Suez Canal Bank S.A.E
Financial Statements
For the period ended 31 March 2021
And Limited Review Report

KPMG Hazem Hassan
Public Accountants & Consultants

BDO Khaled & Co
Public Accountants & Advisers

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Translation of Auditor's Report
originally issued in Arabic

Limited Review Report on Interim Financial Statements

To the Board of Directors of
Suez Canal Bank (S.A.E.)

Introduction

We have performed a limited review for the accompanying statement of financial position of Suez Canal Bank (S.A.E.) as at 31 March 2021 and the related statements of income, comprehensive income, changes in equity and cash flows for the three months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible, for the preparation and fair presentation of these interim financial statements in accordance with the Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements and measurement and recognition bases approved by its Board of Directors on 16 December 2008 as amended by the regulations issued on 26 February 2019 and the related Egyptian laws and regulations. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements No. 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects, the financial position of the Suez Canal Bank (S.A.E.) as at 31 March 2021 and of its financial performance and its cash flows for the three months then ended in accordance with the Central Bank of Egypt's rules pertaining to the preparation and presentation of the financial statements and measurement and recognition bases approved by its Board of Directors on 16 December 2008 as amended by the regulations issued on 26 February 2019 and the related Egyptian laws and regulations relating to the preparation of these financial statements.

Auditors

KPMG Hazem Hassan
Public Accountants and Consultants
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Ahmed Abdel Aziz Helmy
Chartered Accountant
FRA No. 379

KPMG Hazem Hassan

Mohanad T. Khaled
Chartered Accountant
R.A.A. 22444
FRA No. 375

BDO Khaled & Co.
BDO
Public Accountants & Advisors

BDO Khaled & Co.

Cairo, 10 May 2021

	Note	31 March 2021	31 December 2020
Assets		**EGP. 000**	**EGP. 000**
Cash and due from Central Bank of Egypt	(15)	**1 597 780**	1 412 178
Due from banks	(16)	**11 325 121**	10 713 865
Treasury bills and other governmental notes	(17)	**6 044 711**	6 467 453
Loans and credit facilities to customers	(18)	**19 311 996**	17 768 221
Financial investment			
-Fair value through other comprehensive income	(19)	**10 185 388**	10 224 341
- Amortized cost	(19)	**4 116 530**	4 137 062
- Fair value through profit or loss	(19)	**248 886**	358 477
Investments in associates	(20)	**153 457**	128 783
Intangible assets	(21)	**32 522**	30 960
Other assets	(22)	**2 410 092**	2 280 835
Property and equipment	(23)	**801 402**	797 678
Total assets		**56 227 885**	54 319 853
Liabilities and Equity			
Liabilities			
Due to banks	(24)	**4 780 450**	4 348 677
Customer deposits	(25)	**45 887 978**	44 343 742
Other loans	(26)	**771 899**	777 550
Other liabilities	(27)	**815 046**	848 151
Other provisions	(28)	**12 379**	15 639
Deferred tax liabilities	(29)	**103 582**	118 218
Total liabilities		**52 371 334**	50 451 977
Equity			
Paid-in capital	(30)	**2 200 000**	2 000 000
Retained amount for capital increase	(30)	**704 326**	200 000
Reserves	(31)	**246 406**	258 774
Difference between PV and face value for subordinate deposits	(32)	**23 681**	25 027
Retained earnings	(33)	**682 138**	1 384 075
Total equity		**3 856 551**	3 867 876
Total liabilities and equity		**56 227 885**	54 319 853

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.
(Limited review report attached)

Tamer Abdelwahed
Chief Financial Officer

Hussein Ahmed Refaie
Chairman and Managing Director

	Note	31 March 2021 EGP. 000	31 March 2020 EGP. 000
Interest income from loans and similar income	(6)	1 038 324	1 134 302
Interest expenses of deposits and similar expenses	(6)	(664 385)	(774 962)
Net interest income		**373 939**	**359 340**
Fees and commissions income	(7)	65 674	62 876
Net interest, fees and commissions income		**439 613**	**422 216**
Dividends income	(8)	7 760	6 320
Net trading income	(9)	16 000	(43 546)
Gain on financial investments	(19)	52 477	74 269
Gain from investments in associates	(20)	23 766	13 403
Impairment charges for credit losses	(13)	(137 370)	(45 026)
Administrative expenses	(10)	(271 393)	(248 601)
Other operating income	(11)	105 228	51 427
Profit before income tax		**236 081**	**230 462**
Income tax (expense)	(12)	(120 362)	(116 112)
Net profit		**115 719**	**114 350**
Earnings per share (EGP/share)	(14)	0.53	0.52

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

	Note	31 March 2021 EGP. 000	31 March 2020 EGP. 000
Net profit		**115 719**	**114 350**
Items that will not be reclassified to income statement			
- Change in fair value of investments classified at fair value through comprehensive income	(19)	12 204	(19 075)
- Income tax	(29)	(2 713)	3 609
		9 491	(15 466)
Items that might be reclassified to income statement			
Change in fair value of investments classified at fair value through other comprehensive income			
- Net changes in fair value	(19)	(71 059)	(59 559)
- Net transfer to income statement		(19 492)	(27 645)
Income tax	(29)	15 930	12 987
ECL for debt instruments measured at fair value through other comprehensive income	(13)	-	2 472
		(74 621)	(71 745)
Total other comprehensive income		**(65 130)**	**(87 210)**
Total comprehensive income		**50 589**	**27 140**

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

31 March 2020	Paid-up capital	Retained amount for capital increase	Reserves							Difference between PV and nominal value for supportive deposits	Retained earnings	Total
			Legal reserve	General reserve	Special reserve	Capital reserve	Fair value reserve	General risk reserve	General banking risk reserve			
	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000
Balance at the beginning of the year	2 000 000	-	36 842	24 117	45 158	39 124	(46 967)	38 851	33 896	29 883	1 107 279	3 308 183
Transfer to reserves according to AGM	-	-	25 992	-	-	22 366	-	-	21 322	-	(69 680)	-
Transfer from R/E to Capital according to AGM	-	200 000	-	-	-	-	-	-	-	-	(200 000)	-
Dividend for the year 2019	-	-	-	-	-	-	-	-	-	-	(48 253)	(48 253)
Net change in OCI items	-	-	-	-	-	-	(87 210)	-	-	-	-	(87 210)
Amortization of subordinate deposit difference	-	-	-	-	-	-	-	-	-	(1 139)	1 139	-
Net profit	-	-	-	-	-	-	-	-	-	-	114 350	114 350
	2 000 000	**200 000**	**62 834**	**24 117**	**45 158**	**61 490**	**(134 177)**	**38 851**	**55 218**	**28 744**	**904 835**	**3 287 070**

31 March 2021	Paid-up capital	Retained amount for capital increase	Reserves							Difference between PV and nominal value for supportive deposits	Retained earnings	Total
			Legal reserve	General reserve	Special reserve	Capital reserve	Fair value reserve	General risk reserve	General banking risk reserve			
	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000	EGP. 000
Balance at the beginning of the year	2 000 000	200 000	62 834	24 117	45 158	61 490	(13 944)	38 851	40 268	25 027	1 384 075	3 867 876
Transfer to reserves according to AGM	-	-	29 691	-	-	7 840	-	-	15 231	-	(52 762)	-
Transfer from R/E to Capital according to AGM	-	704 326	-	-	-	-	-	-	-	-	(704 326)	-
Transfer from capital increase to paid-up capital	200 000	(200 000)	-	-	-	-	-	-	-	-	-	-
Dividend for the year 2020	-	-	-	-	-	-	-	-	-	-	(56 197)	(56 197)
Banking sector support and development fund	-										(5 717)	(5 717)
Net change in OCI items	-	-	-	-	-	-	(65 130)	-	-	-	-	(65 130)
Amortization of subordinate deposit difference	-	-	-	-	-	-	-	-	-	(1 346)	1 346	-
Net profit	-	-	-	-	-	-	-	-	-	-	115 719	115 719
	2 200 000	**704 326**	**92 525**	**24 117**	**45 158**	**69 330**	**(79 074)**	**38 851**	**55 499**	**23 681**	**682 138**	**3 856 551**

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

	Note	31 March 2021	31 March 2020
Cash Flows from operating activities		**EGP.000**	**EGP.000**
Profit before income tax		236 081	230 462
Adjustments to reconcile net profit to net cash flows from operating activities			
Depreciation of fixed assets	(23)	15 085	12 766
Amortization of intangible assets	(21)	2 113	1 926
Impairment charge for credit losses	(13)	137 370	45 026
Revaluation of investment at FVTPL	(9)	1 910	66 283
Gain from investments in associates	(20)	(23 766)	(13 403)
No longer required impairment for associates	(19)	(10 598)	(13 309)
Provision no longer required of impairment for financial investment	(20)	-	(29 300)
(Release) charged other provision	(28)	(1 517)	1 224
Gain on sale of property and equipment	(11)	(34)	(508)
Gain from selling financial investment	(19)	(41 879)	(60 959)
Translation differences of other provisions in foreign currencies	(28)	(87)	(120)
Translation differences of other than financial securities at FVTPL	(19)	1 416	6 723
Translation differences of impairment losses in foreign currencies	(28)	(1 713)	(32 313)
Dividend income from financial investment securities	(8)	(7 760)	(6 320)
Amortization of financial investment premium/discount other than FVTPL	(19)	14 733	5 799
Amortization of the difference between the PV and face value of subordinated deposit	(32)	1 346	1 138
Operating profits before changes in operating assets and liabilities		**322 700**	**215 114**
Net (increase) decrease in assets and increase (decrease) in liabilities			
Due from Central Bank of Egypt within the mandatory reserve	(15)	(191 008)	67 259
Due from banks	(16)	-	1 000 000
Treasury bills and other governmental notes	(17)	875 484	2 398 900
Loans and credit facilities to customers	(18)	(1 677 401)	(204 737)
Financial assets at FVTPL	(19)	107 681	-
Other assets	(22)	(132 592)	(184 284)
Due to banks	(24)	431 773	(2 435 252)
Customers' deposits	(25)	1 544 236	(58 785)
Other liabilities	(27)	(443 814)	58 500
Income taxes paid		289 201	(104 639)
Other provisions used	(28)	(1 656)	(352)
Net cash flows provided from operating activities		**1 124 604**	**751 724**

	Note	31 March 2021 EGP.000	31 March 2020 EGP.000
Cash flows from investing activities			
Payments for purchase property and equipment	(23)	(15 474)	(4 242)
Payments for purchase intangible assets	(21)	(3 675)	(2 100)
Proceeds from sale of property and equipment	(23)	34	508
Proceeds from selling of financial investments other than financial assets at FVTPL	(19)	3 392 567	2 335 300
Payments for purchase financial investments other than financial assets at FVTPL	(19)	(3 383 393)	(2 748 049)
Dividends received from investment in associate	(20)	-	99
Dividends income from financial investment	(8)	7 760	6 320
Net cash flows (used in) investing activities		**(2 181)**	**(412 164)**
Cash flows from financing activities			
Payment for other loans	(26)	(5 220)	(3 219)
Proceeds from other loans	(26)	(1 778)	12 498
Dividends	(33)	(56 197)	(48 253)
Net cash flows provided by financing activities		**(63 195)**	**(38 974)**
Net changes in cash and cash equivalent		1 059 228	300 587
Cash and cash equivalent at the beginning of the period		10 971 135	12 090 107
Cash and cash equivalent	(34)	**12 030 363**	**12 390 694**
Cash and cash equivalent are represented in			
Cash and due from Central Banks	(15)	1 598 861	2 073 082
Due from banks	(16)	11 325 516	10 553 894
Treasury bills and other governmental	(17)	6 051 294	7 876 126
Due from Central Bank within the mandatory reserve	(15)	(1 390 272)	(1 821 148)
Deposits with banks with maturity more than three months		-	(1 050 000)
Treasury bills and other governmental notes with maturity more than three months	(17)	(5 555 036)	(5 241 260)
Cash and cash equivalents	(34)	**12 030 363**	**12 390 694**

For the purpose of statement of cash flow preparation the following non cash changes were excluded:

* Amout of EGP 3 335 thousands represents transfers from other assets (assets under construction) to property and equipment .

* Amout of EGP 1 346 thousands represents net change in difference between the present value and face value of subordinate deposit.

* Amout of EGP 704 326 thousands represents retained amount for capital increase .

The attached notes from page (8) to page (41) are an integral part of these financial statements and to be read therewith.

1- Activity

Suez Canal Bank (SAE) established as a commercial bank in pursuance of the ministerial decree no. 55 of 1978, issued in the official Gazette on 4 March 1978 and in accordance with provisions of investment law no. 43 of 1974 and its amendments, which was superseded by law no. (8) Of investment guarantees and incentives the head office located In Elteraa St.,No. 127, Ismailia - commercial register no 9709. General management located in 7 & 9 Abd El Kader Hamza St., Garden City, Cairo and the bank is listed in the Egyptian stock exchange.

Suez Canal Bank (S.A.E) provides retail, corporate and investment banking services in Arab Republic of Egypt through 48 branches and served by 1370 staff member at the date of the financial statements.

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 applied for all presented years unless otherwise stated

A- Basis of preparation of financial statements

The financial statements are prepared in accordance with Central Bank of Egypt instructions approved by its Board of Directors on 16 December 2008. and according to IFRS 9 "Financial Instruments-measurement and classification" in accordance with the instructions of the Central Bank of Egypt (CBE) dated on 26 February 2019.

The financial statements of the bank were prepared until 31 December 2018 using the rules for preparing and photographing the financial statements of banks and the basis for recognition and measurement issued by the Central Bank of Egypt on 16 December 2008 and as of 1 January 2019 and based on the instructions issued by the Central Bank of Egypt to prepare financial statements for banks in accordance with the requirements of the International Financial Reporting Standard (9) (Financial instruments) on 26 February 2019, the management has modified some accounting policies to comply with these instructions and the following explanation shows the details of changes in accounting policies.

These financial statements have been prepared according to relevant local laws and regulations.

B- Subsidiaries and Associates

B-1 Subsidiary firms

Subsidiaries are all companies including (special purpose entities/SPEs) over which the bank has owned directly or indirectly the power to govern the financial and operating policies, generally the bank owns more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the bank has the ability to control the entity.

B-2 Associate firms

Associates are all companies over which the bank has owned directly or indirectly a major influence, but it doesn't control them ,or joint control themgenerally the bank owns between 20% and 50% of the potential voting rights.

The purchase method is used to account for the acquisition of subsidiaries by the bank, The cost of an acquisition is measured as the fair value of the assets, and/or asset given and/or equity instruments issued and liabilities on the bank or liabilities for acquisition company loans assumed at the date of exchange, plus costs directly attributable to the acquisition. Net assets including contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the minority interest. The excess of acquisition cost over the bank's share fair value in the net assets acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the net assets, the difference is recognized directly in the income statement under the item "Other operating income/ expenses".

Accounting for associate in the financial statements is recorded by using equity method, Dividends are recorded when declared and deducted from assets proven value.

C -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 a segment by which, provide 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.

D - Foreign currency translation

D-1 Functional and presentation currency

The financial statements are presented by Thousand Egyptian Pound, which is the bank's functional and presentation currency.

D-2 Foreign currencies transactions and balances

The bank maintains its accounting records in Egyptian pound. Foreign currency transactions are translated into Egyptian pound using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities in foreign currencies are retranslated at the end of each year at the exchange rates then prevailing. Foreign exchange gains and losses resulting from settlement of such transactions and valuation differences are recognized in the income statement under the following items:

- Net trading income assets /liabilities for trading or net income.
- Other operating income (expenses) for the other items.
- Investments in equity instrument recognized at fair value through other comprehensive income.
- Changes in the fair value of monetary financial instruments in foreign currencies classified as investments available for sale (debt instruments) are classified as valuation differences resulting from changes in amortized cost of the instrument and differences resulted from changes in applicable exchange rates and differences resulted from changes in the instrument fair value. Valuation differences relating to changes in amortized cost are recognized in income statement under ''Interest and similar income'' while differences relating to changes in exchange rates are recognized under item "other operating income (expenses)". Differences resulting from changes in fair value are recognized under "fair value for financial statement through other comprensive income " in the equity caption.
- Valuation differences resulting from non-monetary items include profits and losses resulting from changes in fair value such as equity instruments held at fair value through profits and losses, while valuation differences resulting from equity instruments classified as financial investments available for sale are recognized as "fair value for financial statement through other comprensive income" under the equity caption.

E-Financial assets

Financial assets classified as amortized cost, fair value through other comprehensive income (FVTOCI) and fair value through profit or loss (FVTPL).

The classification depends on the business model of the financial assets that are managed with its contractual cash flow and is determined by management at the time of initial recognition.

Financial assets classified as amortized cost

The financial asset is retained in the business model of financial assets held to collect contractual cash flows. The objective from this business model is to collect contractual cash flows which represented in principal and interest. The sale is an exceptional event for the purpose of this model and under the terms of the standard represented in following:

- A deterioration in the credit capacity of the source of financial
- Less sales in terms of periodicity and value.
- Clear and certified documentation of the justification for each sale and its compliance with the requirements of the standard.

Financial assets classified as fair value through other comprehensive income

The financial asset is retained in the business model of financial assets held to collect contractual cash flows and sales.held to collect contractual cash flows and sales are integrated to achieve the objective of the model.

Sales are high in terms of turnover and value as compared to the business model retained for the collection of contractual cash flows.

Financial assets classified as fair value through profit or loss

The financial asset is held in other business models including trading, management of financial assets at fair value, maximization of cash flows through sale.

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 objective of the model.

F – Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Treasury bills, Repos and reverse Repos agreements are netted on the balance sheet and disclosed under treasury bills and other governmental notes.

G - Interest income and interest expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated at fair value through profit or loss, are recognized within 'interest income' and 'interest expense' in the income statement using the effective interest

The effective interest rate 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 are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

When loans or debts are classified as non-performing or impaired, related interest income are not recognized but rather, are carried off balance sheet in statistical records and are recognized under revenues according to cash basis as per the following:

When collected and after recovery of all arrears for retail loans, personal loans, small and medium business loans., real estate loans for personal housing and small loans for businesses.

For loans granted to corporate, interest income is recognized on cash basis after the bank collects 25 % of the scheduling installments and after the installments continued to be regular for at least one year. In case the client is continuing in performing the payment, the calculated interest is added to the loan's balance without the marginal interest not included in the income until after paying the loan's balance in the balance sheet before the reschedule.

H - Fees and commission income

Fees and commissions related to loan and facilities are recognized as income when the service is rendered. Fees and commission income related to non-performing or impaired loans or debts are suspended and are carried off balance sheet and are recognized under income according to the cash basis when interest income is recognized in accordance with note (H) above. Fees and commissions which represent part of the financial asset effective rate is recognized as adjustment to the effective interest rate.

Commitment fees are recognized as revenue when there is probability that this loan will be used by the customer, as commitment fees represent compensation for the continuing interference to own the financial asset. Subsequently it's recognized as adjustments to the effective interest rate of the loan. If the commitment period passed without issuing the loan, commitment fees is recognized as income at the end of the commitment period.

Fees and commission related to debt instruments measured by fair value is recognized as income at initial recognition. Fees and commission related to marketing of syndicated loans is recognized as income when the marketing is completed and the loan is fully used or the bank kept its share of the loan using the effective interest rate as used by the other participants.

Fees and commission arising from negotiation, or participating in a negotiation to the favor of a third party as in share acquisition arrangements or purchase of securities or purchase or sale of businesses are recognized as income when the transaction is completed. Commission and fees related to management advisory and other services are recognized as income based on the contract terms, usually on a time-appropriation basis. Asset management fees are recognized over the year in which the service is provided.

I- Dividends income

Dividends are recognized in the profit and loss when the bank's right to receive those dividends is established.

J- Impairment of financial assets

The Bank reviews all its financial assets except for financial assets that are measured at fair value through profit or loss to assess the extent of impairment as described below.

Financial assets are classified at three stages at each reporting date:

Stage 1 : Financial assets that have not experienced a significant increase in credit risk since the date of initial recognition, and the expected credit loss is calculated for 12 months.

Stage 2 : Financial assets that have experienced a significant increase in credit risk since the initial recognition or the date on which the investments are made, and the expected credit loss is calculated over the life of the asset.

Stage 3 :Impairment of financial assets whose expected credit loss is to be recognized over the life of the asset on the basis of the difference between the carrying amount of the instrument and the present value of expected future cash flows.

Credit losses and impairment losses on the value of financial instruments are measured as follows:

- The low risk financial instrument is classified at initial recognition in the first stage and credit risk is monitored continuously by the Bank's credit risk
- If it is determined that there has been a significant increase in credit risk since the initial recognition, the financial instrument is transferred to the second stage where it is not yet considered impaired at this stage.

If there are indicators of impairment of the financial instrument, it is transferred to the third stage.

The financial assets created or acquired by the Bank and include a high credit risk ratio for the Bank's low risk financial assets are recognized on the initial recognition of the second stage directly and therefore the expected credit losses are measured on the basis of expected credit losses over the life of the asset.

Significant increase in credit risk

The Bank considers that the financial instrument has experienced a significant increase in the credit risk when one or more of the following quantitative and qualitative criteria, as well as the factors relating to default, have been met.

Quantitative factors

When the probability of default over the remaining life of the instrument is increased from the date of the financial position compared to the probability of default over the remaining life expected at initial recognition in accordance with the Bank's acceptable risk structure.

Retail loans,micro and small businesses

- If the borrower encounters one or more of the following events:
- The borrower submits a request to convert short-term to long-term payments due to negative effects on the borrower's cash flows.
- Extension of the deadline for repayment at the borrower's request
- Frequent Past dues over the previous 12 months.
- Future adverse economic changes affecting the borrower's future cash flows.

Corporate loans and medium businesses

If the borrower has a follow-up list and / or financial instrument faced one or more of the following events:

- A significant increase in the rate of return on the financial asset as a result of increased credit risk.
- Significant negative changes in the activity and physical or economic conditions in which the borrower operates.
- Scheduling request as a result of difficulties facing the borrower.
- Significant negative changes in actual or expected operating results or cash flows.
- Future economic changes affecting the borrower's future cash flows.
- Early indicators of cash flow / liquidity problems such as delays in servicing creditors / business loans.
- Cancellation of a direct facility by the bank due to the high credit risk of the borrower.

Nonpayments

The loans and facilities of institutions, medium, small, micro and retail banking are included in stage two if the period of non-payment is more than 60 days and less than 90 days. Note that this period (60 days) will be reduced by (10) days per year to become (30) days during (3) years from the date of application.

Transfer between the three stages (1,2,3)

Transfer from second stage to first stage:

The financial asset shall not be transferred from the second stage to the first stage unless all the quantitative and qualitative elements of the first stage are met and the full arrears of the financial asset and the proceeds are paid.

Transfer from third stage to second stage:

The financial asset shall not be transferred from the third stage to the second stage until all the following conditions have been met:

- Completion of all quantitative and qualitative elements of the second stage.
- Repayment of 25% of the balance of the outstanding financial assets, including accrued segregated / statistical interest.
- Regularity of payment for at least 12 months

K- Computer software

Expenses related to development or maintenance of computer software are recognized as expenses on Income Statement at the time of incurring them. They are recognized as intangible assets in the expenses correlated directly to specific software that are under the control of the Bank from which the generation of economic benefits is expected whose cost exceeds more than one year. Direct expenses include the cost of employees on the software team in addition to appropriate share in related general expenses.

It is recognized as development cost in expenses if it leads to increasing or expanding the performance of the computer software above its original specifications, and is added to cost of the original software.

The amortization cost of computer software recognized as assets is for along the year from which it is expected to make use of in the manner not exceeding five years core system for the bank .

M- Property and equipment

The bank represent land and buildings related to head office, branches and offices, and all Property and equipment are reported at historical cost minus depreciation and impairment losses. The historical cost includes the charges directly related to acquisition of Property and equipment items. Subsequent costs are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the bank and the cost of the item can be measured reliably. Maintenance and repair expenses 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 cost to their residual values over their estimated useful lives, as follows:

Buildings and Properties	30-50 years
Integrated automated systems	5 years
Vehicles	5 years
Machinery and equipment	3-10 years
Fixtures and fittings	8-10 years
Furniture	5-20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. 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 asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell or value in use.

Gains and losses on disposals are determined by comparing proceeds with asset carrying amount. These gains and (losses) are included in other operating income (expenses) in the income statement.

N- Impairment of non-financial assets

Assets having no fixed useful life except for goodwill shall not be amortized, and their impairment shall be tested at least annually. The impairment of amortized assets is studied to determine if there are events or changes in the circumstances indicating that the book value may not be recoverable.

The impairment loss is recognized by the excess amount of book value over the realizable value. The recoverable value represents net realizable value of the asset or the usage amount whichever is higher. For the purpose of estimating the impairment, the asset is grouped with the smallest cash generating unit. At each balance sheet date, non-financial assets with impairment has to be reviewed to determine if there is impairment reversal made to the income statement at the date of preparing the financial statements .

O - Leasing

O -1 As a lessee

Lease payments made under operating leases, net of any discounts received from the lessor, are recognized as an expense in the profit or loss on a straight-line basis over the lease term.

O -2 As a lessor

Assets leased out under operating lease contracts are reported as part of the property and equipment in the statement of financial position and are depreciated over the expected useful lives of the assets, on the same basis as other property assets. Lease rental income is recognized in profit or loss, net of any discounts granted to the lessee, using the straight line method over the contract term

P-Cash and cash equivalents

For the purposes of the cash flows statement, cash and cash equivalents include balances due within three months from date of acquisition, cash and balances due from the Central Bank of Egypt other than the mandatory reserve, and current accounts at banks, treasury bills, and other governmental notes.

Q- Other provisions

Provisions for restructuring costs and legal claims are recognized when the bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Where there are a number of similar obligations, the likelihood that an outflow is required to settle an obligation is determine taking into consideration the group of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any obligation in the group is minimal.the provision no longer required is recorded with other operating revenues (expenses)

R- Income tax

The income taxes on the year's profits or losses include the tax of the current year and the deferred tax and they are recognized in the income statement with the exception of the income tax on the items of shareholder's equity which is directly recognized within equity.

The income tax is recognized on the basis of the net profit subject to tax through the application of enacted tax rates at the date of preparing the balance sheet in addition to the tax adjustments related to previous years.

Deferred taxes are recognized from temporary timing differences between the book value of assets and liabilities according to accounting bases and their values according to tax bases. Deferred tax assets and liabilities are measured at the tax rates that expected to apply in the period in which the ability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax assets are recognized when there is likelihood to achieve taxable profits in the future through which this asset can be utilized. The value of deferred tax assets is reduced by the portion which will not realize the expected taxable benefit in the coming years, in case of the increase in expected taxable benefits the deferred tax assets should be increased within the limit of previous reduction.

S- Borrowing

Loans obtained by the bank initially recognized at fair value net of transactions cost incurred in connection with obtaining the loan. Subsequently the loans are measured by amortized cost. The difference between net proceeds and the amount to be paid over the borrowing period using the effective interest rate is to be recognized to the income statement.

T- Capital

T-1 Cost of capital

Issuance cost directly related to issuing new shares or issuing shares related to acquisition or share options is charged to shareholders' equity of total proceeds net of tax.

T-2 Dividends

Dividends are charged when declared by the General Assembly of shareholders. Those dividends include employees' share in the profits and the Board of Directors' bonus as prescribed by the articles of association and law.

U- Comparative figures

The comparative figures shall be re-classified, when necessary, to be in conformity with the changes to presentation used in the current year.

3- Financial Risk Management:

The bank, as a result of the activities it exercises, is exposed to various financial risks. Since the basis of financial activity is to accept risks; some risks or group of risks are analyzed, evaluated and managed together. The bank intends to strike a balance between the risk and return and to reduce the probable adverse effects on the bank's financial performance. The most important types of risks are credit risk, market risk, liquidity risk and other operating risks. The market risk comprises foreign currency exchange rates, interest rate risk and other pricing risks.

The risk management policies have been laid down to determine and analyze the risks, set limits to the risk and control them through reliable methods and updated systems. The bank regularly reviews the risk management policies and systems and amend them to they reflect the changes in market, products and services and the best updated applications.Those risks are managed by risk department in the light of policies approved by Board of Directors.

The risk department determines, evaluates and covers the financial risks, in collaboration with the bank's various operating units, and the Board of Directors provides written policies for management of risks as a whole, in addition to written policies covering specific risk areas, like credit risk, foreign exchange rate risk, interest rate risk, and using the financial derivative and non–derivative instruments. Moreover, the risk department is independently responsible for periodical review of risk management and control environment.

A- Credit risk

The bank is exposed to the credit risk which is the risk resulting from failure of one party to meet its contractual obligations towards the bank. The credit risk is considered to be the most significant risks for the bank. The bank set specific procedures to manage that risk. The credit risk is in the lending and investments activities which are represented bank's assets contain debt instruments. The credit risk is also found in off balance sheet financial instruments, like loan commitment. The managing and monitoring process on credit risk is centralized at credit risk team management at credit risk department that prepare reports to Board of Directors and Head units on regular basis.

Credit risk measurement

Loans and credit facilities to customers

In measuring credit risk of loans and facilities to customers and to banks at a counterparty level, the bank reflects three components:
The 'probability of default' by the client or counterparty on its contractual obligations.
Current exposures to the counterparty and its likely future development, from which the bank derive the 'exposure at default .

· The likely recovery ratio on the defaulted obligations (the 'loss given default').

These credit risk measurements, which reflect expected loss (the 'expected loss model') and are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee), are embedded in the bank's daily operational management.

The operational measurements can be contrasted with impairment allowances required under IAS 26, which are based on losses that have been incurred at the balance sheet date (the 'incurred loss model') rather than expected losses .

The bank assesses the probability of default of individual counterparties using internal rating tools tailored to the various categories of counterparty. They have been developed internally and combine statistical analysis with credit officer judgment and are validated, where appropriate, by comparison with externally available data. Clients of the bank are segmented into four rating classes. The bank's rating scale, which is shown below, reflects the range of default probabilities defined for each rating class. This means that, in principle, exposures migrate between classes as the assessment of their probability of default changes. The rating tools are kept under review and upgraded as necessary. The bank regularly validates the performance of the rating and their predictive power with regard to default events.

Bank's internal ratings scale

Bank's rating	Description of the grade
1	Performing loans
2	Regular watching
3	Watch list
4	Non-performing loans

The amount of default represent the outstanding balances at the time when a late settlement occurred for example the loans expected amount of default represent its book value. For commitments, the default amount represents all actual withdrawals in addition to any withdrawals occurred till the date of the late payment if any

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 debtor, type and seniority of claim and availability of collateral or other credit mitigation.

Debt instruments, treasury bills and other governmental notes

For debt securities and other bills, external rating such as standard and poor's rating or their equivalents are used by bank treasury for managing of the credit risk exposures. 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.

A-1 Limiting and preventing risks 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 borrower /group, product, 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.

The following are other controls used by the bank to limit the credit risk:

Collaterals

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 facilities are:

- Mortgages over residential properties.
- Pledge on business assets like machinery and merchandise .
- Pledge in financial instruments like debt instrument and equity.

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 facilities is determined by the nature of the instrument. Debt securities, treasury and other governmental notes are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments.

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.

A-2 Impairment and provisioning policies

The internal rating systems described in note (A-1) focus more on credit-quality from the beginning of validation activities. only impairment provisions recognized at the balance sheet date for financial reporting purposes are losses that have been incurred and based on objective evidence of impairment as will be mentioned below. Due to the different methods applied, the amounts of incurred credit losses charged to the financial statements are usually lower than the expected amount determined by the expected loss used for Central Bank of Egypt's regulations (note A-5). the impairment provision appeared in the balance sheet at the end of the period is derived from the four internal rating grades. However, the majority of the impairment provision comes from the last two ratings. The table below shows the percentage of in-balance sheet items relating to loans and facilities and the related impairment provision for each rating:

A-3 Bank's rating

The bank's internal rating assists management to determine whether objective evidence of impairment exists under Egyptian Accounting Standard no. 26, based on the following criteria set out by the bank:

- Significant financial difficulties facing the borrower or debtor
- Violation of the terms of the loan agreement such as non -payment
- Expect the borrows bankruptcy or enter into a liquidation or restructuring lawsuit
- The borrower's competitive position has deteriorated.
- For economic or legal reasons relating to the borrower's financial difficulties, the bank granted concessions or concessions that the bank may not agree to grant under normal circumstances.
- The value of the guarantee is diminished.
- The deterioration of the credit situation.

The Bank's policies require the review of all financial assets that exceed specific relative importance at least annually or more when circumstances require it, and the burden of impairment on accounts assessed on an individual basis is determined by assessing the loss achieved in the history of financial statements on a case-by-case basis. Apply them to all accounts of relative importance individually, and the evaluation usually includes the existing guarantee, including a reaffirmation of the possibility of execution on the guarantee and the expected collections from those accounts.

The impairment loss allowance is configured on the basis of a homogeneous set of assets using available historical experience, personal judgment and statistical methods.

	31 March 2021		31 December 2020	
	Loans & credit facilities	**Provision for impairment loss**	**Loans & credit facilities**	**Provision for impairment loss**
1-Performing loans	72.79%	2.61%	77.40%	4.43%
2-Regular watching	8.82%	3.36%	7.40%	1.62%
3-Watch List	8.51%	19.15%	4.18%	13.30%
4-Non performing loans	9.88%	74.88%	11.02%	80.65%
	100%	**100%**	**100%**	**100%**

A-4 Quality of financial assets	Stage 1 12 months	Stage 2 Life time	Stage 3 Life time	Total EGP . 000
Cash and due from Central Bank of Egypt	1 598 861	-	-	1 598 861
Expected credit loss provision	(1 081)	-	-	(1 081)
	1 597 780	-	-	**1 597 780**
Due from banks	11 325 516	-	-	11 325 516
Expected credit loss provision	(395)	-	-	(395)
	11 325 121	-	-	**11 325 121**
Treasury bills and other government notes	6 051 294	-	-	6 051 294
Expected credit loss provision	(6 583)	-	-	(6 583)
	6 044 711	-	-	**6 044 711**
Debt instruments at amortized cost	4 118 708	-	-	4 118 708
Expected credit loss provision	(2 178)	-	-	(2 178)
	4 116 530	-	-	**4 116 530**
Investment at fair value through comprehensive income	**10 185 388**	**-**	**-**	**10 185 388**
Loans and credit facilities				
Financial institutions	13 811 219	3 281 264	2 090 267	19 182 750
Medium entities	1 210 700	75 535	52 866	1 339 101
Small and micro entities	67 024	25 658	8 890	101 572
Retail	1 234 671	78 915	16 691	1 330 277
	16 323 614	**3 461 372**	**2 168 714**	**21 953 700**
Expect credit loss provision	(57 085)	(506 982)	(1 691 463)	(2 255 530)
Interest in suspense	-	(34 578)	(348 529)	(383 107)
Interest under settlement	(3 067)	-	-	(3 067)
	16 263 462	**2 919 812**	**128 722**	**19 311 996**

A-5 The General model for measuring banking risks

In addition to the four categories of credit rating indicated in note (A-1), the management makes more detailed groups in accordance with the Central Bank of Egypt requirements.assets exposed to credit risk in these categories are classified according to detailed conditions and terms depending on information related to the customer, it's activity, financial position and payment schedules.

The bank calculates the provisions required for impairment of assets exposed to credit risk, including commitments relating to credit on the basis of rates determined by Central Bank of Egypt. In case, the provision required for impairment losses as per Central Bank of Egypt regulations exceeds the provision required for financial statements preparation purposes according to the Egyptian Accounting Standards, this increase shall be debited from the retained earnings to and credited to the "general banking risk reserve" under the equity caption .this reserve is regularly adjusted with this increase and decrease, to equal the amount of increase in the two provisions. This reserve is not distributable.

Note (31-c) shows the "general banking risk reserve" movement during the financial year.

Below is a statement of credit rating for firms as per internal valuation basis compared to Central Bank of Egypt valuation basis and the percentages of provisions required for impairment of assets exposed to credit risk.

CBE rating	Description	Required Provision %	Internal Rating	Internal Description
1	Low risk	0	1	Good debts
2	Moderate risks	1	1	Good debts
3	Satisfactory risks	1	1	Good debts
4	Appropriate risks	2	1	Good debts
5	Acceptable risks	2	1	Good debts
6	Marginally acceptable risks	3	2	Normal watch-list
7	Watch-list	5	3	Special watch-list
8	Substandard debts	20	4	Non-performing loans
9	Doubtful debts	50	4	Non-performing loans
10	Bad debts	100	4	Non-performing loans

A/6 Maximum limits for credit risk before collaterals

Items exposed to credit risk	**31 March 2021 EGP.000**	**31 December 2020 EGP.000**
Due from Central Bank of Egypt (Net)	1 389 191	1 198 314
Due from banks (Net)	11 325 121	10 713 865
Treasury bills and other governmental notes (Net)	6 044 711	6 467 453
Loans and facilities to customers		
Individuals loans:		
Overdraft	393 037	340 194
Credit cards	27 338	25 778
Personal loans	909 902	842 816
Corporate loans including SMEs		
Overdraft	9 670 824	8 516 353
Direct loans	4 108 334	4 084 983
Syndicated loans	6 844 265	6 506 920
Provision for impairment loss	(2 255 530)	(2 174 394)
Interest in suspense	(383 107)	(370 864)
Interest under settlement	(3 067)	(3 565)
Debt instruments (Net)		
At fair value through comprehensive income	9 532 422	9 617 250
At amortized cost	4 116 530	4 137 062
Other financial assets	675 665	584 756
	52 395 636	**50 486 921**

Off balance sheet items exposed to credit risk:	**31 March 2021 EGP.000**	**31 December 2020 EGP.000**
Letters of guarantee and financial guarantees	6 971 266	6 499 438
Letters of credits	2 478 025	3 211 575
Total	**9 449 291**	**9 711 013**

The previous table represents the maximum limit of exposure without taking into consideration any financial guarantees. As for the balance sheet items, the listed amounts depend on the net book value presented in the balance sheet.

As illustrated in the previous table 11.54 % of the maximum limit exposed to credit risk arises from treasury bills against 12.81% in previous year. 21.61 % due from banks against 21.23% in previous year. 36.86 % from loans and facility to customers against 35.19 % in previous year. 26.06 % investment of debt instruments against 27.22 % in previous year .

The management has confidence in its abilities to continue of controlling and maintaining the minimum limit of credit risk resulted from loans, facilities and debt instruments portfolios on the basis of the following:

83.01% of the loans and facilities portfolio is classified in the highest two categories of the internal assessment (against 84.81 % in previous year).

88.73% of the loans and facilities portfolio is neither past due nor impaired (against 88.99 % in previous year).

Loans and facilities individually impaired reach EGP 2 169 million (against EGP 2 237 million in previous year).

More than 82.31 % (against 86.09 % in previous year), of the investment in debt instruments represent treasury bills and bonds on the Egyptian Government .

A/7 Loans and facilities

Loans and facilities are summarized according to the credit worthiness as follows:

Loans and facilities	**31 March 2021 EGP.000**	**31 December 2020 EGP.000**
Neither past due nor impaired	19 479 185	18 079 790
Past due not subject to impairment	305 800	649
Individually impaired	2 168 715	2 236 605
Total	**21 953 700**	**20 317 044**
Less		
Provision for impairment loss	(2 255 530)	(2 174 394)
Interest in suspense	(383 107)	(370 864)
Interest under settlement	(3 067)	(3 565)
	19 311 996	**17 768 221**

The total provision for impairment losses for loans and facilities at the end of the current fiscal period amounted to 2 255 531 thousand Egyptian pounds, compared to 2 174 394 thousand Egyptian pounds at the end of the comparison year. Of these, 1 691 464 thousand Egyptian pounds represents the provision for impairment losses for individual loans (stage 3) compared to1 754 817 thousand Egyptian pounds at the end of the comparison year, and the rest represents the provision for impairment losses component (stage 1 and 2) in the credit portfolio of 564 067 thousand Egyptian pounds.compared to 419 577 thousand Egyptian pounds at the end of the comparison year.

Disclosure no.(18) includes further information on the impairment losses provision of loans and facilities to customers.

Loans and facilities to customers :

Loans and facilities neither past due nor impaired

The credit quality of the loans and advances portfolio with no past dues nor impairment is assessed with reference to the internal assessment adopted by the bank

31 March 2021	**Retail**			**Corporate**			**EGP.000**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Total**
Performing	303 223	27 038	909 903	6 451 174	3 118 503	5 170 581	15 980 422
Regular watch-list	-	-	-	791 152	8 121	1 137 330	1 936 603
Special watch-list	76 606	-	-	4 359	981 710	499 485	1 562 160
	379 829	**27 038**	**909 903**	**7 246 685**	**4 108 334**	**6 807 396**	**19 479 185**

Non-performing loans secured against collaterals in the form of cash and cash equivalent are not considered subject to impairment taking into consideration the recoverability of cash flows

31 December 2020	**Retail**			**Corporate**			**Total**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct Loans**	**Syndicated Loans**	**EGP.000**
Performing	255 191	25 426	840 495	6 237 064	3 130 431	5 237 382	15 725 989
Regular watch-list	-	-	-	225 711	8 529	1 269 306	1 503 546
Special watch-list	74 194	-	-	-	776 061	-	850 255
	329 385	**25 426**	**840 495**	**6 462 775**	**3 915 021**	**6 506 688**	**18 079 790**

Past due not subject to impairment

31 March 2021	**Retail**			**Corporate**			**EGP.000**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**Total**
Up to 30 days	-	-	-	62 955	-	7 795	70 750
More than 30 to 60 days	-	199	-	31 653	-	-	31 852
More than 60 to 90 days	-	101	-	174 023	-	29 074	203 198
	-	**300**	**-**	**268 631**	**-**	**36 869**	**305 800**

31 December 2020	**Retail**			**Corporate**			**Total**
Assessment	**Overdraft**	**Credit Cards**	**Personal loans**	**Overdraft**	**Direct loans**	**Syndicated loans**	**EGP.000**
Up to 30 days	-	-	-	12	-	34	46
More than 30 to 60 days	-	352	-	53	-	198	603
More than 60 to 90 days	-	-	-	-	-	-	-
	-	**352**	**-**	**65**	**-**	**232**	**649**

Loans and facilities individually impaired

Loans and facilities to customers

The balance of loans & facilities which are subject to impairment on an individual basis, before taking into account the cash flow from collaterals, amounted to EGP 2 168 715 thousand (EGP 2 236 605 thousand in previous year) .

Below is the analysis of the total value of loans and facilities subject to impairment on individual basis including fair value of collaterals obtained against these loans

31 March 2021	**Retail**	**Corporate**	**Total**
	Overdraft	**Loans**	**EGP.000**
Individually impaired loans	13 207	2 155 508	2 168 715
The fair value of collaterals	**-**	**67 977**	**67 977**

31 December 2020	**Retail**	**Corporate**	**Total**
	Overdraft	**Loans**	**EGP.000**
Individually impaired loans	13 131	2 223 474	2 236 605
The fair value of collaterals	**-**	**57 806**	**57 806**

A-8 Debt instruments, treasury bills and other governmental

The following table represents an analysis of debt instruments, treasury bills and other governmental notes (before deduction of any loss impairment) according to evaluation agencies at the end of the financial

	Evaluation	31 March 2021 EGP 000	31 December 2020 EGP 000
Treasury Bills	B	6 051 294	6 473 480
Treasury Bond at FVTOCI	B	6 053 041	6 804 207
Treasury Bond at amortized cost	B	4 118 708	4 137 844
Total		**16 223 042**	**17 415 531**

A-9 Acquisition of collateral

During the current fiscal period , the bank has acquired certain guarantees as follows :

Nature of asset	31 March 2021 EGP.000	31 December 2020 EGP.000
Land and Building	-	302 000

Assets acquired are classified under other assets in the balance sheet and sold whenever practicable

A/10 The concentration of financial assets' risks exposed to credit risk

Geographical segments

The following table represents an analysis of the bank's most important boundaries of credit risk at book value, Risks distributed on geographical segments in accordance with areas related to the bank customers.

	Cairo	Alex,Delta and Sinai	Upper Egypt	Other countries	EGP 000 Total
Due from Central Bank of Egypt	1 390 272	-	-	-	**1 390 272**
Treasury bills and other governmental notes	6 051 294	-	-	-	**6 051 294**
Due from banks	9 483 949	-	-	1 841 566	**11 325 515**
Loans and facilities to customers					
Individuals Loans					
Overdraft	332 058	51 778	9 201	-	**393 037**
Credit cards	21 834	5 011	493	-	**27 338**
Personal loans	403 224	424 570	82 108	-	**909 902**
Corporate Loans					
Over draft	8 039 940	1 620 170	10 714	-	**9 670 824**
Direct loans	3 532 091	571 526	4 717	-	**4 108 334**
Syndicated loans	6 831 480	12 785	-	-	**6 844 265**
Financial investments					
Debt instruments	13 648 952	-	-	-	**13 648 952**
Other assets	665 458	9 161	1 046	-	**675 665**
Total at 31 March 2021	**50 400 549**	**2 695 001**	**108 278**	**1 841 566**	**55 045 398**
Total at 31 December 2020	**48 133 714**	**2 636 447**	**92 443**	**2 180 564**	**53 043 168**

	Retail	Financial Services	Governmental	Manufactures	Real Estate	Service Sector	Traders	Tourism	Others	EGP 000 Total
Due from Central Bank of Egypt	-	-	1 597 780	-	-	-	-	-	-	1 597 780
Treasury bills and other governmental notes	-	-	6 044 711	-	-	-	-	-	-	6 044 711
Due from banks	-	8 625 120	2 700 000	-	-	-	-	-	-	11 325 120
Loans and facilities to customers										
Individuals Loans										
Overdraft	393 037	-	-	-	-	-	-	-	-	393 037
Credit cards	27 338	-	-	-	-	-	-	-	-	27 338
Personal loans	909 902	-	-	-	-	-	-	-	-	909 902
Corporate Loans										
Over draft	-	1 380 298	-	3 462 051	590 390	744 389	2 061 512	1 311 706	120 478	9 670 824
Direct loans	-	1 403 600	-	406 578	222 412	70 895	277 454	1 727 395	-	4 108 334
Syndicated loans	-	220 555	-	1 136 759	92 539	4 058 485	51 200	892 314	392 413	6 844 265
Financial investments :										
Debt instruments	-	-	10 171 750	-	3 479 380	-	-	-	-	13 651 130
Other assets	-	98 227	481 733	-	-	-	-	-	95 705	675 665
Total at 31 March 2021	**1 330 277**	**11 727 800**	**20 995 974**	**5 005 388**	**4 384 721**	**4 873 769**	**2 390 166**	**3 931 415**	**608 596**	**55 248 105**
Total at 31 December 2020	**1 208 788**	**10 705 057**	**21 736 382**	**4 496 535**	**1 017 809**	**4 964 678**	**2 292 807**	**6 633 577**	**194 757**	**53 250 390**

B- Market risk

The bank exposed to market risks which is the risk that the fair value or future cash flow fluctuation resulted from changes in market prices. Market risks arise from open market related to interest rate, currency, and equity products of which each is exposed to general and specific market movements and changes in sensitivity levels of market rates or prices such as interest rates, foreign exchange rates and equity instrument prices. The Bank divides its exposure to market risk into trading and non-trading portfolios.

Bank risk division is responsible for managing the market risks arising from trading and non-trading activities of which monitored by two separate teams. Regular reports are submitted to the Board of Directors and each business unit head periodically.

Trading portfolios include transactions where the bank deals direct with clients or with the market; non-trading portfolios primarily arise from managing assets and liabilities interest rate relating to retail transactions. These non-trading portfolios includes foreign exchange risk and equity instruments risks arising from the bank's held-to-maturity and available-for-sale investments portfolios.

B-1 Market risk measurement techniques

As part of market risk management, the bank undertakes various hedging strategies and enters into swaps to match the interest rate risk associated with the fixed-rate long-term loans if the fair value option been applied. The major measurement techniques used to measure and control market risk are outlined below:

Value at Risk

The bank applies a 'value at risk' methodology (VAR) for trading and non-trading portfolios to estimate the market risk of positions held and the maximum expected losses based on a number of assumptions for various changes in market conditions. The Board of Directors sets limits for the value of risk that may be accepted by the bank for trading and non- trading portfolios separately and monitored on daily basis by the bank's management.

VAR is a statistical estimation of the expected losses on the current portfolio from adverse market movements in which it represents the 'maximum' amount the bank expect to lose using confidence level (98%). Therefore there is statistical probability of (2%) that actual losses could be greater than the VAR estimation. The VAR module assumes that the holding period is ten days before closing the opening position. It also assumes that market movements during the holding period will be the same as ten days before. The bank's assessment of past movements is based on data for the past five years. The bank applies these historical changes in rates prices indicators directly to its current positions - this approach called historical simulation. Actual outcomes are monitored regularly to test the validity of the assumptions and factors used in the VAR calculation.

The use of this approach does not prevent losses from exceeding these limits if there

As VAR considered a primary part of the bank's market risk control technique, VAR limits are established by the Board of Directors annually for all trading and non-trading transactions and allocated to business units. Actual values exposed to market risk are compared to the limits established by the bank and reviewed by the bank risk division on daily basis.
The quality of the VAR model is continuously monitored through examining the VAR results for trading portfolio and results are reported to the top management and Board of Directors.

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 daily basis trading stress VAR, combined with trading normal VAR, to capture the abnormal movements in the financial markets and to give more comprehensive picture of risk .the results of the stress tests are reviewed by executive management and Board of Directors.

B-2 Foreign exchange rates fluctuations risk

The bank is exposed to the risk of fluctuations in foreign exchange rates on its financial position and cash flows. The board of directors has set limits of foreign currencies in total value for each position at the end of the day and also intraday which are controlled on the spot. The following table summarizes the extent of the bank's exposure to fluctuations in exchange rates risk at the end of the fiscal period. The said table includes the book value of financial instruments broken down into its component currencies:

Business Segment
The following represents an analysis of the bank's main credit exposure at book value, distributed according to the customers' business and activities.

The concentration of currency risk of financial instruments

31 March 2021	EGP	USD	Euro	GBP	Other Currencies	EGP.000 Total
Financial assets						
Cash and due from Central Bank of Egypt	441 308	1 145 543	7 342	1 112	2 475	1 597 780
Due from banks	6 401 889	4 423 268	420 124	47 447	32 393	11 325 121
Treasury bills and governmental notes	4 998 437	608 095	438 179	-	-	6 044 711
Loans and facilities to customers	13 860 904	5 220 481	230 611	-	-	19 311 996
Financial Investments						
At fair value through comprehensive income (FVTOCI)	9 697 510	487 878	-	-	-	10 185 388
At amortized cost	3 910 173	206 357	-	-	-	4 116 530
At fair value through profit or loss (FVTPL)	203 264	45 622	-	-	-	248 886
Other financial assets	952 106	22 546	503	-	-	975 155
Total financial assets	**40 465 591**	**12 159 790**	**1 096 759**	**48 559**	**34 868**	**53 805 567**
Financial liabilities						
Due to banks	3 209 478	1 550 988	11 851	8 133	-	4 780 450
Customers' deposits	34 574 167	10 184 543	1 052 994	40 657	35 617	45 887 978
Other loans	424 514	347 385	-	-	-	771 899
Other financial liabilities	887 072	41 701	2 212	-	22	931 007
Total financial liabilities	**39 095 231**	**12 124 617**	**1 067 057**	**48 790**	**35 639**	**52 371 334**
Currency concentration risk on financial instruments	**1 370 360**	**35 173**	**29 702**	**(231)**	**(771)**	**1 434 233**
Other non- financial assets	2 421 757	561	-	-	-	2 422 318
Other non- financial liabilities and equity	3 856 551	-	-	-	-	3 856 551
Net financial position	**(64 434)**	**35 734**	**29 702**	**(231)**	**(771)**	**-**

31 December 2020	EGP	USD	Euro	GBP	Other Currencies	Total
Total financial assets	39 128 196	11 662 042	1 095 850	57 578	11 436	51 955 101
Total financial liabilities	38 386 652	11 536 988	1 082 352	56 909	5 241	51 068 142
Other non- financial assets	2 383 622	(10)	-	-	-	2 383 612
Other non- financial liabilities and equity	3 270 582	(10)	-	-	-	3 270 572
Net financial position	**(145 416)**	**125 054**	**13 498**	**669**	**6 195**	**-**

B-3 Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest margins may increase as a result of such changes but may profit decrease in the event that unexpected movements arise. The Board sets limits on the level of mismatch of interest rate reprising that may be undertaken which is monitored daily by bank risk division.

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 re-pricing or maturity dates:

31 March 2021	Up to 1 month	More than 1 month up to 3 months	More than 3 months up to 1 year	More than 1 year up to 5 year	More than 5 years	Free Interest	EGP.000 Total
Financial assets							
Cash and due from Central Bank of Egypt	-	1 116 945	-	-	-	482 447	**1 599 392**
Due from banks	10 880 133	448 755	-	-	-	-	**11 328 888**
Treasury bills and other Governmental notes	368 325	792 550	5 140 658	-	-	-	**6 301 533**
Loans and facilities to customers	16 162 853	4 036 751	1 774 553	1 929 837	507 497	-	**24 411 491**
Financial Investments							
At fair value through comprehensive income	1 647 207	130 474	1 983 642	7 031 551	2 535 334	645 401	**13 973 609**
At amortized cost	100 858	81 303	1 044 214	4 388 883	404 537	-	**6 019 795**
At fair value through profit or loss	-	-	-	-	-	248 886	**248 886**
Other financial assets	-	-	-	-	-	153 457	**153 457**
Total financial assets	**29 159 375**	**6 606 778**	**9 943 067**	**13 350 271**	**3 447 368**	**1 530 191**	**64 037 050**
Financial liabilities							
Due to banks	4 319 160	475 349	-	-	-	-	**4 794 509**
Customers' deposits	23 247 342	6 695 085	7 194 084	10 364 901	-	-	**47 501 412**
Other loans	12 688	25 354	387 057	589 374	-	-	**1 014 473**
Other financial liabilities	-	-	14 206	53 046	-	-	**67 252**
Total financial liabilities	**27 579 192**	**7 195 789**	**7 595 348**	**11 007 321**	**-**	**-**	**53 377 647**
The interest re-pricing gap	**1 580 184**	**(589 011)**	**2 347 719**	**2 342 950**	**3 447 367**	**1 530 191**	**10 659 401**
31 December 2020							
Total financial assets	20 964 731	8 414 051	10 773 173	12 960 383	3 099 456	1 529 843	**57 741 637**
Total financial liabilities	21 277 965	7 730 116	7 900 512	10 543 669	-	3 979 909	**51 432 168**
Re-pricing gab	**(313 233)**	**683 935**	**2 872 661**	**2 416 714**	**3 099 456**	**(2 450 066)**	**6 309 467**

C- Liquidity risk

Liquidity risk represents difficulty encountering the bank in meeting its financial commitments when they fall due and replace funds when they are withdrawn. This may results in failure in fulfilling the bank obligation to repay to the depositors and fulfilling lending commitments.

Liquidity risk management process

The bank's liquidity management process carried out by the bank risk division includes:

- Daily funding managed by monitoring future cash flows to ensure that all obligations can be met when due. This includes availability of liquidity as they due or to be borrowed to customers. the bank maintains an active presence in global money markets to ensure that the bank met its objective.
- The bank maintains a portfolio of highly marketable and diverse assets that assumed to be easily liquidated in the event of an unforeseen interruption of cash flow.
- Monitoring liquidity ratios compared to the internal requirements and Central Bank of Egypt requirements.
- Managing loans concentration and dues.

- The main period for liquidity management is the next day, week and month. The bank calculates the expected cash flow for those periods for monitoring and reporting purposes. The starting point to calculate these expectations is analyzing the financial liabilities contractual dues and expected collections dates for the financial assets .

Assets and liabilities department monitors the mismatch between medium term assets, the level and nature of unused loans limits, overdraft utilizations, and the effect of contingent liabilities such as letters of guarantees and letters of credit.

Funding approach

Sources of liquidity are regularly reviewed by bank risk division to maintain a wide diversification by currency, geography, source, products, and terms.

D- Fair value of financial assets and liabilities

D-1 Financial instruments measured at fair value

The carrying amount of financial assets held for trading represents by fair value according to announced prices as at financial statements date. Changes in fair value of those assets are recognized in income statement included in net income from trading. Also the carrying amount of quoted financial assets that classified as FVOCI represents by fair value according to announced prices as at financial statements date . Changes in fair value of those assets are recognized in the statement of comprehensive income. Regarding unquoted financial assets or in case of no active market the valuation technique used (Discounted Cash Flow, Multiples Method). Changes in fair value of those assets are recognized in the statement of other comprehensive income.

D-2 financial instruments not measured at fair value
Due from banks
All Due from Banks are current balances with maturity of less than one year
Loans and facilities to customers
Loans and facilities to customers is presented less provisions for Impairment losses
Investment by amortised cost
Including governmental debt instrument listed in market therefore fair value can be determined according to market price.
Due to banks
All Due to Banks are current balances with maturity of less than one year
Customer deposits
Represent deposits with unspecified maturityies which include non-interest bearing deposits
E -Capital management

The bank's objectives behind managing capital include elements other than equity shown in the balance sheet are represented in the following:

- Compliance with capital legal requirements in Arab Republic of Egypt.
- Protecting the bank's ability to continue as a going concern and enabling it to generate yield for shareholders and other parties dealing with the bank.
- Maintaining a strong capital base to enhance growth.

Capital adequacy and uses are reviewed on a daily basis according to the regulatory authority's requirements (Central Bank in Arab Republic of Egypt) by the bank's management through models based Basel committee for banking control instructions, these data are submitted to Central Bank of Egypt on quarterly basis.

Central Bank of Egypt requires the following from the bank:

- Maintaining a minimum amount of 500 million pounds for the issued and paid up capital. The paid-up capital to the bank at the end of the current fiscal period amounted to 2.2 billion Egyptian pounds
- Maintaining a minimum capital adequacy ratio of 10%, calculated on the basis of the ratio between the sum of the capital elements and the sum of the elements of the assets and contingent liabilities weighted by the risk weights - the prudential pillar, and the minimum capital adequacy criterion is 12.5% .

The numerator in capital adequacy comprises the following 2 tiers:

- **Tier 1**: basic capital which comprises paid-up capital (net of treasury stock), plus: retained earnings and reserves resulting from profit appropriations (other than general reserve for banking risks & special reserve), less: any goodwill previously recognized and any carried forward losses, plus: the carrying amount of other comprehensive income.
- **Tier 2**: subordinated capital which comprises with equivalent amount of the loans provision for debt instrument / Loans and credit facilities at stage 1 which does not exceed 1.25% from the total risk-weighted average of assets and contingent liabilities, plus: the carrying amount of subordinated loans/deposits maturing over more than 5 years (provided that such carrying amount shall be reduced by 20 % of its value in each of the last five years of their maturity),in calculating number of the capital adequacy ratio, total value of tier 2 should not exceed total value of tier 1. also,total value of subordinated loan (deposits) should not exceed 50% of tier 1 .

Assets are risk weighted at a range of 0 to 200%. Risk classification of these assets is based on the type of the debtor as to reflect the associated credit risk and after consideration of cash collaterals. The same treatment is applied for the off-balance sheet items which shall be adjusted to reflect the contingent nature of and potential loss on these amounts.

Capital adequacy Standard had been prepared based on Basel II requirements, and Central Bank of Egypt Board of Directors had approved in its meeting held on December 18, 2012, in accordance with the instructions of the Central Bank of Egypt for the capital adequacy ratio (Basel II)

The tables below summarizes the compositions of Tier 1, Tier 2 and the capital adequacy ratio based on Basel II:

Capital Adequacy Ratio	31 March 2021 EGP.000	31 December 2020 EGP.000 *
Tier one (basic and additional capital)		
Share Capital earnings	2 904 326	2 904 326
Reserves	185 972	185 973
General risk reserve	38 851	38 851
Retained earnings	566 420	565 074
Net profit from period	115 719	-
Supportive deposit difference	2 377	2 377
Total exclusions from basic and supplementary capital	(118 171)	(51 576)
Total Tier one after exclusions	**3 695 493**	**3 645 024**
Tier two (Supplementary capital)		
45% Balance of special reserve	20 321	20 321
supportive deposits	272 623	337 623
Total provision for impairment losses on contingent liabilities	69 254	72 596
Deductions from tier two	**362 198**	**430 540**
Total capital	**4 057 691**	**4 075 565**
Risk weighted assets and contingent liabilities		
Credit risk	28 936 147	27 612 691
Risk of top 50 clients exposures	1 696 891	704 778
Market risk	454 489	621 324
Operational risk	2 495 006	2 495 006
Total risk weighted assets and contingent liabilities	**31 885 641**	**30 729 022**
Capital adequacy ratio	**12.73%**	**13.26%**

* After AGM approval.

Leverage financial ratio

Central Bank of Egypt Board of Directors had approved in its meeting held on 7 July 2015 on special supervisory instructions related to leverage ratio which maintaining aminimum level of leverage ratio of 3% to be reported in quarterly basis to be obligatory ratio started from year 2018.

This ratio will be included in Basel requirement Tier1 in order to maintain Egyptian Banking system strong and safe, as long to keep up with best international regulatory treatments.

Leverage financial ratio reflect relationship between Tier 1 for capital that is used in capital adequacy ratio (after exclusions) and other assets (on balance sheet and off-balance sheet) that are not risk weighted assets.

Ratio Elements
I- The numerator elements
The numerator consists of Tier 1 for capital that is used in capital adequacy ratio (after exclusions) in accordance with the requirements of the regulatory authority represented by the Central Bank of Egypt (CBE).

II- The denominator elements
The denominator consists of all bank assets (on balance sheet and off-balance sheet) according to financial statements called "Bank exposures" which include total the following:
On balance sheet exposure items after deducting some of Tier I Exclusions for capital base.
Derivatives contracts exposures.
Financing Financial papers operations exposures.
Off-balance sheet items (weighted by credit conversion factor).

Leverage financial ratio	31 March 2021 EGP.000	31 December 2020 EGP.000
Trer 1 Capital after exclusions	**3 695 493**	**3 090 080**
Total exposures on balance sheet	56 648 340	52 040 870
Total exposures off- balance sheet	5 179 093	4 114 323
Total exposures on balance sheet and off- balance sheet	**61 827 433**	**56 155 193**
Leverage financial ratio	**5.98%**	**5.50%**

4-Significant accounting estimates and assumptions

In the application of the bank's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.the estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future years if the revision affects both current and future years.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

A) Impairment of Loans and credit facilities (Expected Credit Loss)

The Bank reviews its Loans and credit facilities portfolio, at least, on a quarterly basis. Management uses its discretionary judgment in determining whether it is necessary to recognize impairment loss in the income statement. This requires it to identify any reliable evidence indicating measurable decline in the expected future cash flows from loan portfolio before identifying any decline for each individual loan.this evidence includes data indicating negative change in the ability of a portfolio of borrowers to repay the bank, or local and economic circumstances related to default. On scheduling future cash flows, the management use estimates based on previous experience related to impairment of assets having similar credit risks. Such experience refers to impairment similar to that of the portfolio in question. The methods and assumptions used in estimating both the amount and timing of the future cash flows are reviewed on a regular basis to minimize any discrepancy between the estimated loss and actual loss based on management given experience.

B) Debit instruments with amortized cost

Non-derivatives financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity. This classification requires high degree of judgment; in return the bank tests the intent and ability to hold such investments to maturity. If the bank fails to hold such investments till maturity except for certain circumstances like selling an insignificant amount of held-to-maturity investments near to maturity date, then all held to maturity investment portfolio should be reclassified as available for sale which will be measured at fair value instead of amortized cost. In addition the bank should suspend classifying investments as held to maturity caption.

C) Income Tax

The Bank is subject to income taxes in several tax departments which require the use of a significant estimate to determine the total provision of the income taxes. There are some accounts and operations that are difficult to comprehensively determine the final tax on them. the Bank records obligations derived from the expected results of tax inspection based on estimates of the emergence probability of additional taxes. When there is a variance between the final taxes' result and the amounts previously recorded, these variances will affect the income tax and the deferred tax provision for the year in which the variance is identified

5 - Geographical segment analysis

Income and expenses to geographical segment

For the period ended 31 March 2021	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	EGP.000 Total
Geographical segment income	564 120	72 932	7 792	644 844
Geographical segment expense	(378 673)	(25 560)	(4 530)	(408 763)
Net profit before tax	**185 447**	**47 372**	**3 262**	**236 081**
Income tax	(108 969)	(10 658)	(735)	(120 362)
Net profit	**76 478**	**36 714**	**2 527**	**115 719**

For the period ended 31 March 2020	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment income	439 346	78 040	6 704	524 090
Geographical segment expense	(266 603)	(23 008)	(4 017)	(293 628)
Net profit before tax	**172 743**	**55 032**	**2 687**	**230 462**
Income tax	(103 125)	(12 382)	(605)	(116 112)
Net profit	**69 618**	**42 650**	**2 082**	**114 350**

Assets and liabilities to geographical segment

31 March 2021	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment assets	53 153 843	2 898 547	179 693	56 232 083
Total of assets	53 153 843	2 898 547	179 693	56 232 083
Geographical segment liabilities	**43 422 759**	**8 341 042**	**611 731**	**52 375 532**
Total of liabilities	43 422 759	8 341 042	611 731	52 375 532

Assets and liabilities to geographical segment

31 December 2020	Great Cairo	Alex. ,Delta & Sinai	Upper Egypt	Total
Geographical segment assets	51 320 252	2 837 438	162 163	54 319 853
Total of assets	**51 320 252**	**2 837 438**	**162 163**	**54 319 853**
Geographical segment liabilities	40 900 938	8 000 889	550 150	50 451 977
Total of liabilities	**40 900 938**	**8 000 889**	**550 150**	**50 451 977**

6 - Net Interest Income	31 March 2021	31 March 2020
Interest income from loans and similar income	**EGP.000**	**EGP.000**
Loans and facilities to Customers	390 224	414 105
Treasury bills	160 610	242 125
Bonds		
Governmental bonds	375 458	313 873
Other bonds	82 695	7 595
Deposits and current accounts with banks	29 337	156 604
	1 038 324	**1 134 302**
Interest expenses of deposits and similar expenses		
Current accounts and deposits :		
- Banks	(34 484)	(6 253)
- Customers	(610 764)	(750 234)
Other loans	(19 137)	(18 475)
	(664 385)	**(774 962)**
	373 939	**359 340**

7 - Net Fees and Commissions Income	31 March 2021	31 March 2020
	EGP.000	**EGP.000**
Credit fees and commissions	7 087	5 979
Trade finance fees and commissions	56 643	51 837
Custody fees	799	679
Other fees	1 145	4 381
	65 674	**62 876**

8 – Dividends Income	31 March 2021	31 March 2020
	EGP.000	**EGP.000**
Equity instrument at FVTPL	48	45
Equity instrument at FVTOCI	7 712	6 275
	7 760	**6 320**

9 - Net Trading Income	31 March 2021	31 March 2020
	EGP.000	**EGP.000**
Gains from dealing in foreign currencies	17 910	22 737
Changes in fair value of financial investment at FVTPL	(1 910)	(66 283)
	16 000	**(43 546)**

10 - Administrative Expenses	31 March 2021	31 March 2020
	EGP.000	EGP.000
Wages and salaries	123 537	114 034
Social Insurance	38 678	32 907
Other administrative expenses	109 178	101 660
	271 393	**248 601**

11- Other operating income (expense)	31 March 2021	31 March 2020
	EGP.000	EGP.000
Gain on sale of property and equipment	34	508
Other income / (expenses)	103 677	22 844
Release (charge) of other provisions	1 517	28 075
	105 228	**51 427**

12 - Income tax expense	31 March 2021	31 March 2020
	EGP.000	EGP.000
Current taxes	(115 794)	(117 466)
Deferred taxes (note 29)	(4 568)	1 354
	(120 362)	**(116 112)**

Note (29) includs additional information about differed income tax

Adjustments to calculate the effective tax rate	31 March 2021 EGP.000	31 March 2020 EGP.000
Profit before income tax	236 081	230462
Tax rate	22.50%	22.50%
Income tax calculated based on accounting profit	**53 118**	**51 854**
Add /(deduct)		
Non-deductible expenses	33 225	76 822
Tax exemptions	(42 762)	(116 508)
Provisions impact	3 268	(9 895)
Depreciation impact	(766)	(798)
Tax pool	52 346	89 068
Others	21 932	25 569
Income tax expenses	**120 362**	**116 112**
Effective tax rate	**50.98%**	**50.38%**

13 - Charge of impairment credit losses

	31 March 2021 EGP.000	31 March 2020 EGP.000
Loans and advances to customers	(135 191)	(42 554)
Due from Central Bank of Egypt	(133)	-
Due from banks	49	-
Treasury bills	(699)	-
Debt instruments at amortized cost	(1 396)	-
Debt instruments at FVTOCI	-	(2 472)
	(137 370)	**(45 026)**

14 - Earnings per share

	31 March 2021 EGP.000	31 March 2020 EGP.000
Net profit	115 719	114 350
Profit available to shareholders	115 719	114 350
Weighted average for outstanding shares (thousand)	220 000	220 000
Earnings per share (EGP/share)	**0.53**	**0.52**

15- Cash and Due from Central Bank of Egypt

	31 March 2021 EGP.000	31 December 2020 EGP.000
Cash	208 589	213 864
Due from CBE mandatory reserve	1 390 272	1 199 264
Less: Allowance for impairment losses	(1 081)	(950)
	1 597 780	**1 412 178**
Non-interest bearing balances	482 447	432 311
Fixed interest bearing balances	1 116 414	980 817
Less: Allowance for impairment losses	(1 081)	(950)
	1 597 780	**1 412 178**

Movement of allowance for impairment losses for cash and Due from Central Bank of Egypt

	31 March 2021 EGP.000	31 December 2020 EGP.000
Opening balance	950	1 806
Charge (release) of impairment credit loss	133	(496)
Transfers	-	(351)
Foreign exchanges revaluation differences	(2)	(9)
	1 081	**950**

16 - Due from banks

	31 March 2021 EGP.000	31 December 2020 EGP.000
Current accounts	314 486	430 423
Deposits	11 011 030	10 283 888
Less: Allowance for impairment losses	(395)	(446)
	11 325 121	**10 713 865**
Due from CBE other than those under the mandatory reserve	2 700 000	2 450 000
Local banks	6 783 950	6 083 747
Foreign banks	1 841 566	2 180 564
Less: Allowance for impairment losses	(395)	(446)
	11 325 121	**10 713 865**
Non-interest bearing balances	314 486	430 423
Fixed balances at floating interest bearing	11 011 030	10 283 888
Less: Allowance for impairment losses	(395)	(446)
	11 325 121	**10 713 865**
Current balances	**11 325 121**	**10 713 865**

Movement of allowance for impairment losses for due from banks	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	446	653
Charge (release) of impairment loss	(49)	(55)
Transfers	-	(144)
Foreign exchanges revaluation differences	(2)	(8)
	395	**446**

17 - Treasury bills and other governmental notes

	31 March 2021	31 December 2020
	EGP.000	EGP.000
Treasury bills		
Maturity 91 days	511 550	44 275
Maturity 182 days	100 000	19 900
Maturity 273 days	437 850	1 004 750
More the 364 day maturity	5 252 133	5 810 786
Total	**6 301 533**	**6 879 711**
Less :		
Unearned interest less than 91 days	(15 292)	(1 315)
Unearned interest more than 91 days	(171 590)	(337 274)
Treasury bills sold with re-purchase agreement	(63 357)	(67 642)
Allowance for impairment losses	(6 583)	(6 027)
	6 044 711	**6 467 453**

Movement of allowance for impairment losses for treasury bills and other governmental notes	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	6 027	3 694
Charge of impairment loss	699	3 874
Transfers	-	(1 748)
Foreign exchanges revaluation differences	(143)	207
	6 583	**6 027**

18 - Loans and facilities to customers

	31 March 2021	31 December 2020
	EGP.000	EGP.000
Retail		
Overdraft	393 037	340 194
Credit cards	27 338	25 778
Personal loans	909 902	842 816
Total (1)	**1 330 277**	**1 208 788**
Corporate including SMEs		
Overdraft	9 670 824	8 516 353
Direct loans	4 108 334	4 084 983
Syndicated loans	6 844 265	6 506 920
Total (2)	**20 623 423**	**19 108 256**
Total loans and facilities to customers (1+2)	**21 953 700**	**20 317 044**
Less:		
Impairment losses provision	(2 255 530)	(2 174 394)
Interest in suspense	(383 107)	(370 864)
Interest under settlement	(3 067)	(3 565)
	19 311 996	**17 768 221**
Current balances	11 140 463	7 109 307
Non-current balances	8 171 533	10 658 914
	19 311 996	**17 768 221**

Allowance of impairment losses

Analysis of the movement of the impairment loss provision for loans and facilities to customers :

31 March 2021	Retail			Total
	Overdraft	Credit Cards	Personal Loans	
	EGP.000	EGP.000	EGP.000	EGP.000
Opening balance	36 529	7 257	32 431	76 217
Impairment Charge	137	1 563	5 708	7 408
Used	-	-	(23)	(23)
	36 666	**8 820**	**38 116**	**83 602**

	Corporate				Total
	Overdraft	Direct Loans	Syndicated Loans	Other Loans	
	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000
Opening balance	1 869 158	207 480	21 541	-	**2 098 179**
Impairment Charge	64 741	27 724	35 318	-	**127 783**
Used	(55 198)	-	-	-	**(55 198)**
Proceeds from previously written off debts	2 732	-	-	-	**2 732**
Foreign exchange revaluation differences	(1 345)	(202)	(19)	-	**(1 566)**
	1 880 088	**235 002**	**56 840**	**-**	**2 171 930**
					2 255 532

31 December 2020	Retail			Total
	Overdraft	Credit Cards	Personal Loans	
	EGP.000	EGP.000	EGP.000	EGP.000
Opening balance	38 174	4 407	8 670	51 251
Impairment Charge	(11 189)	1 887	30 507	21 205
Used	9 543	963	(6 747)	3 759
	36 528	**7 257**	**32 430**	**76 215**

	Corporate				Total
	Overdraft	Direct Loans	Syndicated Loans	Other Loans	
	EGP.000	EGP.000	EGP.000	EGP.000	EGP.000
Opening balance	25 266	105 965	15 377	2 481 015	**2 627 623**
Charge (release) of impairment loss	606 691	(300 036)	9 325	(148 472)	**167 508**
Used	(642 652)	(25 262)	(321)	(8 190)	**(676 425)**
Proceeds from previously written off debts	5 510	-	-	357	**5 867**
Used	1 875 211	433 187	(2 800)	(2 297 032)	**8 566**
Foreign exchange revaluation differences	(868)	(6 374)	(40)	(27 678)	**(34 960)**
	1 869 158	**207 480**	**21 541**	**-**	**2 098 179**
					2 174 394

19 –Financial investments

	31 March 2021 EGP.000	31 December 2020 EGP.000
At FVTOCI		
a)Debt instruments at FVTOCI		
Listed in the market*	9 532 421	9 617 250
	9 532 421	**9 617 250**
b) Equity instruments at FVTOCI		
Listed in the market*	3 114	3 123
Unlisted in the market**	618 886	573 148
	622 000	**576 271**
c) Mutual funds		
Unlisted in the market **	30 967	30 820
	30 967	**30 820**
Total financial investments at FVTOCI (1)	**10 185 388**	**10 224 341**
At Amortized Cost		
Debt instruments		
Listed in the market	4 118 708	4 137 844
Less: Allowance for impairment losses	(2 178)	(782)
Total financial investments at Amortized Cost (2)	**4 116 530**	**4 137 062**
At FVTPL		
a)Equity instruments at FVTPL		
Listed in the market	143 613	254 680
	143 613	**254 680**
b)Mutual funds		
Unlisted in the market	105 273	103 797
	105 273	**103 797**
Total financial investments at FVTPL (3)	**248 886**	**358 477**
Total Financial investments (1+2+3)	**14 550 804**	**14 719 880**
Current assets	13 795 678	14 012 115
Not current assets	755 126	707 765
Total Financial investments	**14 550 804**	**14 719 880**
Fixed interest debt instruments	11 131 591	13 091 340
Floating interest debt instruments	2 517 360	663 754

*Including governmental debt instrument of EGP 6 053 041 (EGP 6 706 516 in previous year) and securitized bonds and sukuk of EGP 3 479 381 (EGP 2 813 043 in previous year).

**Includes seed capital in mutual funds established by the bank (note38)

Summary of the financial investment movement	**FTVOCI**	**At amortized cost**	**Total**
31 March 2021	**EGP.000**	**EGP.000**	**EGP.000**
Opening balance	**10 224 341**	**4 137 062**	**14 361 403**
Addition	**3 382 583**	**10 500**	**3 393 083**
Disposal maturity (redemption)	**(3 351 500)**	**(24 667)**	**(3 376 167)**
Foreign exchange revaluation differences	**(1 098)**	**(318)**	**(1 416)**
Net change in fair value	**(58 855)**	**-**	**(58 855)**
Discount (premium) amortization	**(10 082)**	**(4 651)**	**(14 733)**
Allowance for impairment losses	**-**	**(1 396)**	**(1 396)**
	10 185 389	**4 116 530**	**14 301 919**
31 December 2020			
Opening balance	**5 048 727**	**4 980 742**	**10 029 469**
Addition	**16 115 218**	**278 499**	**16 393 717**
Disposal maturity (redemption)	**(11 184 693)**	**(1 101 512)**	**(12 286 205)**
Foreign exchange revaluation differences	**12 665**	**(3 921)**	**8 744**
Net change in fair value	**261 762**	**-**	**261 762**
Discount (premium) amortization	**(29 338)**	**(18 359)**	**(47 697)**
Release /(charge) Allowance for impairment losses	**-**	**1 613**	**1 613**
	10 224 341	**4 137 062**	**14 361 403**

Gain on Financial Investments

	31 March 2021	31 March 2020
	EGP.000	EGP.000
Gain on sale of debt instrument and treasury bills	**41 879**	60 960
Release (charge) of impairment losses of associate	**10 598**	13 309
	52 477	**74 269**

Movement of allowance for impairment losses for Investments at Amortized Cost

	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	782	2 396
Charge (release) of impairment loss	1 396	(1 093)
Transfers	-	(501)
Foreign exchanges revaluation differences	-	(20)
	2 178	**782**

20-Financial investments in associates

EGP.000

	%	31 December 2020	Share of profit in associates in income statement	Disposal	31 March 2021
Suez Canal for commercial and agricultural development	8.13%	9 690	-	(9 690)	-
Al Maadi for touristic investments and entertainment	29.69%	10 020	(120)	-	9 900
Credit guarantee company	9.09%	48 862	23 886	-	72 748
Orientals for industrial projects	10.00%	8 762	-	-	8 762
Elshorouk for markets and shops	66.78%	62 047	-	-	62 047
		139 381	**23 766**	**(9 690)**	**153 457**
Allowance for impairment losses		**(10 598)**			**-**
		128 783			**153 457**

21 – Intangible assets	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Opening balance	65 530	57 394
Additions	3 675	8 136
Total cost	**69 205**	**65 530**
Accumulated amortization	(34 570)	(26 260)
Amortization expenses	(2 113)	(8 310)
Accumulated amortization	**(36 683)**	**(34 570)**
	32 522	**30 960**

22 – Other assets	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Accrued revenues	675 665	584 756
Prepaid expenses	73 811	32 681
Advance payment for acquisition of property and equipment	775 565	757 673
Asset reverted to the bank in settlement of debts	739 018	750 059
Insurance and custody	7 768	7 486
Others	138 265	148 180
	2 410 092	**2 280 835**

23 – Property and equipment

	Lands	Buildings and construction	Integrated automated systems	Vehicles	Machinery & Equipment	Fixtures & fitting	Furniture	Total
	EGP.000	**EGP.000**	**EGP.000**	**EGP.000**	**EGP.000**	**EGP.000**	**EGP.000**	**EGP.000**
Cost	88 934	467 902	108 021	19 765	100 597	149 139	47 416	981 774
Accumulated depreciation	-	(83 497)	(61 017)	(12 335)	(31 185)	(71 018)	(15 393)	(274 445)
Net book value as at 1 January 2020	**88 934**	**384 405**	**47 004**	**7 430**	**69 412**	**78 121**	**32 023**	**707 329**
Additions	-	76 670	7 666	2 210	23 249	31 109	7 265	148 169
Disposals	-	(5 198)	-	(1 233)	-	(34)	-	(6 465)
Depreciation	-	(12 799)	(13 971)	(2 740)	(12 618)	(7 863)	(3 851)	(53 842)
Accumulated depreciation of disposals	-	1 220	-	1 233	-	34	-	2 487
Net book value as at 31 December 2020	**88 934**	**444 299**	**40 699**	**6 900**	**80 043**	**101 367**	**35 436**	**797 678**
Cost	88 934	539 374	115 687	20 742	123 846	180 214	54 681	1 123 478
Accumulated depreciation	-	(95 074)	(74 988)	(13 842)	(43 803)	(78 847)	(19 244)	(325 800)
Net book value as at 31 December 2020	**88 934**	**444 299**	**40 699**	**6 900**	**80 043**	**101 367**	**35 436**	**797 678**
Additions	-	136	13 238	-	1 913	3 396	126	18 809
Disposals	-	-	-	-	-	-	-	-
Depreciation	-	(3 384)	(3 813)	(751)	(3 606)	(2 417)	(1 114)	(15 085)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
Net book value as at 31 March 2021	**88 934**	**441 051**	**50 125**	**6 148**	**78 349**	**102 347**	**34 449**	**801 402**
Cost	88 934	539 510	128 926	20 742	125 758	183 610	54 805	1 142 285
Accumulated depreciation	-	(98 459)	(78 801)	(14 594)	(47 409)	(81 263)	(20 357)	(340 883)
Net book value as at 31 March 2021	**88 934**	**441 051**	**50 125**	**6 148**	**78 349**	**102 347**	**34 448**	**801 402**

*Property and equipment at the balance sheet include an amount of EGP 81 million represent assets not registered yet and legal department is in-process to register these assets .

24 –Due to banks	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Current accounts	229 467	123 287
Deposits	4 550 983	4 225 390
	4 780 450	**4 348 677**
Central banks	81 152	79 315
Local banks	4 394 047	3 958 803
Foreign banks	305 251	310 559
	4 780 450	**4 348 677**
Non interest rate accounts	204 865	98 685
Fixed interest rate accounts	4 575 585	4 249 992
	4 780 450	**4 348 677**
Current balances	**4 780 450**	**4 348 677**

25- Customer's deposits	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Demand deposits	15 000 140	14 237 299
Time deposits and call accounts	21 157 485	20 368 464
Term saving certificates	7 001 835	7 063 972
Savings deposits	1 956 982	1 946 820
Other deposits	771 536	727 187
	45 887 978	**44 343 742**
Corporate deposits	35 027 694	33 305 589
Retail deposits	10 860 284	11 038 153
	45 887 978	**44 343 742**
Non interest rate accounts	144 127	3 881 224
Fixed interest rate accounts	43 314 886	37 548 531
Floating interest rate accounts	2 428 965	2 913 987
	45 887 978	**44 343 742**
Current balances	38 671 495	38 455 995
Non-current balances	7 216 483	5 887 747
	45 887 978	**44 343 742**

26 - Other Loans	**Maturity date**	**31 March 2021**	**31 December 2020**
Description		**EGP.000**	**EGP.000**
CIB Loan	Mar 2021	-	2 000
Arab trade financing program	Multi dates	33 203	34 521
Project development authority loans	Feb 2024	23 195	26 415
Two subordinate deposits **	May 2024	304 896	303 727
Subordinate deposits ***	Dec 2024	96 423	96 245
Mashreq bank- Dubai	Dec 2021	157 091	157 321
Banque de caire	Aug 2021	157 091	157 321
		771 899	**777 550**
Current balances		347 385	351 163
Non-current balances		424 514	426 387
		771 899	**777 550**

*A loan contract had been signed with the Projects development Authority to obtain a stake in loans to develop small projects. The loan bears interest paid to Projects development Authority in order to provide low cost finance for the bank's client according to agreed upon contract.

** In accordance with the bank`s general assembly meeting approval dated 31 January 2019, a subordinated deposit contract were signed on February 2019 with Arab Contractors Employees Insurance Fund amounted to EGP 325 Million to support tier two of the bank Capital Base in the calculation of Capital Adequacy Ratio in accordance with basel guidelines and to maintain CBE enacted ratio.

The duration of the subordinated deposit is 63 months starts from February 2019 and to be paid at the end of the period in full, An annual contractual interest of 15% is calculated on the deposit value and to be paid every three months. Present value is calculated using an interest rate of 17.59% in accordance to CBE instructions.

*** In accordance with the bank`s general assembly meeting approval dated 31 January 2019, a subordinated deposit contract were signed on September 2019 with Arab Contractors Employees pension Fund amounted to EGP 100 Million to support tier two of the bank capital base in the calculation of Capital Adequacy Ratio in accordance with basel guidelines and to maintain CBE enacted ratio.

The duration of the subordinated deposit is 63 months starts from September 2019 and to be paid at the end of the period in full, An annual contractual interest of 13.1% is calculated on the deposit value and to be paid every three months. Present value is calculated using an interest rate of 14.35% in accordance to CBE instructions.

27 - Other liabilities

	31 March 2021 EGP.000	31 December 2020 EGP.000
Accrued interest	219 483	221 436
Unearned revenues	2 696	17 887
Accrued expenses	45 776	51 851
Creditors	12 979	10 857
Other payables	534 112	546 120
	815 046	**848 151**

28 - Other Provisions

	31 March 2021 EGP.000	31 December 2020 EGP.000
Opening balance	15 639	62 488
Net foreign currencies exchange differences	(87)	100
Charge (release) povision	(1 517)	(36 717)
Transfers	-	(9 581)
Used	(1 656)	(651)
	12 379	**15 639**

29 - Deferred tax assets and liabilities

Deferred tax has been calculated on temporary tax differences using the balance sheet method and using the expected tax rate on a time that the Bank will recognize benefit from assets / incurre liabilities for current financial period .

Balance of deferred tax assets and liabilities are as follows:	31 March 2021 EGP.000		31 December 2020 EGP.000	
	Asset	Liability	Asset	Liability
Depreciation of property and equipment	-	(38 074)	-	(36 608)
Other provisions (other than loan provision)	4 647	-	7 749	-
Debt instruments at FVTOCI	675	-	-	(21 242)
Equity instruments at FVTOCI	-	(70 830)	-	(68 117)
Total deferred tax asset (liability)	**5 322**	**(108 904)**	**7 749**	**(125 967)**
Net tax deferred tax asset (liability)	**-**	**(103 582)**	**-**	**(118 218)**

Movement of deferred tax assets and liabilities are as follows:	31 March 2021 EGP.000		31 December 2020 EGP.000	
	Asset	Liability	Asset	Liability
Opening balance	7 749	(125 967)	39 314	(49 378)
Depreciation of property and equipment	-	(1 466)	-	(11 235)
Other provisions (other than loan provision)	(3 102)	-	6 135	-
Debt instruments at FVTOCI	675	15 255	-	(17 713)
Disposal of debt instruments at FVTOCI	-	5 987	-	20 477
Equity instruments at FVTOCI	-	(2 713)	(37 700)	(126 434)
Disposal of equity instruments at FVTOCI	-	-	-	58 316
	5 322	**(108 904)**	**7 749**	**(125 967)**

30- Capital

(A) Authorized Capital

Authorized capital amounted to EGP. 5 billion. on 4 April, 2019, Extra Ordinary Assembly Meeting approved an increase in authorized capital by EGP 3 billion to EGP 5 billion and record has been marked at commercial register

(B) Issued and paid - up capital

Issued and paid – up capital amounted to EGP 2.2 billion distributed on 220 million shares in cash with nominal value of EGP. 10 each

(C) Retained amount for capital increase

Amount of EGP 704 326 thousand have retained for capital increase. On 31 March 2021 the bank’s General Assembly has approved the capital increase by EGP 704 326 thousand through distributions of 1.28 bonus share for each 4 shares. at par value of EGP 10 per share.

31. Reserves

	31 March 2021 EGP.000	31 December 2020 EGP.000
Legal reserve	92 525	62 834
General reserve *	24 117	24 117
Special reverse (c-1)	45 158	45 158
Capital reserve	69 330	61 490
Fair value reserve (c-2)	(79 074)	(13 944)
General risk reserves	38 851	38 851
General bank risk reserve **(c-3)	55 499	40 268
	246 406	**258 774**

*The value of residual amount from issuing expenses of capital increase from EGP. 1 billion to EGP. 2 billion.

**In accordance with the instructions of the CBE, the general banking risk reserve is supported annually by 10%of the value of the assets owned by the Bank in return for debt if these assets are not disposed of within the period specified in the law.

31/A- Special reserve	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	45 158	45 158
	45 158	**45 158**

31/B- Fair Value reserve	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	(13 944)	(46 967)
Net change in fair value transferred to R/E after tax deduction	-	26 741
Net change in FVOCI	(65 130)	6 282
	(79 074)	**(13 944)**

31/C- General banking risk reserve	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	40 268	33 896
Transferred from retained earnings	15 231	21 322
Transferred to retained earnings	-	(14 950)
	55 499	**40 268**

32.Difference between the present value and face value for subordinate deposits	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	25 027	29 883
Amortization of difference of subordinate deposit	(1 346)	(4 856)
	23 681	**25 027**

33. Retained earnings	31 March 2021	31 December 2020
	EGP.000	EGP.000
Opening balance	1 384 075	1 107 279
Transferred to legal reserve	(29 691)	(25 992)
Transferred to capital reserve	(7 840)	(22 366)
Transferred to general banking risk reserve	(15 231)	(21 322)
Transferred to retained amount for capital increase	(704 326)	(200 000)
Transferred from general banking reserve	-	14 950
Amortization of difference of subordinate deposit	1 346	4 856
Staff profit share	(43 197)	(37 253)
Banking system support and development fund	(5 717)	-
Board Members' bonus	(13 000)	(11 000)
Net change in fair value transferred to R/E after tax deduction	-	(26 741)
Net profit	115 719	601 664
	682 138	**1 384 075**

34-Cash and cash equivalents

For the purpose of preparing the statement of cash flow, the cash and cash equivalent includes the following balance of maturity dates within less than three months from the date of acquisition:

	31 March 2021	31 March 2020
	EGP.000	EGP.000
Cash and due from CBE (note 15)	208 589	251 934
Due from banks (note 16)	11 325 516	9 503 894
Treasury bills and other governmental notes (note 17)	496 258	2 634 866
	12 030 363	**12 390 694**

35- Contingent and commitments liabilities
(A)-Legal claims :

There is a number of existing cases against the bank without provision as the bank doesn't expect to incur losses as at financial statement date from it. A provision for legal cases that are expected to incur losses has been chrged and balanced EGP 2 687 thousand as at financial statement date (In 31 Dec. 2020 : amounted to EGP 3 092 thousand)

B-Capital commitments:

B/1 - Property and equipment and branches of equipment

The Bank is committed to contracts for property and equipments purchase and branches preparations "building, furniture, amounting to EGP 459 177 as current period (EGP 449 997 thousand prior year). Management is sufficiently confident that net profit shall be realized and finance shall be made available to cover these commitments.

B/2 - Financial Investments

The capital commitments for the financial investments reached on the date of financial position as follows:

	Amount	Amount Paid	Remaining
Financial investments in associate	17 762	8 762	9 000

C-Contingent liabilities:	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Letters and financial of guarantees	4 814 800	4 366 704
Letter of credits import, export and facilities to suppliers	938 679	1 303 413
Other Contingent Liabilities	1 149 515	1 404 296
	6 902 994	**7 074 413**

D- Credit facilities commitments	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Not more than one year	424 606	519546
More than one year	955 010	837346
	1 379 616	**1 356 892**

E- Commitments operating lease contracts	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Not more than one year	16 817	15 949
More than one year and less than 5 years	49 995	56 167
More than 5 years	5 245	6 064
	72 057	78 180

36- Related party transactions

The bank deals with its related parties on the same basis as with others in compliance with accepted banking rules and regulations. The nature of these transactions and its balances are represented on the balance sheet date as follows:

A) Loans and credit facilities to related parties:	**31 March 2021**	**31 December 2020**
Loans and facilities to customers	**EGP.000**	**EGP.000**
Balance at beginning of the year	10 827	11 599
Collected loans	(787)	(772)
	10 040	**10 827**

B) Deposits from related parties:	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Balance at beginning of the year	48 518	81 428
Deposits received	54 995	13 884
Deposits redeemed	(11 563)	(46 743)
Net foreign exchange difference	(5)	(51)
	91 945	**48 518**

C) Other	**31 March 2021**	**31 December 2020**
	EGP.000	**EGP.000**
Due from banks	100 159	49 584
Investment in associates	153 457	128 783
Due to banks	150 009	9
Other loans	401 319	399 972
Other payables	372	372

37 -Tax position

A. Corporate income tax:

- For the years from 1978 till 2004, inspection completed and the bank has paid amounts due .
- For the years from 2005 and 2006, inspection completed and resulted in tax losses.
- For the year from 2007 to 2017 inspection completed and the bank paid all taxes due except for retained tax losses for year 2010 which will be settled as part of the agreement between tax authority and Egyptian Bank federation, thus no taxes due regarding this period.
- For the year from 2018 to 2019 the bank had submitted the annual tax return in due date and there is no taxes due .

B . Salaries tax:

- For the years from 1978 till 2019,inspection completed the employees salary tax was completed and settlement for the period from the beginning of activity commencing and till 2019 has been paid, according to this situation no taxes due
- For the year 2020 the salary tax is deducted and paid regularly to the Tax Authority in accordance to law 91 for 2005

C . Stamp duty tax:

- For the periods beginning from the activity commencing date and till 31 July 2006 , the inspection completed for all branches in accordance with law no. 111 of the year 1980 and the bank have paid all the amounts due .
- For the period from 1 August 2006 to 31 December 2020, the bank has been completed inspection , and the bank has paid all the amounts due except some items transferred to internal committee to solve it for year 2019.
- From the years 2021, the bank paid stamp duty tax based on highest utilization of debit balance for each quarter period in accordance to Law No.9 of the year 2013.

38-Mutual Funds

	Suez Canal Bank First Fund "With Cumulative Periodical Return" and Distribution	Suez Canal Bank Second Fund "Agial - With Cumulative Periodical Return"	Suez Canal Bank Monetary Fund for Liquidity " With Cumulative Daily Return"
Registration number and est. date	No. 143 , in 24 March 1996	No. 355, in 30 June 2008	No. 790 in 10 August 2020
Under the license of the capital market law and its executive regulations	No. 95 of 1992 and its Executive Regulations No. 22 of 2014	No. 95 of 1992 and its Executive Regulations No. 22 of 2014	No. 95 of 1992 and its Executive Regulations No. 135 of 1993
Fund manager	HC for managing funds.	Beltone for managing funds.	CI Assets Management.
Currency	EGP	EGP	EGP
A-Fund shares upon issuance:			
Number of investment certificates (ICs)	200 000	10 000 000	25 000 000
Nominal value of IC	500	10	10
Total nominal value of ICs	100 000 000	100 000 000	250 000 000
The nominal value of the bank's ICs in the fund	35 900 000	7 096 710	5 000 000
B-On the date of financial statements:			
Market price per IC	444.12	12.96	10.64
Total market value of ICs	34 783 478	14 383 751	265 856 344
No.of outstanding ICs	78 320	1 109 782	24 996 624
Total Bank's ICs classified as investment at FVTOCI	10 000	500 000	500 000
Total Bank's ICs classified as investment at FVTPL	61 800	209 671	-
	71 800	**709 671**	**500 000**
Total Fair value of bank's ICs classified as investment at FVTOCI	4 441 200	6 480 440	5 317 845
Total Fair value of bank's ICs classified as investment at FVTPL	27 446 616	2 717 521	-
	31 887 816	**9 197 961**	**5 317 845**
Fees and Commission for supervising fund and other services through PL	81 566	28 056	196 358
Dividends received from Bank's ICs in fund	-	-	-

39 -Signification Events

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. SCB is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

Based on the uncertainties caused by COVID-19 and in anticipation of the expected economic slowdown, SCB is closely monitoring the loan portfolio considering the relevant impact of COVID-19 on the qualitative and quantitative factors where determining the significant increase in Credit Risk is specifically for the exposures of the mostly affected sectors.

Accordingly, Suez Canal Bank has taken internal protective action by building up proper provisions as a mitigation plan for the COVID-19 impact on the loan portfolio as of end of March 2021. Further build up of provisions might be taken, precautionary, till the end of the grace period, till actual performance of the portfolio start revealing itself.

40- Translation

These financial statements are a translation into English from original Arabic statements. The original Arabic statements are the official financial statements.