049
Loans and advances to banks	31-Dec-21	314,334	-	-	314,334
Loans and advances to customers	31-Dec-21	164,228,916	-	-	164,228,916
Total		**185,853,284**	-	**21,045,985**	**164,807,299**
Liabilities for which fair values are disclosed:					
Issued debt instruments	31-Dec-21	1,574,487	-	1,574,487	-
Other loans	31-Dec-21	5,124,531	-	5,124,531	-
Due to customers	31-Dec-21	409,825,357	-	-	409,825,357
Total		**416,524,375**	-	**6,699,018**	**409,825,357**

			Fair value measurement using		
Dec.31, 2020	Date of Valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-20	359,959	359,959	-	-
Financial Assets at Fair value through OCI	31-Dec-20	148,118,372	108,161,597	39,956,775	-
Total		**148,478,331**	**108,521,556**	**39,956,775**	-
Derivative financial instruments					
Financial assets	31-Dec-20	248,950	-	191	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
Total		580,023	-	191	579,832
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-20	26,340,253	-	26,172,861	167,392
Loans and advances to banks	31-Dec-20	786,605	-	-	786,605
Loans and advances to customers	31-Dec-20	136,164,909	-	-	136,164,909
Total		**163,291,767**	-	**26,172,861**	**137,118,906**
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	341,579,117	-	-	341,579,117
Total		**349,326,063**	-	**7,746,946**	**341,579,117**

Fair value of financial assets and liabilities

Loans and advances to banks

Loans and advances to banks are represented in loans that do not consider bank placing. The expected fair value of the loans and advances represents the discounted value of future cash flows expected to be collected. Cash flows are discounted using the current market rate to determine fair value.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Financial Investments

Investment securities include only interest-bearing assets, financial assets at amortized cost, and fair value through OCI.

Fair value for amortized cost assets is based on market prices.

Due to other banks and customers

The estimated fair value of deposits with no stated maturity, which includes non-interest-bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits and other borrowings not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar maturity date.

3.5 Capital management

For capital management purposes, the Bank's capital includes total equity as reported in the balance sheet plus some other elements that are managed as capital. The Bank manages its capital to ensure that the following objectives are achieved:

- Complying with the legally imposed capital requirements in Egypt.
- Protecting the Bank's ability to continue as a going concern and enabling the generation of yield for shareholders and other parties dealing with the bank.

Capital adequacy and the use of regulatory capital are monitored on a daily basis by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee as implemented by the banking supervision unit in the Central Bank of Egypt.

The required data is submitted to the Central Bank of Egypt on a monthly basis.

Central Bank of Egypt requires the following:

- Maintaining EGP 5 billion as a minimum requirement for the issued and paid-in capital, noting that at the reporting date the issued and paid up capital has reached EGP 19.7 billion.
- Maintaining a minimum level of capital adequacy ratio of 12.75%, calculated as the ratio between total value of the capital elements, and the risk-weighted assets and contingent liabilities of the Bank (credit risk, market risk and opertional risk). While taking into consideration the conservation buffer.

Tier one:

Tier one comprises of paid-in capital, retained earnings and reserves resulting from the distribution of profits except the banking risk reserve, interim profits and deducting previously recognized goodwill and any retained losses.

Tier two:

Tier two represents the gone concern capital which is compposed of general risk provision according to stage one ECL to the maximum of 1.25% risk weighted assets and contingent liabilities ,subordinated loans with more than five years to maturity (amortizing 20% of its carrying amount in each year of the remaining five years to maturity) and 45% of the increase in fair value than book value for financial assets fair value through OCI , amortized cost , subsidiaries and associates investments.

When calculating the numerator of capital adequacy ratio, the rules set limits of total tier 2 to no more than tier 1 capital and also limits the subordinated to no more than 50% of tier1.

Assets risk weight scale ranging from zero to 400% is based on the counterparty risk to reflect the related credit risk scheme, taking into considration the cash collatrals. Similar criteria are used for off balance sheet items after adjustments to reflect the nature of contingency and the potential loss of those amounts. The Bank has complied with all local capital adequacy requirements for the current year.

The tables below summarize the compositions of teir 1, teir 2 , the capital adequacy ratio and leverage ratio .

		EGP Thousands
1-The capital adequacy ratio	**Dec.31, 2021**	**Dec.31, 2020**
Tier 1 capital		
Share capital	19,702,418	14,776,813
Goodwill	(137,525)	(178,782)
Reserves	34,911,381	33,427,234
Retained Earnings (Losses)	409,540	256,266
Total deductions from tier 1 capital common equity	(774,839)	(842,792)
Interim profits	8,862,295	8,906,131
Total qualifying tier 1 capital	**62,973,270**	**56,344,870**
Tier 2 capital		
Subordinated Loans	4,583,403	4,579,135
Impairment provision for loans and regular contingent liabilities	2,422,497	2,072,612
Total qualifying tier 2 capital	**7,005,900**	**6,651,747**
Total capital 1+2	**69,979,170**	**62,996,617**
Risk weighted assets and contingent liabilities		
Total credit risk	194,072,666	165,944,439
Total market risk	3,309,278	701,776
Total operational risk	36,976,287	33,923,864
Total	**234,358,231**	**200,570,079**
***Capital adequacy ratio (%)**	**29.86%**	**31.41%**

**Based on consolidated financial statement figures and in accordance with Central Bank of Egypt regulation issued on 24 December 2012.*

		EGP Thousands
2-Leverage ratio	**Dec. 31, 2021**	**Dec. 31, 2020**
Total qualifying tier 1 capital	62,973,270	56,344,870
On-balance sheet items & derivatives	496,620,360	430,849,350
Off-balance sheet items	60,131,413	54,025,891
Total exposures	**556,751,773**	**484,875,241**
***Percentage**	**11.31%**	**11.62%**

**Based on consolidated financial statement figures and in accordance with Centeral Bank of Egypt regulation issued on 14 July 2015.*

For December 2021 NSFR ratio record 247% (LCY 282% and FCY 170%), and LCR ratio record 817% (LCY 902% and FCY 304%).

For December 2020 NSFR ratio record 250% (LCY 301% and FCY 168%), and LCR ratio record 1358% (LCY 1976% and FCY 336%).

4. Critical accounting estimates and judgments

The Bank makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year.

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and available information.

4.1. Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. these valuation techniques (as models) are validated and periodically reviewed by qualified personnel independent of the area that created them.

All models are certified before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market. For practicality purposes, models use only observable data; however, areas such as credit risk (both own and counter-party), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

5. Segment analysis

5.1. By business segment

The Bank is divided into four main business segments on a worldwide basis:

- 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

Dec.31, 2021	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Net revenue according to business segment *	12,424,046	1,875,155	6,030,056	7,772,252	632,640	28,734,149
Expenses according to business segment	(5,226,990)	(1,078,834)	(209,201)	(3,360,394)	(20,922)	(9,896,341)
Profit before tax	7,197,056	796,321	5,820,855	4,411,858	611,718	18,837,808
Tax	(2,153,624)	(233,284)	(1,705,378)	(1,294,109)	(179,204)	(5,565,599)
Profit for the year	**5,043,432**	**563,037**	**4,115,477**	**3,117,749**	**432,514**	**13,272,209**
Total assets	**158,526,753**	**3,193,320**	**218,836,949**	**40,659,292**	**77,019,524**	**498,235,838**

** Represents the net interest income and other income.*

EGP Thousands

Dec.31, 2020	Corporate banking	SME's	Investments	Retail banking	Asset Liability Mangement	Total
Revenue according to business segment	11,470,314	1,566,102	7,957,829	6,923,229	636,807	28,554,281
Expenses according to business segment	(8,546,440)	(880,520)	(444,245)	(3,443,139)	(1,795)	(13,316,139)
Profit before tax	2,923,874	685,582	7,513,584	3,480,090	635,012	15,238,142
Tax	(974,308)	(223,965)	(2,454,966)	(1,139,301)	(207,445)	(4,999,985)
Profit for the year	**1,949,566**	**461,617**	**5,058,618**	**2,340,789**	**427,567**	**10,238,157**
Total assets at 31 December 2020	**137,873,519**	**1,067,415**	**182,713,109**	**36,057,380**	**70,130,744**	**427,842,167**

5.2. By geographical segment

EGP Thousands

Dec.31, 2021	Cairo	Alex, Delta & Sinai	Upper Egypt	Outside Egypt (Kenya)	Total
Revenue according to geographical segment	25,013,648	3,109,072	585,184	26,245	28,734,149
Expenses according to geographical segment	(7,964,645)	(1,636,433)	(270,108)	(25,155)	(9,896,341)
Profit before tax	**17,049,003**	**1,472,639**	**315,076**	**1,090**	**18,837,808**
Tax	(5,041,884)	(431,413)	(92,302)	-	(5,565,599)
Profit for the year	**12,007,119**	**1,041,226**	**222,774**	**1,090**	**13,272,209**
Total assets	**462,689,580**	**26,469,030**	**7,203,609**	**1,873,619**	**498,235,838**

EGP Thousands

Dec.31, 2020	Cairo	Alex, Delta & Sinai	Upper Egypt	Outside Egypt (Kenya)	Total
Revenue according to geographical segment	24,736,451	3,033,434	756,704	27,692	28,554,281
Expenses according to geographical segment	(11,548,921)	(1,471,486)	(259,231)	(36,501)	(13,316,139)
Profit before tax	**13,187,530**	**1,561,948**	**497,473**	**(8,809)**	**15,238,142**
Tax	(4,333,015)	(505,857)	(161,113)	-	(4,999,985)
Profit for the year	**8,854,515**	**1,056,091**	**336,360**	**(8,809)**	**10,238,157**
Total assets at 31 December 2020	**395,769,335**	**22,705,248**	**7,493,258**	**1,874,326**	**427,842,167**

6. Net interest income

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Interest and similar income		
- Banks	5,231,766	2,204,633
- Clients	13,173,306	12,696,383
Total	**18,405,072**	**14,901,016**
Treasury bills and bonds	25,679,847	26,597,741
Repos	16,413	4,067
Financial investments at fair value through OCI	976,837	693,411
Total	**45,078,169**	**42,196,235**
Interest and similar expense		
- Banks	(123,098)	(458,210)
- Clients	(19,481,389)	(16,070,642)
Total	**(19,604,487)**	**(16,528,852)**
Repos	(160,143)	(209,975)
Other loans	(319,008)	(284,988)
Issued debt instruments	(28,740)	-
Total	**(20,112,378)**	**(17,023,815)**
Net interest income	**24,965,791**	**25,172,420**

7. Net fee and commission income

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Fee and commission income		
Fee and commissions related to credit	1,403,508	1,189,068
Custody fee	175,697	159,082
Other fee	2,466,368	1,711,114
Total	**4,045,573**	**3,059,264**
Fee and commission expense		
Other fee paid	(1,655,096)	(983,450)
Total	**(1,655,096)**	**(983,450)**
Net income from fee and commission	**2,390,477**	**2,075,814**

8. Dividend income

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Financial assets at fair value through P&L	7,003	10,596
Financial assets at fair value through OCI	52,722	39,579
Total	**59,725**	**50,175**

9. Net trading income

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Profit (Loss) from foreign exchange transactions	692,054	445,272
Profit (Loss) from forward foreign exchange deals revaluation	(227)	37,439
Profit (Loss) from interest rate swaps revaluation	(3,053)	(5,744)
Profit (Loss) from currency swap deals revaluation	14,876	(5,577)
Profit (Loss) from financial assets at fair value through P&L	4,647	(64,759)
Total	**708,297**	**406,631**

10. Administrative expenses

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Staff costs		
Wages and salaries	(3,216,183)	(2,924,411)
Social insurance	(138,036)	(123,625)
Other benefits	(147,685)	(125,338)
Other administrative expenses *	(2,680,826)	(2,452,509)
Total	**(6,182,730)**	**(5,625,883)**

**The expenses related to the activity for which the bank obtains a commodity or service, donations and depreciation.*

11. Other operating (expenses) income

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Profits (losses) of non-trading assets and liabilities	(16,589)	24,845
Profits of selling property and equipment	2,947	1,094
Release (charges) of other provisions	(412,430)	(1,287,326)
Other income/expenses	(1,560,620)	(1,481,609)
Total	**(1,986,692)**	**(2,742,996)**

12. Impairment release (charges) for credit losses

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Loans and advances to customers	(1,756,505)	(4,806,518)
Due from banks impairment provision	(16,808)	(7,081)
"Provision for impairment of debt instruments investments"	93,566	(205,182)
Total	**(1,679,747)**	**(5,018,781)**

13. Adjustments to calculate the effective tax rate

		EGP Thousands
	Dec. 31, 2021	**Dec. 31, 2020**
Profit before tax	18,833,357	15,236,308
Tax rate	22.50%	22.50%
Income tax based on accounting profit	**4,237,505**	**3,428,169**
Add / (Deduct)		
Non-deductible expenses	2,367,635	2,822,920
Tax exemptions	(4,547,108)	(4,224,616)
Withholding tax	3,507,567	2,973,512
Income tax / Deferred tax	**5,565,599**	**4,999,985**
Effective tax rate	**29.55%**	**32.82%**

14. Earning per share

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Net profit for the year, available for distribution	13,414,598	10,296,070
Board member's bonus	(49,420)	(73,643)
Staff profit sharing	(1,341,460)	(1,029,607)
***Profits attributable to shareholders**	**12,023,718**	**9,192,820**
Weighted average number of shares	1,970,242	1,970,242
Basic earning per share	**6.10**	**4.67**
By issuance of ESOP earning per share will be:		
Average number of shares including ESOP shares	1,984,558	1,984,558
Diluted earning per share	**6.06**	**4.63**

** Based on separate financial statement profits.*

15. Cash and balances at the central bank

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Cash	5,391,312	6,023,849
Obligatory reserve balance with CBE		
- Current accounts	38,100,936	27,744,700
Total	**43,492,248**	**33,768,549**
Non-interest bearing balances	**43,492,248**	**33,768,549**

16. Due from banks

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Current accounts	2,718,262	2,950,002
Deposits	77,464,504	84,500,488
Expected credit losses	(40,997)	(24,189)
Total	**80,141,769**	**87,426,301**
Central banks	51,720,551	54,425,073
Local banks	13,433,149	1,681,684
Foreign banks	14,988,069	31,319,544
Total	**80,141,769**	**87,426,301**
Non-interest bearing balances	1,423,922	19,515
Floating interest bearing balances	9,413,404	8,872,165
Fixed interest bearing balances	69,304,443	78,534,621
Total	**80,141,769**	**87,426,301**
Current balances	80,141,769	87,426,301

Due from banks

	Stage 1	Stage 2
Gross due from banks	74,232,738	5,950,028
Expected credit losses	(20,283)	(20,714)
Net due from banks	**74,212,455**	**5,929,314**

17. Treasury bills and other governmental notes

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
91 Days maturity	550	22,425
182 Days maturity	84,175	98,825
364 Days maturity	44,529,537	42,083,940
Unearned interest	(2,327,382)	(1,948,912)
Total	**42,286,880**	**40,256,278**
Repos - treasury bills	(707,376)	(758,586)
Net	**41,579,504**	**39,497,692**

Governmental bonds

	Dec. 31, 2021 Financial Assets at Fair Value through OCI	EGP Thousands Dec. 31, 2020 Financial Assets at Fair Value through OCI
Governmental bonds	143,250,063	106,208,507
Repo	(3,536,336)	(7,472,925)
Net	**139,713,727**	**98,735,582**

18. Loans and advances to banks, net

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Time and term loans	314,334	786,605
ECL	(2,118)	(9,625)
Net	**312,216**	**776,980**
Current balances	312,216	776,980
Net	**312,216**	**776,980**

Analysis for ECL of loans and advances to banks

	Dec. 31, 2021	EGP Thousands Dec. 31, 2020
Beginning balance	(9,625)	(4,516)
Released (charged) during the year	7,507	(5,109)
Ending balance	**(2,118)**	**(9,625)**

Analysis for ECL of loans and advances to banks	Stage 2	EGP Thousands Stage 2
Beginning Balance	(9,625)	(4,516)
Released (charged) during the year	7,507	(5,109)
Ending balance	**(2,118)**	**(9,625)**

Below is an analysis of outstanding balance:

Rating	Balance	Rating	Balance
B-	312,216	B-	776,980

19.Loans and advances to customers, net

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Individual		
- Overdraft	1,268,376	1,519,369
- Credit cards	5,716,197	4,864,404
- Personal loans	31,683,161	27,882,072
- Mortgage loans	2,484,598	2,033,349
Total 1	**41,152,332**	**36,299,194**
Corporate		
- Overdraft	29,333,541	23,698,784
- Direct loans	50,357,437	45,228,009
- Syndicated loans	43,062,028	31,110,813
- Other loans	33,489	21,391
Total 2	**122,786,495**	**100,058,997**
Total Loans and advances to customers (1+2)	**163,938,827**	**136,358,191**
Less:		
Unamortized bills discount	(68,410)	(104,176)
Unamortized syndicated loans discount	(312,682)	(210,680)
ECL	(17,917,363)	(16,434,813)
Suspended credit account	(65,129)	(38,517)
Net loans and advances to customers	**145,575,243**	**119,570,005**
Distributed to		
Current balances	64,258,073	51,383,948
Non-current balances	81,317,170	68,186,057
Total	**145,575,243**	**119,570,005**

Analysis of ECL on loans and advances to customers by type during the year was as follows:

Beginning balance

EGP Thousands

	Dec.31, 2021				
Individual Loans:	Overdrafts	Credit cards	Personal loans	Mortgages	Total
Beginning balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
Released (charged) during the year	408	(124,535)	(196,022)	12,473	(307,676)
Written off during the year	3,072	100,263	194,989	-	298,324
Recoveries	(1)	(38,456)	(40,887)	-	(79,344)
Ending balance	**(10,115)**	**(305,005)**	**(817,525)**	**(49,814)**	**(1,182,459)**

	Dec.31, 2021				
Corporate and Business Banking loans:	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)
Released (charged) during the year	(337,127)	(374,226)	(743,733)	(1,250)	(1,456,336)
Written off during the year	-	4,366	-	-	4,366
Recoveries	(80)	(45,351)	-	-	(45,431)
foreign currencies translation differences	7,615	73,245	22,687	-	103,547
Ending balance	**(1,650,580)**	**(10,896,531)**	**(4,180,998)**	**(6,795)**	**(16,734,904)**

EGP Thousands

	Individual				
Dec.31, 2020	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Acquired during the year (MAYFAIR)	(14)	-	(1,673)	(137)	(1,824)
Released (charged) during the year	(8,167)	(153,531)	(627,396)	(20,701)	(809,795)
Write off during the year	-	23,080	52,881	-	75,961
Recoveries during the year*	-	(21,050)	(20,124)	-	(41,174)
Ending balance	**(13,594)**	**(242,277)**	**(775,605)**	**(62,287)**	**(1,093,763)**

	Corporate				
Dec.31, 2020	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Acquired during the year (MAYFAIR)	(154)	(6,042)	-	-	(6,196)
Released (charged) during the year	(397,054)	(2,838,640)	(752,474)	(3,446)	(3,991,614)
Write off during the year	-	132,224	-	-	132,224
Recoveries during the year*	-	(121,721)	-	-	(121,721)
Exchange revaluation difference	11,043	108,096	36,074	-	155,213
Ending balance	**(1,320,988)**	**(10,554,565)**	**(3,459,952)**	**(5,545)**	**(15,341,050)**

From previously written off amounts

20. Derivative financial instruments

20.1. Derivatives

The Bank uses the following financial derivatives for non hedging purposes.

Forward contracts represent commitments to buy foreign and local currencies including unexecuted spot transactions. Future contracts for foreign currencies and/or interest rates represent contractual commitments to receive or pay net on the basis of changes in foreign exchange rates or interest rates, and/or to buy/sell foreign currencies or financial instruments in a future date with a fixed contractual price under active financial market.

Credit risk is considered low, and future interest rate contract represents future exchange rate contracts negotiated for case by case, These contracts require financial settlements of any differences in contractual interest rates and prevailing market interest rates on future interest rates on future dates based on contractual amount (nominal value) pre agreed upon.

Foreign exchange and/or interest rate swap represents commitments to exchange cash flows, resulting from these contracts are exchange of currencies or interest (fixed rate versus variable rate for example) or both (meaning foreign exchange and interest rate contracts).

Contractual amounts are not exchanged except for some foreign exchange contracts.

Credit risk is represented in the expected cost of foreign exchange contracts that takes place if other parties default to fulfill their liabilities. This risk is monitored continuously through comparisons of fair value and contractual amount, and in order to control the outstanding credit risk, the Bank evaluates other parties using the same methods as in borrowing activities.

Options contracts in foreign currencies and/or interest rates represent contractual agreements for the buyer (issuer) to the seller (holders) as a right not an obligation whether to buy (buy option) or sell (sell option) at a certain day or within certain year for a predetermined amount in foreign currency or interest rate. Options contracts are either traded in the market or negotiated between The Bank and one of its clients (Off balance sheet). The Bank is exposed to credit risk for purchased options contracts only and in the line of its book cost which represent its fair value.

The contractual value for some derivatives options is considered a base to analyze the realized financial instruments on the balance sheet, but it doesn't provide an indicator for the projected cash flows of the fair value for current instruments, and those amounts don't reflects credit risk or interest rate risk.

Derivatives in the Bank's benefit that are classified as (assets) are conversely considered (liabilities) as a result of the changes in foreign exchange prices or interest rates related to these derivatives. Contractual / expected total amounts of financial derivatives can fluctuate from time to time as well as the range through which the financial derivatives can be in benefit for the Bank or conversely against its benefit and the total fair value of the financial derivatives in assets and liabilities. Hereunder are the fair values of the booked financial derivatives:

20.1.1. For trading derivatives

EGP Thousands

	Dec.31, 2021			Dec.31, 2020		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Foreign currencies derivatives						
- Forward foreign exchange contracts	11,101,796	68,089	178,327	9,070,529	41,790	142,579
- Currency swap	3,502,055	28,753	10,779	3,364,578	7,686	4,589
Total (1)		**96,842**	**189,106**		**49,476**	**147,168**
Fair value hedge						
Interest rate derivatives						
- Customers deposits hedging	7,056,798	**128,534**	**76,364**	**10,839,417**	**199,283**	**183,905**
Total (2)		**128,534**	**76,364**		**199,283**	**183,905**
Total financial derivatives (1+2)		**225,376**	**265,470**		**248,759**	**331,073**

20.2. Hedging derivatives

Fair value hedge

The Bank uses interest rate swap contracts to cover part of the risk of potential increase in fair value of its fixed rate customer deposits in foreign currencies. Net derivative value resulting from the related hedging instruments is EGP 52,170 thousand at the end of December 31, 2021 against EGP 15,378 thousand at December 31, 2020, resulting in profits from hedging instruments at December 31, 2021 of EGP 36,792 thousand against losses of EGP 47,393 thousand at December 31, 2020. Profits arose from the hedged items at December 31, 2021 reached EGP 146,227 thousand against losses EGP 55,573 thousand at December 31 , 2020.

21.Movement of financial investment securities:

	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost
Beginning balance	89,897,257	107,225,613
Acquired during the year (MAYFAIR)	74,353	136,555
Addition	112,791,966	233,765
Disposals	(54,137,187)	(82,309,481)
Exchange revaluation differences for foreign financial assets	(259,602)	-
Profit (losses) from fair value difference	(248,415)	(1,227)
Ending Balance as of Dec.31, 2020	**148,118,372**	**25,285,225**

	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost
Beginning balance	148,118,372	25,285,225
Addition	250,679,698	3,844
Disposals	(202,612,601)	(4,741,459)
Profit (losses) from fair value difference	(2,969,459)	-
Exchange revaluation differences for foreign financial assets	(17,116)	(145)
Ending Balance as of Dec.31, 2021	**193,198,894**	**20,547,465**

21.Financial investments securities

EGP Thousands

Dec.31, 2021	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	139,713,727	20,547,465	160,261,192
Securitized bonds	-	6,788,005	-	6,788,005
Equity instruments	-	170,640	-	170,640
Portfolio managed by others	240,987	-	-	240,987
Sukuk	-	1,400,000	-	1,400,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	41,579,504	-	41,579,504
Securitized bonds	-	2,774,665	-	2,774,665
Equity instruments	-	507,674	-	507,674
Mutual funds	-	264,679	-	264,679
Total	**240,987**	**193,198,894**	**20,547,465**	**213,987,346**

EGP Thousands

Dec.31, 2020	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Financial assets at Amortized cost	Total
Investments listed in the market				
Governmental bonds	-	98,735,582	25,255,909	123,991,491
Securitized bonds	-	8,008,811	-	8,008,811
Equity instruments	-	714,003	-	714,003
Portfolio managed by others	359,959	-	-	359,959
Sukuk	-	701,732	-	701,732
Investments not listed in the market				
Treasury bills and other governmental notes	-	39,468,376	29,316	39,497,692
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
Total	**359,959**	**148,118,372**	**25,285,225**	**173,763,556**

disclosure and measurement of financial assets and financial liabilities:

The following table shows the financial assets and the net financial liabilities according to the business model classification:

Dec.31, 2021	Amortized cost	Debt financial Assets at Fair value through OCI	Financial Assets at Fair value through OCI	Financial Assets/ Liabilities at Fair value through P&L	Total book value
Cash and balances with central bank	43,492,248	-	-	-	43,492,248
Due from banks	80,141,769	-	-	-	80,141,769
Treasury bills	-	41,579,504	-	-	41,579,504
Loans and advances to customers, net	145,575,243	-	-	-	145,575,243
Loans and advances to banks, net	312,216	-	-	-	312,216
Derivative financial instruments	-	-	-	225,376	225,376
Financial Assets at Fair value through OCI	-	150,676,397	942,993	-	151,619,390
Amortized cost	20,547,465	-	-	-	20,547,465
Financial Assets at Fair value through P&L	-	-	-	240,987	240,987
Total 1	**290,068,941**	**192,255,901**	**942,993**	**466,363**	**483,734,198**
Due to banks	866,056	-	-	-	866,056
Due to customers	407,241,538	-	-	-	407,241,538
Derivative financial instruments	204	-	-	265,266	265,470
Other loans	5,140,782	-	-	-	5,140,782
Issued debt instruments	1,557,263	-	-	-	1,557,263
Other provisions	3,541,462	-	-	-	3,541,462
Total 2	**418,347,305**	**-**	**-**	**265,266**	**418,612,571**

21.1. Profits (Losses) on financial investments

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Profit (Loss) from selling FVOCI financial instruments	702,776	1,018,469
Released (Impairment) charges of FVOCI	-	(79,126)
Released (Impairment) charges of investments in associates and subsidiaries	(107,913)	(16,511)
Total	**594,863**	**922,832**

22. Investments in associates

EGP Thousands

Dec.31, 2021	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
-Al Ahly Computer	Egypt	65,623	37,788	51,796	3,945	30,193	39.34
-Fawry Plus	Egypt	124,845	97,088	76,903	14,473	16,762	14.99
-International Co. for Security and Services (Falcon)	Egypt	1,084,916	791,149	509,571	(931)	-	30.00
Total		**1,275,384**	**926,025**	**638,270**	**17,487**	**205,315**	

EGP Thousands

Dec.31, 2020	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
-Al Ahly Computer	Egypt	82,094	49,824	49,254	7,140	27,724	39.34
-Fawry Plus	Egypt	122,518	143,914	45,506	(11,011)	-	23.50
-International Co. for Security and Services (Falcon)	Egypt	1,062,033	799,693	472,714	723	112,147	30.00
Total		**1,266,645**	**993,431**	**567,474**	**(3,148)**	**139,871**	

23. Other assets

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Accrued revenues	8,938,356	6,759,229
Prepaid expenses	428,777	291,468
Advances to purchase of fixed assets	1,139,188	1,195,099
Accounts receivable and other assets (after deducting the provision)*	581,254	830,266
Assets acquired as settlement of debts	153,423	169,855
Insurance	45,130	40,608
Gross	11,286,128	9,286,525
Impairment of other assets	(79,000)	(111,000)
Net	**11,207,128**	**9,175,525**

A provision with amount EGP 47 million has been released.

This item includes other assets that are not classified under specific items of balance sheet assets, such as: accrued income and prepaid expenses, custodies, debit accounts under settlement and any balance that has no place in in another asset category.

24. Property and equipment

EGP Thousands

Dec.31, 2021	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2021 (1)	64,709	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Additions during the year	-	43,433	618,349	28,261	167,994	150,631	26,361	1,035,029
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Cost at end of the year (2)	**64,709**	**1,170,322**	**3,194,730**	**161,744**	**955,100**	**868,478**	**159,247**	**6,574,330**
Accumulated depreciation at beginning of the year (3)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Depreciation for the year	-	53,402	499,782	14,585	168,893	130,806	17,592	885,060
Disposals during the year	-	(6,390)	(11,191)	-	(45,482)	(15,613)	(1,827)	(80,503)
Accumulated depreciation at end of the year (4)	-	506,634	2,128,401	68,539	715,756	587,823	106,061	4,113,214
Ending net assets (2-4)	64,709	663,688	1,066,329	93,205	239,344	280,655	53,186	2,461,116
Beginning net assets (1-3)	**64,709**	**673,657**	**947,762**	**79,529**	**240,243**	**260,830**	**44,417**	**2,311,147**

EGP Thousands

Dec.31, 2020	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	Total
Cost at Jan 01, 2020 (1)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	115,594	4,873,198
Additions during the year	-	75,388	439,171	23,694	104,521	174,801	22,140	839,715
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Cost at end of the year (2)	**64,709**	**1,133,279**	**2,587,572**	**133,483**	**832,588**	**733,460**	**134,713**	**5,619,804**
Accumulated depreciation at beginning of the year (3)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Current year depreciation	-	53,704	373,342	12,314	148,835	129,462	15,375	733,032
Disposals during the year	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Accumulated depreciation at end of the year (4)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Ending net assets (2-4)	**64,709**	**673,657**	**947,762**	**79,529**	**240,243**	**260,830**	**44,417**	**2,311,147**
Beginning net assets (1-3)	**64,709**	**651,973**	**881,933**	**68,149**	**284,557**	**215,491**	**37,652**	**2,204,464**

25. Due to banks

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Current accounts	666,659	392,725
Deposits	199,397	8,424,810
Total	**866,056**	**8,817,535**
Central banks	198,234	114,786
Local banks	5,234	5,233,885
Foreign banks	662,588	3,468,864
Total	**866,056**	**8,817,535**
Non-interest bearing balances	414,135	232,019
Floating bearing interest balances	117,516	871,427
Fixed interest bearing balances	334,405	7,714,089
Total	**866,056**	**8,817,535**
Current balances	**866,056**	**8,817,535**

26. Due to customers

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Demand deposits	134,443,380	107,514,953
Time deposits	80,220,124	58,877,291
Certificates of deposit	102,119,393	100,027,684
Saving deposits	86,467,822	70,806,502
Other deposits	3,990,819	3,943,020
Total	**407,241,538**	**341,169,450**
Corporate deposits	180,309,337	140,615,573
Individual deposits	226,932,201	200,553,877
Total	**407,241,538**	**341,169,450**
Non-interest bearing balances	64,908,030	50,113,153
Floating interest bearing balances	17,531,166	33,602,396
Fixed interest bearing balances	324,802,342	257,453,901
Total	**407,241,538**	**341,169,450**
Current balances	297,947,782	240,170,103
Non-current balances	109,293,756	100,999,347
Total	**407,241,538**	**341,169,450**

In 2021, Due to customers contains an amount of EGP 641 million representing guarantees of irrevocable commitments for documentary credits - export compared to EGP 817 million in 2020. The fair value of these deposits is approximately their present value.

27. Issued debt instruments

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020	Dec. 31, 2021	Dec. 31, 2020
Fixed rate bonds with 5 years maturity				
Green bonds (USD)	Fixed rate	-	1,557,263	-
Total			1,557,263	-
Non current balances			1,557,263	-
Total			**1,557,263**	-

28. Other loans

EGP Thousands

	Interest rate %	Loan duration	Due within one year	Dec. 31, 2021	Dec. 31, 2020
CDC subordinated loan	Floating rate	10 years	-	1,440,063	1,432,715
European Bank for Reconstruction and Development (EBRD)	Floating rate	2 years	523,890	523,890	1,573,210
International Finance Corporation (IFC)	Floating rate	1 renewable year	-	-	1,573,210
Environmental Compliance Project (ECO)	Fixed rate	3-5 years	315	1,155	1,391
Agricultural Research and Development Fund (ARDF)	Fixed rate	3-5 years*	7,000	8,000	20,000
Egyptian Pollution Abatement Program (EPAP)	Floating / Fixed rate	Less than 1 year	24,334	24,334	-
European Bank for Reconstruction and Development (EBRD) subordinated Loan	Floating rate	10 years	-	1,571,670	1,573,210
International Finance Corporation (IFC) subordinated Loan	Floating rate	10 years	-	1,571,670	1,573,210
Balance			**555,539**	**5,140,782**	**7,746,946**

Interest rates on variable-interest subordinated loans are determined in advance every 3 months. Subordinated loans are not repaid before their repayment dates.

**Represents the date of loan repayment to the lending agent.*

29. Other liabilities

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Accrued interest payable	1,553,629	1,165,714
Accrued expenses	1,612,875	1,319,652
Accounts payable	4,764,115	3,127,411
Other credit balances	154,926	122,492
Total	**8,085,545**	**5,735,269**

30. Other provisions

Dec.31, 2021	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
						EGP Thousands
Provision for legal claims	52,604	-	857	(43,826)	(2,451)	7,184
Provision for contingent	2,930,743	308,837	(34,475)	-	-	3,205,105
*Provision for other claim	240,154	72,301	18,375	(1,657)	-	329,173
Total	**3,223,501**	**381,138**	**(15,243)**	**(45,483)**	**(2,451)**	**3,541,462**

Dec.31, 2020	Beginning balance	Charged during the year	Exchange revaluation difference	Utilized during the year	Reversed amounts	Ending balance
						EGP Thousands
Provision for legal claims	66,106	-	(44)	(185)	(13,273)	52,604
Provision for contingent	1,790,692	1,145,420	(5,369)	-	-	2,930,743
Provision for other claim	154,571	89,560	(1,780)	(2,197)	-	240,154
Total	**2,011,369**	**1,234,980**	**(7,193)**	**(2,382)**	**(13,273)**	**3,223,501**

**To face the potential risk of banking operations.*

31 .Equity

31.1. Capital

The authorized capital is EGP 50 billion according to the extraordinary general assembly decision on 12 June 2019.

- Issued and Paid in Capital increased by an amount of EGP 4,925,605 thousand on August 16, 2021 to reach 19,702,418 according to Ordinary General Assembly Meeting decision on March 15 ,2020 by distribution of a one share for every three outstanding shares by capitalizing on the General Reserve.
- Issued and Paid in Capital increased by an amount of EGP 85,992 thousand on September 21 ,2020 to reach EGP 14,776,813 thousand according to Board of Directors decision on January 5, 2020 by issuance of eleventh tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 105,413 thousand on November 18,2019 to reach EGP 14,690,821 thousand according to Board of Directors decision on February 4, 2019 by issuance of tenth tranche for E.S.O.P program.
- Issued and Paid in Capital increased by an amount of EGP 2,917,082 thousand on February 14, 2019 to reach 14,585,408 according to Ordinary General Assembly Meeting decision on March 4 ,2018 by distribution of a one share for every four outstanding shares by capitalizing on the General Reserve.

31.2. Reserves

According to The Bank status 5% of net profit is used to increase the legal reseve to reaches 50% of The Bank's issued and paid in capital. Central Bank of Egypt concurrence for usage of special reserve is required.

32. Deferred tax assets (Liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets (Liabilities) Dec. 31, 2021	Assets (Liabilities) Dec. 31, 2020
		EGP Thousands
Fixed assets (depreciation)	(78,246)	(84,418)
Other provisions (excluded loan loss, contingent liabilities and income tax provisions)	180,523	210,526
Other items	(23,013)	72,119
Reserve for employee stock ownership plan (ESOP)	376,738	239,545
Balance	**456,002**	**437,772**

33. 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:

	Dec.31, 2021 No. of shares in thousand	Dec.31, 2020 No. of shares in thousand
		EGP Thousands
Outstanding at the beginning of the year	38,498	36,480
Granted during the year	17,661	15,046
Forfeited during the year	(153)	(1,591)
Exercised during the year	-	(11,437)
Outstanding at the end of the year	**56,006**	**38,498**

Details of the outstanding tranches are as follows:

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

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

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

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

34 . Reserves and retained earnings

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Legal reserve	3,293,074	2,778,135
General reserve	28,260,532	24,765,658
Capital reserve	16,000	14,906
Retained earnings	13,696,402	10,539,715
Reserve for transactions under common control	8,183	8,183
Reserve for financial assets at fair value through OCI	641,372	3,975,514
Reserve for employee stock ownership plan	1,674,392	1,064,648
Banking risks reserve	9,141	6,423
Cumulative foreign currencies translation differences	(4,218)	(3,684)
General risk reserve	1,550,906	1,549,445
Ending balance	**49,145,784**	**44,698,943**

34.1. Banking risks reserve

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Beginning balance	6,423	5,164
Transferred to banking risk reserve	2,718	1,259
Ending balance	**9,141**	**6,423**

34.2. Legal reserve

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Beginning balance	2,778,135	2,188,029
Transferred to legal reserve	514,939	590,106
Ending balance	**3,293,074**	**2,778,135**

34.3. Reserve for financial assets at fair value through OCI

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Beginning balance	3,975,514	4,111,781
Transferred from reserve on disposal of financial assets at fair value through OCI	(177,488)	(76,717)
Net unrealised gain/(loss) on financial assets at fair value through OCI	(3,063,088)	(264,732)
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(93,566)	205,182
Ending balance	**641,372**	**3,975,514**

34.4. Retained earnings

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Beginning balance	10,539,715	11,881,657
Transferred to reserves	(8,937,973)	(8,431,833)
Change in retained earnings from acquisition of subsidiaries	-	45,727
Dividend paid	(1,360,652)	(3,370,464)
Net profit of the year	13,272,209	10,238,157
Transferred (from) to banking risk reserve	(2,718)	(1,259)
Transferred from previous years' outstanding balances	8,333	101,013
Transferred from reserve on disposal of financial assets at fair value through OCI	177,488	76,717
Ending balance	**13,696,402**	**10,539,715**

34.5. Reserve for employee stock ownership plan

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Beginning balance	1,064,648	963,152
Transferred to reserves	-	(450,942)
(Cost Of Employee Stock Option Ownership (ESOP)	609,744	552,438
Ending balance	**1,674,392**	**1,064,648**

34.6. General risk reserve

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Beginning balance	1,549,445	1,549,445
Transferred to general risk reserve	1,461	-
Ending balance	**1,550,906**	**1,549,445**

35. Cash and cash equivalent

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Cash and balances at the central bank	43,492,248	33,768,549
Due from banks	80,182,766	87,450,490
Treasury bills and other governmental notes	41,579,504	39,497,692
Obligatory reserve balance with CBE	(38,100,936)	(27,744,700)
Due from banks with maturities more than three months	(23,801,430)	(16,974,367)
Treasury bills with maturities more than three months	(42,286,330)	(40,201,289)
Total	**61,065,822**	**75,796,375**

36. Contingent liabilities and commitments

36.1. Legal claims

- There is a number of existing cases against the bank on December 31, 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. (Note No. 30)

36.2. Capital commitments

36.2.1.Financial investments

The capital commitments for the financial investments reached on the date of financial position EGP 20,628 thousand as follows:

	Investments value	Paid	Remaining
Financial Assets at Fair value through OCI	157,167	136,539	20,628

36.2.2.Fixed assets and branches constructions

The value of commitments for the purchase of fixed assets, contracts, and branches constructions that have not been implemented till the date of the financial statements amounted to EGP 454,166 thousand against EGP 718,211 thousand in 2020.

36.3. Letters of credit, guarantees and other commitments

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Letters of guarantee	82,964,410	74,023,239
Letters of credit (import and export)	5,656,740	5,861,017
Customers acceptances	3,211,139	2,701,590
Total	**91,832,289**	**82,585,846**

36.4. Credit facilities commitments

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Credit facilities commitments	7,720,358	8,895,410

36.5. Lease commitments

The total minimum lease payments for non-cancellable operating leases are as follows:

EGP Thousands

	Dec. 31, 2021	Dec. 31, 2020
Not more than one year	44,854	8,053
More than one year and less than five years	285,103	172,410
More than five years	87,380	85,212

37.Mutual funds

Osoul fund

- CIB established an accumulated return mutual fund under license no.331 issued from capital market authority on February 22, 2005. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 9,269,815 with redeemed value of EGP 4,663,922 thousands.
- The market value per certificate reached EGP 503.13 on December 31, 2021.
- The Bank's portion is 187,112 certificates with a redeemed value of EGP 94,142 thousands.

Istethmar fund

- CIB bank established the second accumulated return mutual fund under license no.344 issued from capital market authority on February 26, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 362,261 with redeemed value of EGP 74,662 thousands.
- The market value per certificate reached EGP 206.10 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 10,305 thousands.

Aman fund (CIB and Faisal Islamic Bank Mutual Fund)

- CIB and Faisal Islamic Bank established an accumulated return mutual fund under license no.365 issued from capital market authority on July 30, 2006. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 336,834 with redeemed value of EGP 36,796 thousands.
- The market value per certificate reached EGP 109.24 on December 31, 2021.
- The Bank's portion is 32,596 certificates with a redeemed value of EGP 3,561 thousands.

Hemaya fund

- CIB bank established an accumulated return mutual fund under license no.585 issued from financial supervisory Authority on June 23, 2010. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 87,862 with redeemed value of EGP 25,220 thousands.
- The market value per certificate reached EGP 287.04 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 14,352 thousands.

Thabat fund

- CIB bank established an accumulated return mutual fund under license no.613 issued from financial supervisory authority on September 13, 2011. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 1,846,163 with redeemed value of EGP 688,397 thousands.
- The market value per certificate reached EGP 372.88 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 18,644 thousands.

Takamol fund

- CIB bank established an accumulated return mutual fund under license no.431 issued from financial supervisory authority on February 18, 2015. CI Assets Management Co.- Egyptian joint stock co - manages the fund.
- The number of certificates issued reached 124,527 with redeemed value of EGP 25,575 thousands.
- The market value per certificate reached EGP 205.38 on December 31, 2021.
- The Bank's portion is 50,000 certificates with a redeemed value of EGP 10,269 thousands.

38. 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.

38.1. Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans, advances and other assets	1,059,893
Deposits	160,927
Contingent liabilities	56,685

38.2. Other transactions with related parties

		EGP Thousands
	Income	Expenses
International Co. for Security & Services	26	167,843
CVenture Capital	122	351
Fawry plus	155	-
Mayfair bank	502	-
Damietta shipping & marine services	2	1,012
Al ahly computer	4	-
TCA Properties	126,216	325

39. Main currencies positions

		EGP Thousands
	Dec. 31, 2021	Dec. 31, 2020
Egyptian pound	(3,306,200)	(750,477)
US dollar	2,366,020	100,004
Sterling pound	1,983	3,518
Japanese yen	(1,422)	(8)
Swiss franc	1,136	2,175
Euro	20,161	(219,313)

Main currencies positions above represents what is recognized in the balance sheet position of the Central Bank of Egypt.

40. Tax status

Corporate income tax

- Settlement of corporate income tax since the start of activity till 2018
- 2019 & 2020 examined & paid
- The yearly income tax return is submitted in legal dates

Salary tax

- Settlement of salary tax since the start of activity till 2020

Stamp duty tax

- The period since the start of activity till 31/07/2006 was examined & paid, disputed points have been transferred to the court for adjudication
- The period from 01/08/2006 till 31/12/2020 was examined & paid in accordance with the protocol signed between the Federation of Egyptian Banks & the Egyptian Tax Authority

41. Other assets - net increase (decrease)

	EGP Thousands Dec.31, 2021
Total other assets by end of 2020	9,095,212
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Total 1	**7,730,258**
Total other assets by end of year 2021	11,121,993
Assets acquired as settlement of debts	(153,423)
Advances to purchase of fixed assets	(1,134,366)
Impairment charge for other assets	31,975
Total 2	9,866,179
Change (1-2)	**(2,135,921)**

	EGP Thousands Dec.31, 2020
Total other assets by end of year	9,747,939
Assets acquired as settlement of debts	(356,382)
Advances to purchase of fixed assets	(942,781)
Total 1	**8,448,776**
Total other assets by end of year	9,175,525
Assets acquired as settlement of debts	(169,855)
Advances to purchase of fixed assets	(1,195,099)
Impairment charge for other assets	69,217
Total 2	**7,879,788**
Change (1-2)	568,988

42. 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 and the board audit committee periodically follow up on the implementation of the above mentioned plan, where most of the observations reported in the CBE's report received by CIB's BoD at the end of 2020 have been rectified and corrected according to the timeline for the corrective action plan. we are continuing to follow up to complete the procedures for the remaining observations, the timelines of which extended beyond the fiscal year 2021."
- "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 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).

Libor transition

a significant change occurred in 2021 when the Financial Conduct Authority (FCA) (UK regulator) announced that all LIBOR settings for all currencies will either cease or no longer be representative immediately after the following dates:

- 31 December 2021, for Sterling, Euro, Swiss Franc and Japanese Yen LIBOR settings in all tenors, and US Dollar LIBOR 1-week and 2-month settings; and
- 30 June 2023, for US Dollar Overnight, 1-month, 3-month, 6-month and 12-month settings.

These changes may impact CIB products such as derivatives, bonds, loans, structured products and mortgages, which use benchmark rates to determine interest rates and payment obligations. LIBOR, is probably the most widely used benchmark.

Certain currencies use other benchmarks such as EURIBOR and EONIA for EUR.

Main changes are listed below:

Currency	Current rate	Alternative Rate
US Dollar (USD)	USD LIBOR	Secured Overnight Financing Rate (SOFR)
Sterling (GBP)	GBP LIBOR	Sterling Overnight Index Average (SONIA)
Euro (EUR)	Euro Overnight Index Average (EONIA),Euro Interbank Offered Rate (EURIBOR) and Euro LIBOR	Euro Short-Term Rate (€STR)
Swiss Franc (CHF)	CHF LIBOR	Swiss Average Rate Overnight (SARON)

Impact on CIB:

For time being the impact will not be significant due to postpone of applying USD rate.

43. Goodwill

		EGP Thousands
	Mayfair Bank Dec.31, 2021	Mayfair Bank Dec.31, 2020
Acquisition cost	560,963	560,963
Net assets value	(354,676)	(354,676)
Goodwill	**206,287**	**206,287**

		EGP Thousands
	Mayfair Bank Dec.31, 2021	Mayfair Bank Dec.31, 2020
Goodwill at acquisition date	206,287	206,287
Amortization	(68,762)	(27,505)
Net book value	**137,525**	**178,782**

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

44. Intangible assets

		EGP Thousands
	Mayfair Bank Dec.31, 2021	Mayfair Bank Dec.31, 2020
Intangible Assets at acquisition date	51,831	51,831
Amortization	(17,277)	(6,911)
Net book value	**34,554**	**44,920**