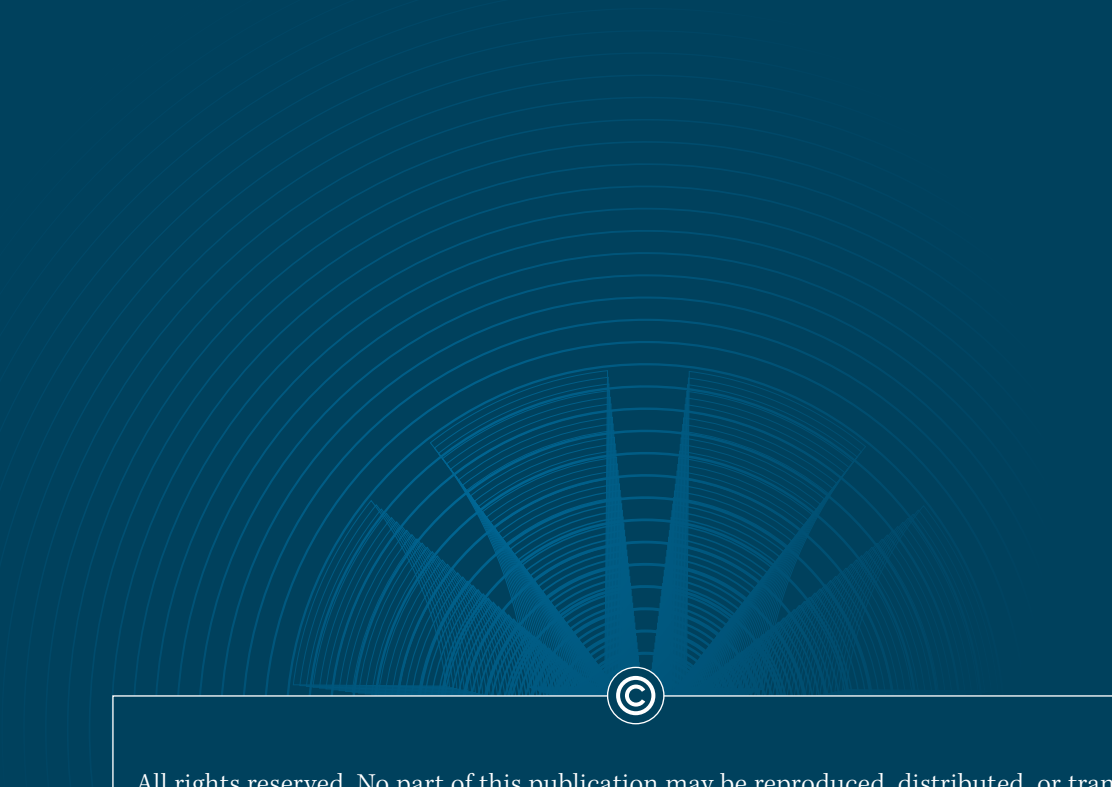


Structured for Impact

Leading Egypt's Transition
to a Green Economy

Sustainability Report 2020



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The Bank and References (G102-1) - (G102-5)

Throughout this report, “CIB”, “the Bank” or “we” are referring to the Commercial International Bank (Egypt) SAE. Established as Joint Stock Company (S.A.E), under Investment law no. 43 of 1974.

Scope of the Report Period and Cycle Covered (G102-50 / G102-52)

This is an Annual Report featuring the year ended 31 December 2020.

Some Information before and after these dates may be included to emphasize relevant context to the reporting period.

Referenced Reporting Guideline (G102-54)

The report is prepared according to the Global Reporting Initiative Sustainability Reporting Standards: Core option.

Date of Previous Report Sustainability (G102-51)

1 January 2019 to 31 December 2019

Forward-Looking Statements

This Sustainability Report contains forward-looking statements on various future estimation and paramount considerations that are expected in the landscape of the banking industry both nationally and regionally. While CIB’s proven agility allows swift adaptation, there are no assurances of the magnitude nor the pace of such changes, due to the rapid dynamics of technologies and the markets we serve. Additionally, the emerging social disruptions and economic fallbacks caused by the COVID-19 pandemic can’t be predicted due to its unexpected lasting impacts into 2021. Crisis response measures presented in this report do not constitute a commitment in the future, they only reflect actions taken during the reporting period and are subject to change according to national regulations and arising materials issues.

Mistakes and Typographical Errors

Any errors discovered following publication of the report will be corrected and displayed on our website. In consideration to the environment, our reports are published, as a downloadable PDF file on our website.

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A Note From Our Chairperson¹



Global warming represents the next mega-trend and challenge requiring countries, businesses, and communities to come together in order to develop innovative technologies and strategies to achieve transformational change.

own model, we have sought the expertise of the developers of leading international sustainability frameworks. Our standards have been crafted in line with those set by organizations such as the IFC and the EBRD.

At CIB, we were already well on our way to digitally transform the Bank when COVID hit. The new reality of the pandemic simply accelerated that process. What would have been accomplished within the course of a year or two got done within a matter of months.

As we grappled with the challenges wrought by the COVID-19 pandemic in 2020, we continued to provide exceptional products and services that our customers have used to manage their finances effectively in the midst of great uncertainty. We have leveraged our digital channels and accelerated the rollout of digital services, in particular, to enable customers to take care of their banking needs while also keeping themselves and their family members safe. Our efforts were supported by the Central Bank of Egypt (CBE) with important initiatives such as the waiver of fees associated with payments, local transfers, and card services, which encouraged more cashless transactions particularly for small businesses that were more inclined to transact with cash.

We are very proud of the fact that throughout the challenges of the past year, CIB stood strong as a driver for industry momentum integrating ESG in its operations and portfolio. We have developed new policies and initiatives that will allow us to continue creating shared value and maximizing the positive societal impact of our business. It is precisely this sense of determination and resilience that will enable us to maintain our leadership position in the sustainable transition in Egypt's banking sector and the economy as a whole in the years ahead.

Mr. Sherif S. Samy
Non-Executive Chairman

There is no denying that the world is currently undergoing a transition that has seen private citizens and businesses change the way that they live, learn, and do business. The new realities brought about by climate change, COVID-19, and income inequalities have necessitated a new approach to collectively tackle the challenges at hand.

Many countries, Egypt included, have begun to feel the effects of climate change in earnest. Global warming represents the next megatrend and challenge requiring countries, businesses, and communities to come together in order to develop innovative technologies and strategies to achieve transformational change.

It is now crystal clear that sustainability must be situated at the center of any effort to address

this new challenge. To drastically and permanently reduce humanity's greenhouse gas emissions, we must reimagine our ways of doing business and restructure many of our social and economic systems. It will be necessary to build sustainable infrastructure, cities, and communities. We must also use this existential challenge as an opportunity to address long-standing problems, from poverty to environmental degradation to gender inequality.

CIB has long understood the importance of fostering a sustainable development transition in Egypt, and we have sought to lead the banking sector in realizing this project. This is why we established our Sustainability Department as far back as 2013. Since then, we have become the first Egyptian bank to develop a comprehensive value creation model, which integrates environmental,

social, and governance (ESG) factors into all aspects of our operations and introduces tools for monitoring our progress in these areas.

As we have worked over the years to maintain our position as a leading sustainable bank, we have laid the groundwork which will also allow us to play a pivotal role in the country's climate change response. Perhaps the best evidence of our commitments in this area is our effort underway to issue Egypt's first corporate Green Bond. Fostering lasting change to human systems that protects the environment and ensures that no one is left behind is the very definition of creating shared value.

We also recognize that collaboration is essential to our success. To guarantee the robustness of CIB's

(1) G102-14



CEO's Message



Now more than ever, it is essential for the banking sector to address its environmental footprint and develop lending policies that aim to turn climate risks into opportunities.

Network (SSN) that is evolving to action-based workstreams to enable the ESG integration across CIB's operations and product portfolio.

Since CIB began its sustainability journey, we developed a comprehensive architecture that includes key global standards and frameworks. As a result, CIB is currently an active member in over six impactful frameworks. In 2019, for example, we joined with the UNEP-FI and 29 other leading global banks to develop the Principles for Responsible Banking, of which we are a founding signatory. In 2020, CIB proudly became the first Egyptian bank to adopt the Task Force on Climate-Related Financial Disclosures reporting framework.

ESG disclosures have been another area that witnessed remarkable momentum. CIB has been quite focused on expanding its sustainability (ESG) reporting, evaluating our progress, and developing the strategies and systems that will guide us towards a new stage in our sustainability journey. Notably, we became the first bank in Egypt to conduct our Business Banking portfolio's environmental and social impact assessment. The process enabled us to identify negative impacts that must be mitigated as well as the areas where our SMEs have the most significant positive effects in society. I hope that our efforts in this area will encourage the banking sector to examine more closely our lending patterns are shaping the trajectory of Egypt's economic transition.

To create impactful shared value for our customers, shareholders, and the Egyptian society, CIB in 2021 and beyond will continue to deepen its commitment to sustainable business practices. We will continue to set an example of good corporate citizenship. With the help of our dedicated and talented team of over 7,000 CIBians, we will tackle head-on the most pressing environmental and social challenges facing Egypt today. Leveraging our position as Egypt's leading bank, we challenge our clients, peers, and our partners to join us in our efforts to drive system transformation towards sustainable development in Egypt and the region.

Mr. Hussein Abaza

Chief Executive Officer & Board Member

While the world has long known about the threat of climate change, this year, the devastating effects have been felt strongly in Africa and the Middle East, emphasizing the need for unprecedented global efforts to mitigate and adapt to risks and utilize opportunities. Now more than ever, it is essential for the banking sector to address its environmental footprint and develop lending policies that aim to turn climate risks into opportunities.

For many years now, CIB has stood as an unrivaled leader in the Egyptian banking sector in its strong commitment to sustainability and embedding environmental, social, and governance (ESG) aspects across our operations and portfolio. Despite the globally destabilizing effects of the prolonged COVID pandemic, our leadership in these areas which is driven by our desire to create shared value for our shareholders, customers, and communities,

has contributed to our ability to withstand the adversities. It has given us the resilience and the dynamism to proceed on our path for system transformation and to weave sustainability across the Bank's policies and overall strategy, so that we can ultimately drive long-lasting, transformational change in the sector and society.

Thus, 2020 has marked several vital accomplishments to integrate sustainability into every aspect of our business. One achievement I take particular pride in is the issuance of Egypt's first corporate Green Bond that began early this year. In partnership with the International Finance Corporation, we are designing a financial instrument that will enable Egypt's private sector to drive the country's transition to a green economy and contribute to the global fight against climate change. The Green Bond program will complement CIB's other landmark

products and services in this area, such as our corporate Green loans and our Greening SMEs capacity-building program.

2020 has been a crucial year that witnessed the establishment of our Sustainable Finance Department, who in partnership with our Board of Directors and key leaders throughout the Bank, worked on a system transformation process which included the development of our first-ever Sustainable Finance Policy. Approved in January 2021, this policy affirms our commitment to integrating rigorous ESG standards throughout our business and provides the framework that will guide us toward achieving this ambitious goal. The policy development was complemented with the introduction of the Sustainable Finance Pillars and Governance structure and the cross-departmental Sustainability Strategic



CSO's Message



At the Board and Senior Management level, the clear mandate is to enact a system transformation, integrating and weaving sustainability and ESG into the fabric of everything we do and creating the proper structure to ensure the Bank's positive impact on inclusive growth.

We find ourselves at a very pivotal moment in time on a global level. Climate change has taken center stage as the most pressing global problem threatening to disrupt the lives and livelihoods of people in both developed and developing nations worldwide if not dealt with immediately and effectively. Talking about climate change and raising awareness of the negative impacts of global warming has taken on new urgency as we start to see drastic changes in weather patterns taking place all around us. The time has come to slow down the warming of the planet before it becomes an irreversible reality.

2020 witnessed vital milestones that showcase how CIB embeds climate action and global initiatives. CIB is the first Egyptian Bank to conduct a portfolio environmental impact assessment. In addition, we are the first Egyptian bank to join the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information.

On the pages of this report, you will be able to read about all of our initiatives in great detail. It is our sincere hope that we can help lead and inspire others to do the same. We believe that being Egypt's largest private sector bank is not just about the size of our balance sheet; it comes with accountability and responsibility to driving a system transformation towards mainstreaming sustainable finance.

Fellow Stakeholders,

It is my honor and privilege to address you today as CIB's first Chief Sustainability Officer, a role that I proudly embark on with a mandate to establish CIB's Sustainable Finance Division. The new division ensures the centrality of Sustainability as a core business strategy for CIB. At the Board and Senior Management level, the clear mandate is to enact a system transformation, integrating and weaving Sustainability and ESG into the fabric of everything we do and creating the proper structure to ensure the Bank's positive impact on inclusive growth.

Thus, it was compelling to conceive new structures and systems. Towards this end, a proprietary Sustainability Institutional Framework has been established to include six pillars:

sustainable finance governance, policy and frameworks, management system, strategy, communication and education, and innovation.

The Bank's sustainability structure has been shaped by "System Thinking"; the overarching philosophy behind CIB's Sustainable Finance Policy and Strategy. System thinking inspires and accelerates the shift toward conceiving innovative business models that show sensitivity to our economies' circular nature and leverage valuable connections with our ecosystem to enhance inclusive growth and sustainable development.

CIB's journey with Sustainability has constantly been evolving over the last decade. Perusing the Bank's GRI reports issued over the previous five

years, one can perceive the inventory of sustainability initiatives and achievements that testify to the Bank's diligence and early commitment to the ESG pillars. Financial inclusion, energy efficiency, carbon footprint, and gender equality are flagship endeavors that duly earned CIB listing in Global indices, including FTSE4Good, Carbon Disclosure Project, and Bloomberg Gender Equality Index.

CIB has been raising the bar for the Bank's ambition to enact sustainability. The COVID-19 crisis did not deter the Bank's resolve to evolve and innovate. The year 2020 heralded the CIB flagship initiative issuing Egypt's USD 100 million first corporate Green Bond in Egypt in coordination with the IFC.

Dr. Dalia Abdel Kader
Chief Sustainability Officer



LONGSTANDING LEADERSHIP

- CIB at a Glance
- Board of Directors
- Representative Offices, Strategic Subsidiaries, and Associates
- Business Activities
- Awards and Recognition



As Egypt's leading private sector bank, CIB is dedicated to creating outstanding stakeholder value and transformative financial solutions, not only to our broad range of clients but also to broader Egyptian society.



CIB at a Glance²

As Egypt's leading private sector bank, CIB is dedicated to creating outstanding stakeholder value and transformative financial solutions, not only our broad range of clients but also broader Egyptian society. We deliver innovative products and services to our customers that satisfy their banking needs and enable them to take greater control of their financial lives. At the same time, we are committed to the principles of sustainable and responsible business, which manifests in our efforts to incorporate environmental, social, and governance (ESG) practices into every aspect of our operations. Our Sustainable Finance Steering Committee and Sustainable Finance Department are leading the continuous effort to better identify our areas of material ESG exposure as well as develop proactive strategies to mitigate negative impacts and maximize positive ones.

CIB has built a well-established, nationwide business, encompassing over 1,121 ATMs, 208 branches and banking units, and 7,071 employees. Our extensive resources allow us to provide tailored services to our clients, which encompass hundreds of thousands of retail customers spanning all socioeconomic backgrounds, as well as the SME and corporate enterprises and major institutions that drive Egypt's economy. We also operate representative offices in Dubai and Addis Ababa, which enable us to expand our business to key markets in Africa and the Middle East while capitalizing on the synergies inherent in CIB's business model. In addition, the Bank has four strategic subsidiaries and affiliates: CVentures, Mayfair CIB Limited, Falcon Group, and Fawry Plus. We also hold direct ownership in

Damietta Shipping Marine Services and Al Ahly Computer Equipment Company. CIB's ongoing effort to embody the principles of responsible business and investment is woven throughout all of our activities, including those of our subsidiaries and affiliates.

The Bank's adoption of the latest technological solutions has allowed us to maintain our competitive edge within Egypt's banking sector, increase the efficiency of our operations, deliver unique solutions for our customers, and develop an engaging work environment. Digital resources have also been key to our efforts to promote financial inclusion, as CIB has developed innovative products and services targeting underserved and underbanked groups, including rural communities, women, and low-income and migrant workers.

For several years, CIB has enjoyed the titles of most profitable bank operating in Egypt and the bank of choice for over 500 of Egypt's largest corporations. It has been awarded numerous accolades from prestigious bodies throughout the year, including the World's Best Emerging Markets Bank by Global Finance in 2020.

CIB also strives to lead the way in Egypt's banking sector in regards to global sustainability initiatives. In many cases, we have been the first bank in Egypt to adopt global guidelines and disclosure frameworks around carbon emissions, environmental impacts, responsible banking, and gender equality. We are also proud to be the first Egyptian Bank on the Bloomberg Gender Equality Index, a position we maintained in 2020 for the third year in a row.



CIB has been named the World's Best Emerging Market's Bank by Global Finance in 2020.

(2) G102-7



Board of Directors



Mr. Sherif Samy

- Non-Executive Chairman
- Chair of the Audit Committee and Governance and Nomination Committee
- Member of the Compensation Committee

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

Mr. Samy served a four-year term, ending in 2017, as Chairman of Egypt's independent non-banking Financial Regulatory Authority (FRA). During his tenure, he oversaw a major legislative and regulatory leap in capital markets, insurance, mortgages, leasing, private pensions, factoring, and microfinance. He was a member of the board of the Central Bank of Egypt from 2013 to 2017, serving on its Monetary Policy Committee and chairing its Audit Committee. Mr. Samy was also chairman of the

Financial Services Institute and the Egyptian Institute of Directors as well as a member of the boards of the country's National Payment Council and its Anti-Money Laundering Unit.

In 2014, Mr. Samy became the first Egyptian to be elected to the board of the International Organization of Securities Commissions (IOSCO), and he was reelected for a second term in 2016. He was also elected president of the Union of Arab Securities Authorities in 2016-17. Prior to that, he was the managing director of Banque Misr's investment arm, Misr Capital and a board member at Banque du Caire. Starting in 2007, he was appointed for several consecutive terms to the board of the General Authority for Investment and Free Zones (GAFI). Mr. Samy started his professional career with global consulting firm Accenture, where he worked in its Chicago, Riyadh, and Beirut offices. He graduated from Alexandria University's Faculty of Commerce with high distinction and attended numerous executive programs at leading business schools in the US and Europe focusing on the areas of strategy, management, and investment.



Mr. Hussein Abaza

- Chief Executive Officer and Board Member
- Chair of the Management Committee and High Lending and Investment Committee

Mr. Hussein Abaza leads strategy and operations at CIB, where he has been the CEO and a member of the Board of Directors since March 2017. He assumed this position after a six-year run as CEO of Institutional Banking. Prior to this, he was the Bank's Chief Operating Officer and, from 2001 to 2010, its Chief Risk Officer responsible for managing credit, market, and operational risk. Mr. Abaza is also a member of the Bank's award-winning investor relations program, which has helped CIB grow its

market capitalization over tenfold since 2008. Previously, he served as Head of Research and then Managing Director at EFG Hermes Asset Management from 1995 until his return to CIB in 2001. Mr. Abaza joined CIB after obtaining his BA in business administration from the American University in Cairo. He has pursued post-graduate training and education in Belgium, Switzerland, London, and New York.



Dr. Amani Abou-Zeid

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

H.E. Dr. Amani Abou-Zeid is the African Union (AU) Commissioner in charge of infrastructure, energy, ICT, and tourism. For more than 30 years, Dr. Abou-Zeid has served in leadership positions in international organizations and has amassed a remarkable mix of experience across continents. She has managed the African Development Bank's largest operational portfolio and implemented national and continental multi-sectoral development programs, including the development of the world's largest solar power plant. As African Union Commissioner, she launched the Single African Air Transport Market, which benefits 800 million Africans and delivers on the first flagship project for African Integration under the African Union Agenda 2063. She also launched Africa's digital transformation strategy to foster leapfrogging development as well as the second 10-Year African Program for Infrastructure Development and many other cross-continental initiatives.

Dr. Abou-Zeid was named in 2012 and 2019 as one of the Most Influential Women in Africa and Egypt. She has been decorated with the Wissam

Alaouite in Morocco, named Personalité d'Avenir in France, and awarded the Outstanding Alumni Award from the University of Manchester in the UK, among other international awards and recognitions. Dr. Abou-Zeid is a member of the prestigious Global Leaders Broadband Commission for Sustainable Development, the Global Council on Digital ID, the Global Commission for Urgent Action on Energy Efficiency, and the Stewardship Board for the System Initiative on Shaping the Future of Energy. Dr. Abou-Zeid sets an example for women in STEM and in leadership. She has long been recognized as a champion of gender equality and women's empowerment. An Egyptian national, Dr. Abou-Zeid received her BSc in electrical engineering from Cairo University, an MBA from Université Senghor, an MPA from Harvard University, and a PhD in social and economic development from the University of Manchester.



Mrs. Magda Habib

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

Mrs. Magda Habib is the co-founder and Chief Executive Officer of Dawi Clinics, a chain of primary care clinics established in Egypt in 2016. Mrs. Habib has vast experience in the technical information technology and electronic payments fields, as well as smart banking solutions. She brings 25 years of expertise in various managerial arenas, including strategic brand management, consumer and retail marketing, corporate communications, and investor relations. She was also a co-founder, board member, and Chief Commercial, Marketing and Strategy Officer at Fawry Banking and Payment Technology Services. As a co-founder and a key member of the executive team, Mrs. Habib helped establish Fawry as the leading electronics payment

platform in Egypt with more than 50,000 payment points nationwide. Mrs. Habib's journey with Fawry culminated with a successful exit to a consortium of private equity funds in 2015. Prior to Fawry, Mrs. Habib spent nine years as a member of Raya Holding's executive team, where she played a key role in the merger and development of Raya Group, as well as being responsible for the creation and development of the Raya brand during its evolution into one of Egypt's leading technology players. Mrs. Habib obtained an MBA from INSEAD, France. She holds a BSc with honors in computer science from the American University in Cairo.



Mr. Paresh Sukthankar

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

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

in 2018. Mr. Sukthankar has been a member of various committees formed by the Reserve Bank of India and Indian Banks' Association. Prior to joining HDFC Bank, Mr. Sukthankar worked in Citibank from 1985 to 1994, serving in departments including corporate banking, risk management, financial control, and credit administration. Currently, Mr. Sukthankar is the Lead Partner at Sanaksh Advisors LLP, a firm providing advisory services to private equity, venture capital, and other entities. Mr. Sukthankar received a BCom from Sydenham College and an MBA from Jamnalal Bajaj Institute of Management Studies, University of Mumbai. He has also completed the Advanced Management Program at Harvard Business School.



Mr. Rajeev Kakar

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

Mr. Rajeev Kakar is a seasoned banker, entrepreneur, and corporate board member. He has over three decades of global banking experience and expertise in financial services, with a particular focus on local corporate, commercial, MSME and retail banking in high-growth emerging markets in Asia Pacific, Europe, India, MENA, and the GCC. Mr. Kakar has a strong track record of successfully operating large banks and financial institutions, and he is known for leading business turnarounds. He has a demonstrated ability to conceptualize and execute multi-country business strategies, lead acquisitions and business transformations, launch greenfield financial services businesses, and deliver profitability over a sustained period. At the same time, he is committed to community and has served on several boards across different countries.

Mr. Kakar started his career at Citibank NA and worked there for two decades until 2006 when

he left his role as the Regional Head and CEO for the Turkey, Middle East, and Africa region. He moved on to become the global co-founder of Fullerton Financial Holdings, Singapore where he served for 13 years on the Global Management Board as the Executive Vice President and Global Head of Consumer Banking. He was also the CEO for the CEEMEA Region at Fullerton Financial from 2006 to 2017. During the same period, Mr. Kakar founded Dunia Finance LLC, Fullerton's UAE subsidiary, which he operated as its Managing Director and CEO until 2018.

Mr. Kakar serves on the boards of several banks and financial institutions, including Eurobank Ergasias SA in Greece, Gulf International Bank Bahrain, Gulf International Bank Saudi Arabia, CIB Egypt, UTI Asset Management Company in India, and Satin Credit Care Networks in India. He has also been a member of the Global Advisory Board of the University of Chicago's Booth School of Business since 2009.



Mr. Jay-Michael Baslow

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

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

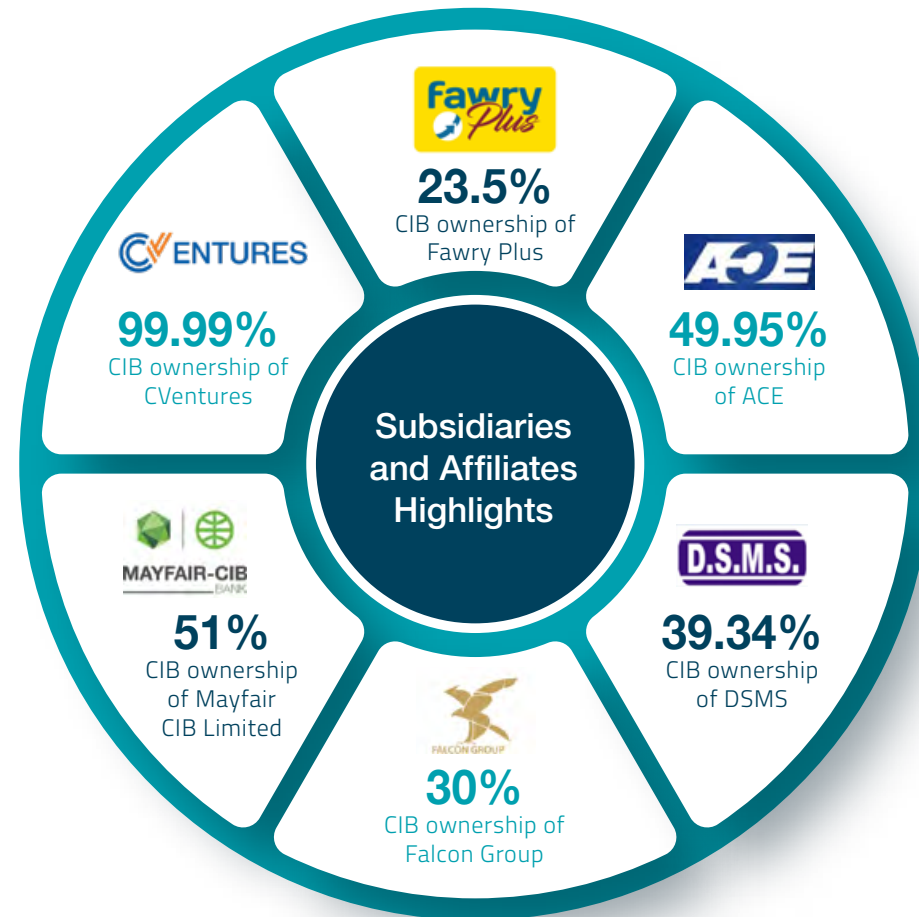
During the late 1990s, Mr. Baslow was an investment banking client executive at Chase Securities covering global telecommunications

operators and equipment manufacturers from the bank's New York headquarters. He started his career with Chemical Bank in the 1980s, first as a technologist and then as a real estate investment banking analyst. In addition, Mr. Baslow served as a strategy consultant in the media and telecoms industry at Booz Allen & Hamilton. He co-founded Frictionless Commerce Incorporated, a strategic sourcing software startup in Cambridge, MA, where he was Chief Financial Officer and a member of the board. He also served previously as the Associate Dean for Resource Development at Harvard Medical School, overseeing major gifts and planned giving operations. Mr. Baslow received his BA in mathematics from the University of Pennsylvania and an MBA in finance from the Wharton School.





Representative Offices, Strategic Subsidiaries, and Associates³



Dubai Representative Office

CIB launched its UAE operations in 2005, establishing a direct presence in the GCC region to offer a full range of products to retail and corporate clients. The Dubai Representative Office offers existing and new customers consultation services regarding the Egyptian market, leveraging CIB's strong business foothold and track record. The business focuses on attracting and channeling inbound investments as well as cementing relationships with reputable GCC corporations investing in Egypt and Africa. It also targets high-net-worth individuals and business banking clients with an appetite for the Egyptian market.

CIB's Dubai operation creates a bridge between the GCC and Egyptian markets to provide growth opportunities for the Bank. It expands the business portfolio and plays a key role in building relationships with large corporate and financial clients, providing exclusive services tailored to their unique needs. The market segment covered by the Strategic Relations Group contains strategic entities including, but not limited to, the vast majority of sovereign diplomatic missions.

(3) G102-2 | G102-6



Dubai, Terra Sustainability Pavilion at the EXPO 2020

Addis Ababa Representative Office

CIB established its Ethiopia Representative Office in April 2019 in Kirkos Sub City, Addis Ababa, and the office has been fully operational since 19 July 2019. The office works closely with Egyptian corporations operating in Ethiopia, as well as international and local financial institutions, to offer creative solutions for their foreign and local financing needs. It is cultivating relationships with Egyptian expatriates in Ethiopia and developing strong ties with Ethiopian banks to pave the way to offering on-the-ground market intelligence in the country. Entering one of the most attractive markets in the region with consistently high annual growth and the second largest population in Africa is enabling CIB to execute on its expansion strategy and unlock new opportunities.



CVentures

CVentures is Egypt's first corporate venture capital firm owned

by a bank and focused primarily on investing in category-defining companies using technology to create meaningful transformation in financial services. The firm primarily participates in Series A and Series B investment rounds as well as seed investment rounds in core financial applications including, but not limited to, capital markets and payments, money transfers and remittances, digital lending and financial data platforms, artificial intelligence, data analytics and machine learning, security and enterprise IT, insurtech, blockchain, marketing and customer experience, alternative finance, regtech, and digital banking solutions.



Mayfair CIB Bank Limited

In April 2020, CIB acquired 51% of Mayfair Bank Kenya, now known as Mayfair CIB Bank Limited (MCIB), with a share subscription of USD 35.5 million. This marked CIB's first cross-border acquisition into Sub-Saharan Africa. CIB's strategy for this subsidiary will focus on trade finance activities, with special attention paid to growing the Egypt-Kenya trade corridor, building a bridge for Egyptian corporates and SMEs to do business in East Africa, and serving multinational and local SMEs in Kenya. CIB anticipates that this business will serve as a hub for activity in the East Africa region, providing access to ample opportunities which leverage Kenya's strong economic fundamentals, strategic

location, and membership in the Common Market for Eastern and Southern Africa.

The acquisition is in line with CIB's strategy to restore Egypt's relations with its African neighbors. It also aligns with the continental effort to increase intra-African trade, which led to the ratification of the African Continental Free Trade Area. The bloc will have a GDP of USD 2.6 trillion and a market of 1.3 billion consumers, 75% of whom are ages 35 and under. MCIB will facilitate knowledge transfer between Egypt and Africa. Already, CIB is investing in building a pool of young talent from across the continent at MCIB's head office in Cairo and subsidiary in Nairobi. Special attention is being paid to training, learning, and development as well as understanding Kenya's pioneering efforts in the fintech space.



Falcon Group

Falcon Group provides a plethora of services, such as security services, money transfer, technical systems, security products, public services and project management, and tourism and concierge services. Its customers span a variety of areas in the industrial, commercial, tourism, and public sectors. The group provides state-of-the-art, holistic solutions tailored to every client's specific requirements. Falcon Group's key strength lies in its single-point-of-contact solutions that ensure it provides consistent services that are high quality, low risk, flexible, and affordable.



Fawry Plus

Fawry Plus is Egypt's first agent banking company. It provides a wide array of banking and financial services to end consumers and businesses through a network of retail branches across Egypt, with a focus on urban and underserved regions. Branches provide banking services, including the limited know-your-customer (KYC) services and document collection required for mobile wallet registration, prepaid and credit card issuance, loan issuance, and account opening. Other services include the collection of bank correspondence and mail, cash withdrawal and deposits, loan and credit card payments, and bill and tax payments.



The River Nile, Cairo, Egypt



Business Activities⁴

Institutional Banking

Corporate Banking and Global Customer Relations Group

Widely recognized as Egypt's preeminent corporate bank, CIB's customers range from industry-leading corporates to medium-sized businesses.

Debt Capital Markets

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

Direct Investment

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

Financial Institution Group

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

Treasury and Capital Market Services

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

Strategic Relations Group

CIB is dedicated to servicing its prime institutional entities through the Strategic Relations Group. The group's highly qualified relationship managers supply our customers with specialized lending solutions, cash management services, credit and debit card offerings, and in-depth competitive analysis.

Enterprise and Governmental Relations Group

The Enterprise and Governmental Relations Group manages the Bank's relationship with strategic

governmental and large enterprises. It provides first-class service and lifetime value for top-tier local and regional companies under state-owned enterprises, governmental entities, and sovereign authorities.

Global Transaction and Digital Banking Group

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

Retail Banking

Consumer Banking

The Consumer Banking division is the core engine of CIB's dynamic service offering, providing a broad range of retail clients across the Prime, Plus, Wealth, and Private segments with an extensive bundle of products and services tailored to satisfy their needs. These products encompass a diverse array of lending solutions, cash management and card offerings, and financial advisory services.

Business Banking

The Business Banking segment serves over 54,000 SMEs with revenues ranging from EGP 1 million to over EGP 200 million. Our network of over 100 experienced relationship managers works with clients across industries, providing market-leading services and innovative, bespoke solutions. CIB is committed to maintaining its position as the bank of choice for business owners in Egypt.



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Awards and Recognition 2020

- ▶ Best Bank in Egypt Award by Euromoney
- ▶ World's Best Emerging Market Bank Award by Global Finance
- ▶ Best Foreign Exchange Provider in Egypt Award by Global Finance
- ▶ Best Treasury and Cash Management Providers in Egypt Award by Global Finance
- ▶ Best Private Bank in Egypt Award by Global Finance
- ▶ Best Bank in Egypt Award by Global Finance
- ▶ Best Regional Bank in North Africa Award by African Banker
- ▶ Best Domestic Bank in Egypt Award by Asiamoney
- ▶ Best Digital Bank in Egypt Award by Asiamoney
- ▶ Pan-Africa Sustainability Award by EMEA Finance

Notable Rankings

Ranked 28th on Forbes Middle East's Top 100 Listed Companies in the Arab World

Ranked highest of the four Egyptian companies on the Top 200 Banks List by Jeune Afrique

Ranked highest on the Top Banks by African Business and Top 10 Safest Banks in Africa lists by Global Finance

CIB has been named World's Best Bank in Emerging Markets by Global Finance for the third time in four years, having received the same title from Euromoney in 2017 and Global Finance in 2018.

WORLD'S BEST CONSUMER DIGITAL BANK IN THE MIDDLE EAST 2020 AWARD BY GLOBAL FINANCE

- ▶ Best Consumer Digital Bank
- ▶ Best Integrated Consumer Banking Site
- ▶ Best Online Product Offerings
- ▶ Best Website Design
- ▶ Best Mobile Banking App
- ▶ Best Information Security and Fraud Management
- ▶ Most Innovative Digital Bank
- ▶ Best Open Banking APIs

WORLD'S BEST CORPORATE/INSTITUTIONAL DIGITAL BANK IN THE MIDDLE EAST 2020 AWARD BY GLOBAL FINANCE

- ▶ Best Online Treasury Services
- ▶ Best Online Portal
- ▶ Best Integrated Corporate Banking Site
- ▶ Best Information Security and Fraud Management
- ▶ Best Mobile Banking Adaptive Site
- ▶ Most Innovative Digital Bank
- ▶ Best Open Banking APIs





GROWING RESPONSIBLY

- Our Sustainability Journey at a Glance
- Sustainable Finance Institutional Pillars
- Integrating ESG Principles
- Advancing Sustainable Financing

The Egyptian government has set targets for renewables to make up 42% of the country's electricity mix by 2035.



Our Sustainability Journey at a Glance

Despite unprecedented global challenges, 2020 was a pivotal year in CIB's sustainability journey. We developed new benchmarks for integrating ESG principles across our operations which reflect our institutional maturity. These benchmarks set new targets that will allow us to continue building on the successes of the past eight years of our sustainability program.

We began this journey in 2013, and since then the CIB Sustainability Department has led the process of developing, managing, and advocating numerous initiatives. Our efforts have focused on the integration of global ESG practices into our institutional decision-making processes as well as our wider product and services offerings. Over the years, CIB has developed green financing offerings and financial inclusion products. We have paid diligent attention to digital channels as key enablers to wider customer outreach and value creation.

From 2016 onwards, we have aligned our strategy with Egypt's national economic reform program. This was the same year that CIB launched its first Environmental and Social Risk Management System in response to the global focus on environmental and climate risks. Between 2017 and 2020, we evolved our sustainability monitoring and reporting practices into our well-defined Sustainability Framework, the first comprehensive value creation model in the Egyptian banking sector.

In 2020, we have maintained momentum and achieved new gains through a major restructure and consolidation of our Sustainable Finance activities under the newly established Sustainable Finance Department headed by the Chief Sustainability Officer. These changes reflect the commitment of the Bank's senior management to integrate ESG throughout our institution. The department has an exemplary structure that

incorporates state-of-the-art sustainability systems and frameworks to guide us in the processes of stakeholder engagement, innovative strategy setting, and execution.

This structured approach has already materialized several milestones. Our ESG commitment was crystallized with the execution of an environmental and social assessment of our lending portfolio. As a founding signatory of the Principles for Responsible Banking, in March 2021, CIB published its first self-assessment on the UN Environmental Program Finance Initiative's (UNEP-FI) Principles for Responsible Banking, which are employed by over 220 banks representing more than 40% of the global banking industry. These principles are intended to keep the banking sector accountable to communities and the planet by challenging us to develop investment portfolios and financing facilities that are greener and more inclusive.

To complement our commitment to the Principles for Responsible Banking, CIB in 2020 took solid steps towards the issuance of Egypt's first corporate green bond and continued to expand our green financing facilities. We simultaneously took bold steps regarding environmental and climate action by measuring, monitoring, and reducing our energy and water consumption. CIB has set a target to reduce our carbon footprint by 10% by 2025.

CIB's commitment to sustainable finance must be understood in the context of other efforts to assess our portfolio impact and take meaningful action to combat climate change. We have introduced a cutting-edge model that will set the tone for our efforts to further embed ESG principles in our mainstream activities, with a focus on risks and opportunities related to our business activities.



In March 2021, CIB published its first self-assessment on the UNEP-FI Principles for Responsible Banking, which are employed by over 220 banks representing more than 40% of the global banking industry.



Coral Reefs, Red Sea



Sustainable Finance Institutional Pillars

To safeguard its mandate to integrate sustainability across the Bank's policies, operations, and culture, CIB has conceived a structured approach to ensure thorough ESG integration at an institutional level. This was achieved through the development and adoption of a comprehensive framework: CIB's Sustainable Finance Institutional Pillars.



SUSTAINABLE FINANCE GOVERNANCE



SUSTAINABLE FINANCE POLICY & FRAMEWORKS ARCHITECTURE



SUSTAINABLE FINANCE MANAGEMENT SYSTEM (ESMS)



SUSTAINABLE FINANCE STRATEGY



SUSTAINABLE FINANCE COMMUNICATION AND EDUCATION



SUSTAINABLE FINANCE INNOVATION

Pillar 1: Sustainability Governance

CIB worked on enhancing its sustainability governance structure in 2020 to enable bank-wide involvement in ESG integration as well as incorporate monitoring and reporting as core components of senior management decision-making.

The key features of our progressive sustainability governance structure are as follows:

Board Sustainability Committee*

The Board Sustainability Committee acts on behalf of the Board in overseeing all sustainability-related efforts undertaken by the Bank. It supports the integration of ESG principles across CIB to generate value for all stakeholders. The committee reviews CIB's sustainable finance policy, framework architecture and strategy, and oversees their implementation in alignment with stakeholders' interests and with evolving landscape and technology. It also ensures the Bank employs a disclosure strategy demonstrating transparency and accountability to its stakeholders.

Sustainable Finance Steering Committee

The Sustainable Finance Steering Committee (SFSC) is a cross-functional committee that

includes board and executive management representation. Its mission is to establish, guide, empower, and monitor the Sustainable Finance Department, in line with CIB's business needs and international best practices. The committee ensures seamless integration of the ESG pillars across all of the Bank's policies, operations, functions, and lines of business.

Sustainable Finance Department

The Sustainable Finance Department ensures the centrality of sustainability to our business strategy and provides a solid platform for the integration of sustainability and ESG principles across the Bank's functions.

Chief Sustainability Officer

The Chief Sustainability Officer heads the Sustainable Finance Department and serves as a member of the SFSC. CIB's development of this position marks a new stage in our journey to integrate ESG principles into our organizational structure and lead the way in making sustainable finance key to Egypt's banking sector.

(*) Planned in 2020 and enacted in Q1 2021.



CIB upgraded its sustainability governance structure in 2020 to enable bank-wide involvement in ESG integration as well as incorporate monitoring and reporting as core components of senior management decision-making.



Sustainability Strategic Network

The Sustainability Strategic Network (SSN) is a cross-functional, multi-stakeholder organizational structure that employs a knowledge-based and action-oriented network to advance broadly articulated sustainability issues. It comprises key representatives from across the Bank, linking functions and departments together. The SSN is an integral component of the Bank's sustainability governance structure, as it ensures an inclusive and participatory approach to embedding sustainability within CIB.

Pillar 2: Sustainable Finance Policy and Frameworks Architecture⁵

Sustainable Finance Policy

Building on the CIB Policy Statement issued in 2014, the Bank issued its Sustainable Finance Policy that has been concurred by the SFSC and the Management Committee as well as approved by the Board of Directors.

The policy asserts CIB's commitment to implementing sustainable finance across its business lines by integrating ESG principles into its policies, procedures, operations, and culture. This policy defines a comprehensive framework that translates the Bank's commitments into actions and ensures proper monitoring of implementation. This policy is supported by a series of additional policies catering to specific themes, sectors, and lines of business.

Frameworks Architecture

To ensure the effective implementation of our policies, our sustainable finance strategic direction, integrated monitoring processes, and sound reporting parameters, CIB has committed to the adoption of several national frameworks and global standards. These commitments will enable us to advance CIB's sustainable finance practices, enhance its ESG performance, and assert its leadership position at the national, regional, and global levels. As part of this effort, the Bank aims to pursue the following goals:

- Enhance understanding of risks through more accurate assessment of environmental and social impacts and their dependencies.
- Safeguard the Bank's balance sheet against climate and other associated ESG risks.

- Ensure continuous yet responsible growth and sustainable profitability.
- Conduct research to better inform investment and capital raising decisions in light of the growing prominence of ESG criteria.
- Increase access to lenders and investors who have specific ESG investment criteria.
- Strengthen lender and investor confidence in the Bank's approach to ESG risks and opportunities.
- Enhance our ESG credentials and achieving a higher credit rating while reducing lower reputational risks associated with non-ESG practices.
- Improve internal understanding and endorsement of the Bank's ESG credentials.
- Seize opportunity where the market demonstrates increased interest in ESG-linked financial instruments.

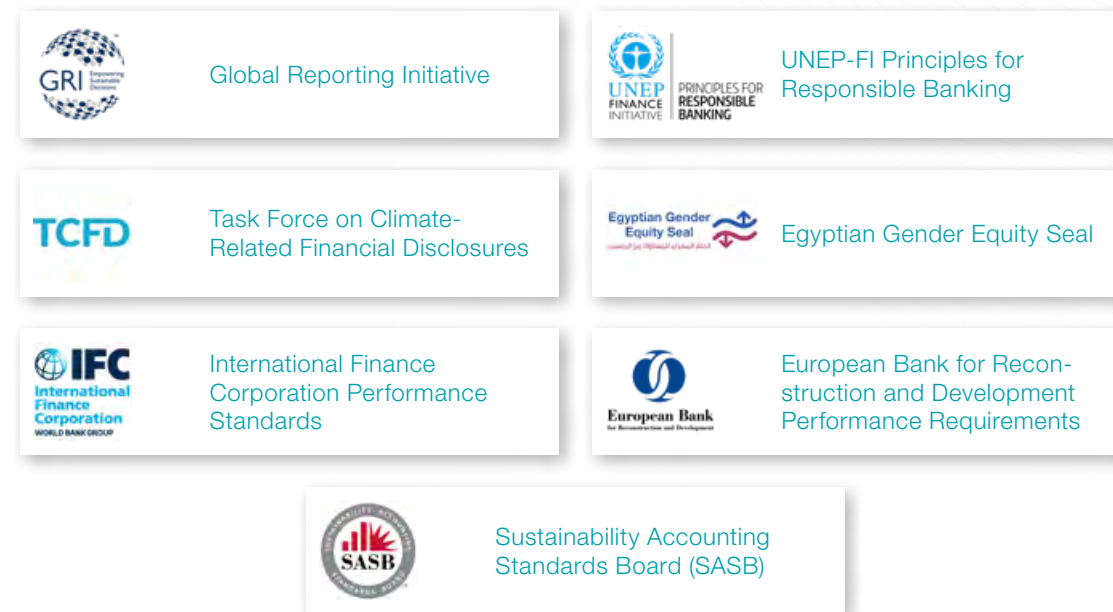
Glimpse of Emerging Global Standards

Sustainability Accounting Standards Board Standards

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

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

CIB's global commitments can be summarized through its monitoring and reporting KPIs which align with the following standards and frameworks. Some of these are presently under implementation:



The current sustainability report reflects CIB's efforts to apply the SASB Standards across five factors:

1. [Data security \(Read on: Governance\)](#)
2. [Financial inclusion and capacity building \(Read on: CIB Financial Inclusion Commitments\)](#)
3. [Incorporation of ESG factors in credit analysis \(Read on: Managing E&S Risks\)](#)
4. [Business ethics \(Read on: Governance\)](#)
5. [Systematic risk management \(Read on: Governance\)](#)

Task Force on Climate-Related Financial Disclosures (TCFD) Guidelines, which support climate-related risk mitigation.

Created in 2015, the TCFD is a reporting framework established by the Financial Stability Board as a coherent set of climate-related financial risk disclosures for companies, banks, and investors to employ to provide information to stakeholders.

Task Force on Climate-Related Financial Disclosures

CIB understands that financial markets need clear, comprehensive, high-quality information concerning the impacts of climate change on risks and opportunities. This is why we are the first bank in Egypt employing the

(5) G102-12

In deploying these guidelines, CIB intends to achieve the following key objectives:

- Identify, assess, and manage climate-related risks to CIB's investments and credit portfolio.
- Identify opportunities to finance new projects aimed at reducing and adapting to climate change effects.
- Improve CIB's environmental and social (E&S) risk management system and reduce our non-performing loan ratios.
- Understand how climate change risks affect strategy, performance, and prospects.

The guidelines will enable CIB to gain better access to capital by increasing investor and lender confidence in the Bank's management of climate-related risks. They will position CIB as a pioneer and will facilitate our adherence to requirements developed by the Central Bank of Egypt, the Financial Regulatory Authority, and international financial institutions. Lastly, our use of the TCFD will complement our efforts to promote climate-resilient development in line with national efforts to build a green economy, adhere to the Paris Climate Agreement, and advance the UN Sustainable Development Goals (SDGs).

UNEP-FI Principles for Responsible Banking

The UNEP-FI is a partnership between the UNEP and the global financial sector to mobilize private sector finance for sustainable development. It supports global financial institutions in integrating sustainability into financial market practice and ensures private finance fulfills its role in achieving the SDGs and the Paris Climate Agreement targets.

CIB is one of the founding members of the UNEP-FI Principles for Responsible Banking. The story of their development and the preparation of our first Principles for Responsible Banking Report 2020 are detailed in this report in Section 4: Responsible Banking.

Egyptian Gender Equality Seal

The Egyptian Gender Equality Seal (EGES) is based on the World Bank Gender Equity Model (GEM), which has been successfully implemented in various countries and aims to promote gender equity and eliminate gender discrimination and practices hindering the promotion of women in the workforce. The GEM assesses the

gender equity status of private sector companies in the four main areas of recruitment, career development, family-work-life balance, and sexual harassment policies.

As a result of its early adoption, advocacy, and championing the cause of gender equality within the Bank, CIB was selected to be one of the first two private sector companies to participate in the relaunch of the Egyptian Gender Equity Seal (EGES) certification process in 2019/2020.

CIB's efforts to close the gender gap and promote sustainable, inclusive growth within our business is detailed in this report in Section 12: The CIBians.

International Finance Corporation Performance Standards

The International Finance Corporation's (IFC) Sustainability Framework encompasses the following:

- Policy and Performance Standards on Environment and Social Sustainability
- Access to Information Policy

The Performance Standards provide recipients of IFC support with guidance on how to identify, avoid, mitigate, and manage risks and impacts. They provide information on client stakeholder engagement and disclosure obligations in relation to project-level activities, with the aim of promoting responsible and sustainable business practices.

The eight Performance Standards cover the following areas:

1. Assessment and management of environmental and social risks and impacts
2. Labor and working conditions
3. Resource efficiency and pollution prevention
4. Community health, safety, and security
5. Land acquisition and involuntary resettlement
6. Biodiversity conservation and sustainable management of living natural resources
7. Indigenous people
8. Cultural heritage

European Bank for Reconstruction and Development Performance Requirements and Guidance

The European Bank for Reconstruction and Development (EBRD) has developed 10 Performance Requirements covering E&S impacts to help clients design and operate projects in compliance with international best practices for sustainable development. All EBRD-financed projects must be in compliance with the requirements, which cover the following areas:

1. Assessment and management of environmental and social risks and impacts
2. Labor and working conditions
3. Resource efficiency and pollution prevention and control
4. Health, safety, and security
5. Land acquisition, restrictions on land use and involuntary resettlement
6. Biodiversity conservation and sustainable management of living natural resources
7. Indigenous people
8. Cultural heritage
9. Financial intermediaries
10. Information disclosure and stakeholder engagement



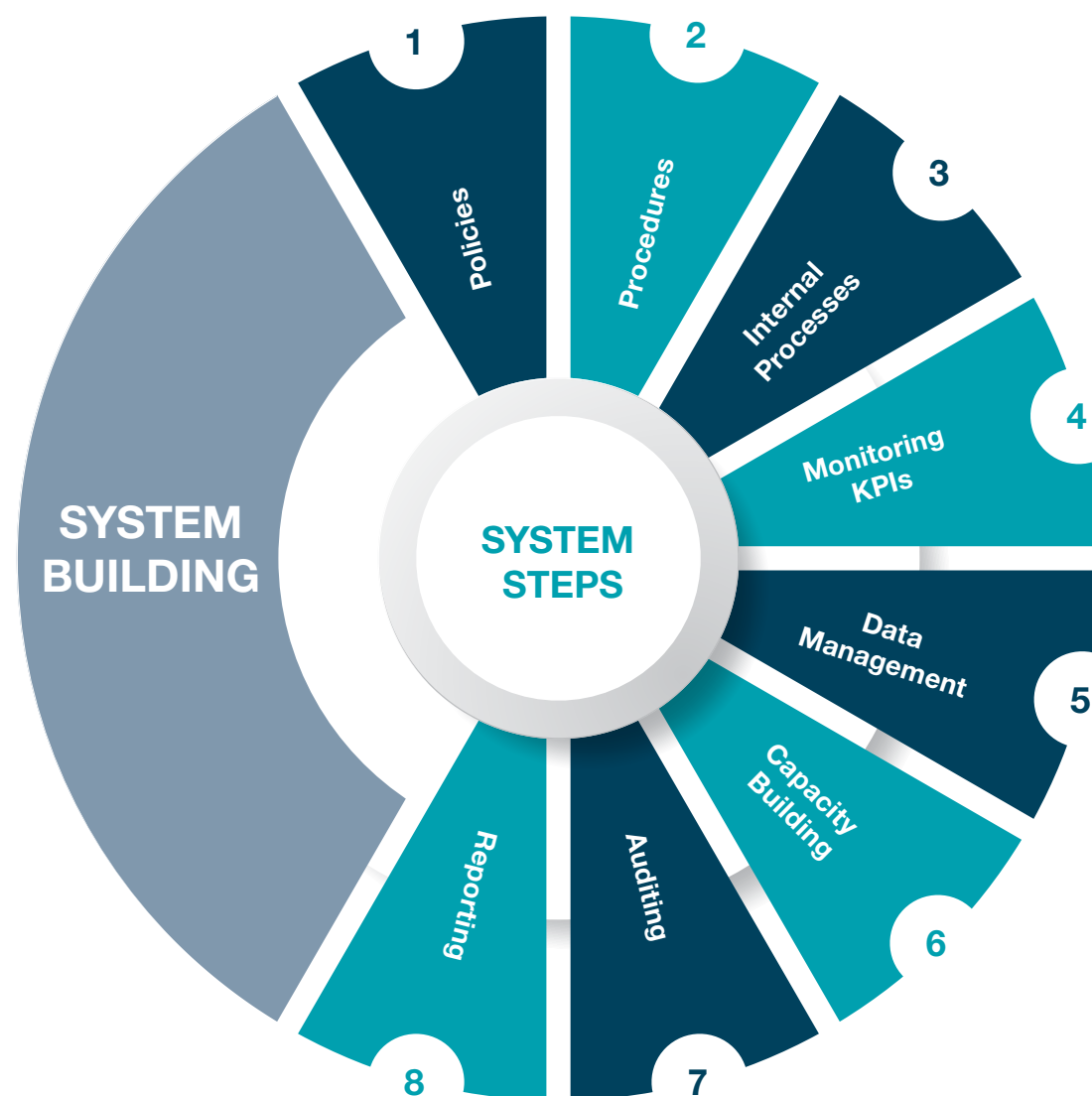
As a result of its early adoption, advocacy, and championing the cause of gender equality within the Bank, CIB was selected to be one of the first two private sector companies to participate in the relaunch of the Egyptian Gender Equity Seal (EGES) certification process in 2019/2020.

Pillar 3: Sustainability Management System

In parallel to developing its sustainability governance structure, CIB is establishing a robust sustainability management system that will encompass policies, procedures, and internal processes. The system will incorporate global practices and frameworks to enhance daily key performance indicator (KPI) monitoring and risk assessment.

This will, in turn, generate quality performance analysis to support decision making.

This system is described in more detail in this report in Section [6: Managing Environmental and Social Risks](#).



Pillar 4: Sustainable Finance Strategy

CIB recognizes the responsibility of the financial sector to drive system transformation with the aim of fostering sustainable and inclusive economic development. The Bank is committed to employing a holistic systems-thinking approach to growth and harnessing the powerful synergies that can result from connecting the financial sector with the broader ecosystem to redress environmental degradation, greenhouse gas emissions, climate change, pollution, poverty, inequality, and unemployment, among other challenges.

CIB asserts its commitment to:

- Achieving growth while advancing sustainable development.

- Delivering value creation to its stakeholders and the ecosystem, subject to its understanding and implementation of sustainable finance in its business operations.

- Aligning its sustainable finance strategy with Egypt's Vision 2030 and the UN SDGs.

CIB's approach to sustainable finance is comprised of interconnected pillars addressing the Bank's economic and ESG impacts. It also includes the optimization of the Bank's digital capabilities to support the implementation of sustainable finance initiatives.

CIB Sustainable Finance Policy

1. Driving Inclusive Growth: Business Activities

1.1. Environmental and Social Risk Management

CIB's E&S risk management is dynamic and progressive in terms of understanding and addressing the environmental, social, and evolving non-traditional risks of its portfolio, as well as the emerging systemic risks.

1.2. Climate-related Risks

CIB aims to create a robust framework for the Bank's risk management practices. This framework guarantees that the Bank is well protected against potential negative impacts arising from climate change and climate-related risks.

1.3. Revenue Generation

CIB's environmental and social risk management framework is used to determine, assess, and manage environmental and social risks in projects, and is primarily intended to provide a minimum standard for due diligence to support responsible risk assessment and decision-making in sustainable financing and investing, sustainable products and services, SMEs, microfinance, and entrepreneurship.

2. Managing Footprint

2.1. Ecological Footprint

CIB is committed to measuring, reducing, and improving the Bank's environmental footprint. CIB strives to meet high standards for safety and limit the environmental impact of its premises by regulating its emissions and ensuring the safe removal and management of its waste.

2.2. Social Footprint

CIB is committed to contributing to the development of human capital through its business operations by promoting gender equality, fair working conditions, talent management and development, diversity and inclusion, and social engagement. CIB does not tolerate discrimination, or any form of harassment based on gender, age, disability, ethnicity, or religious belief. CIB will assess social and environmental risks in its supply chain management and encourage local suppliers in its procurement process.

3. Sustainable Finance Initiatives

CIB aspires to make a positive contribution to the broader society by investing in and sponsoring initiatives and projects that have a positive impact on the environment and society at large.

4. Digital Transformation

CIB is committed to introducing innovative banking practices that are integral to its commitment to financial inclusion and to having a positive economic, social, and environmental impact.

Pillar 5: Sustainability Communication and Education

Sustainability Communication

Sustainability communication, advocacy, and outreach is key to the successful implementation of the sustainable finance strategic direction. This effort is also essential to positioning the CIB brand locally, regionally, and globally. Communication is crucial to both internal and external value creation, serving to drive growth and educate our clients in order to facilitate transformation.

One major achievement in the area of internal communication and education around ESG and sustainable finance practices is the creation of the Sustainability Strategic Network (SSN) by mandate of the Bank's Management Committee in December 2020. This dedicated community within CIB's employee base is committed to advancing the integration of sustainability throughout the Bank, in alignment with our overall strategic direction, national priorities, and international best practice. The SSN consists of two or more members from each department who support the CIB's ESG-related data collection and reporting process, among other responsibilities.

Sustainability Education

CIB understands that sustainability education is central to ensuring that our people have a mature understanding of the relevance of ESG principles to business growth as well as societal and environmental wellbeing.

In 2020, the Sustainable Finance and Learning and Development functions conceived the Sustainable Finance Academy (SFA) to provide

necessary training and capacity building for employees. The academy is designed to be a knowledge platform available to CIB staff with three levels: foundation, advanced, and certified training courses. It builds on a free online library with publications covering topics including climate change, circular economy, sustainable finance, frameworks and reporting, and the SDGs. The publications are sourced from global frameworks, including TCFD, UN-EP-FI PRB, EBRD, and IFC.

CIB plans to expand the scope of the Sustainable Finance Academy to clients and eventually peers, as well as other stakeholders across different phases corresponding with the Bank's systemic development.

Pillar 6: Sustainable Finance Innovation

With the aim of maintaining our position as the bank of choice and continuing to develop our commitment to ESG principles, CIB has adopted innovation as a key institutional pillar.

Our efforts at innovation are focused on:

- Exploring new areas of sustainable finance to maintain dynamic leadership at CIB.
- Remaining up to date on emerging trends and best practices to ensure CIB maintains a strong global reputation and continues to introduce progressive initiatives in the banking sector.

ESG innovation allows CIB to address and respond to changes in the following areas:

Changes in Risks	<ul style="list-style-type: none"> ■ Increased volatility of interest rates, inflation, equity prices, and exchange rates
Changes in Technologies	<ul style="list-style-type: none"> ■ Advances in technologies ■ Emerging digital channels ■ Usage of data analytics
Changes in Demand	<ul style="list-style-type: none"> ■ Greater sophistication of market participants
Changes in Market Dynamics	<ul style="list-style-type: none"> ■ Financial intermediary competition ■ Changing global patterns of financial wealth and wellbeing

Externally, the financial services industry holds significant responsibility in the area of ESG innovation, due to its integral role in supporting other businesses and sectors. The financial services industry has the capacity to disrupt existing product lines, improve user satisfaction and wellbeing, and create positive impacts at scale with speed. Growth in financial innovation entails reducing costs, facilitating risk sharing, improving allocative efficiency, and fostering sustainable economic development.

Internally, ESG Innovation is a cross-cutting approach that impacts multiple levels and types of business and operations.

CIB maintains its commitment to ESG innovation both internally and externally. Our practices regarding this pillar can be categorized into several areas, where CIB has demonstrated progressive performance:

ESG Innovation Types	Areas of Application in CIB
1. Profit Model	<ul style="list-style-type: none"> ■ Green finance and investment ■ Financial inclusion products (consumers and businesses)
2. Product Performance	<ul style="list-style-type: none"> ■ Distinguished offerings and functionality
3. Product System	<ul style="list-style-type: none"> ■ E&S credit risk assessment ■ Cost synergies ■ Digital migration
4. Services and Channels	<ul style="list-style-type: none"> ■ Services accessibility to underserved segments ■ State-of-the-art digital services
5. Networks and Partnerships	<ul style="list-style-type: none"> ■ Individualized relationship management ■ Partnership and collaboration for advancement and advocacy around sustainable finance
6. Structures and Processes	<ul style="list-style-type: none"> ■ CIB Sustainability Strategic Network ■ Sustainable Finance Education ■ ESG integration into policies and SOPs ■ ESG monitoring and reporting
7. Branding	<ul style="list-style-type: none"> ■ Leading signature ESG products and services
8. Customer Engagement	<ul style="list-style-type: none"> ■ Complementary advisory services to customers on ESG eligibility



Integrating ESG Principles

CIB recognizes that sustainable investments are gaining momentum globally. Investors are increasingly cognizant of the evolving ESG materiality factors that can affect risks and returns, as well as the rapidly growing ESG-related requirements in global capital markets. Beneficiaries and other stakeholders are also demanding enhanced transparency and positive impact creation.

In this context, CIB closely monitors the ESG landscape and remains a diligent participant in the global shift towards responsible investment. The Bank has taken actions towards integrating ESG principles into its governance, strategic direction, and material issues and risk assessments. These efforts are detailed more extensively later in this report. The aim of this report is to communicate to our investors and partners how our efforts to embrace ESG principles and contribute to broader initiatives to foster sustainable development enhance our performance and create new value for our stakeholders.

CIB's strategy around sustainable investments takes into account the following developments:

- A growing number of investors are incorporating ESG factors in their decision-making and stewardship practices in order to enhance their management of financial and non-financial risks as well as improve returns.
- Investors are supporting projects and financial products that generate particular environmental and social impacts, with the aim of addressing global challenges, such as climate change, natural resources depletion, and inequality.

- International investors and financial institutions are now presenting ESG disclosure and compliance requirements to their investees with the aim of improving risk management and helping investees develop more sustainable business practices.

The global investment community plays an active role in the development of market principles, standards, and frameworks on responsible investment, such as the UNEP-FI PRI and the UNEP Net Zero Banking Alliance.

Sustainability Accounting

By assessing and aligning our ESG practices to the SASB disclosure standards, CIB aims to embrace the principles of sustainability accounting. Identifying and managing the environmental and social impacts arising from our products and services is essential to creating long-term value. In a reflection of investors' interests within the financial sector, our impacts are identified in five main areas:

1. Environment
2. Social capital
3. Business model and innovation
4. Human capital
5. Leadership and governance



Advancing Sustainable Financing

In line with its strategic direction and sustainability goals, CIB has formalized its partnerships with international financial institutions to achieve compliance with international practices and standards as well as grasp economic and development opportunities.

Establishing partnerships with multilateral development banks generates various opportunities and benefits for the Bank and its clients, such as:

1. Strengthening CIB's capital base
2. Sustaining liquidity to expand financing to the private sector
3. Introducing new financial products and services
4. Promoting sustainable and responsible banking in Egypt
5. Introducing international best practices for organizational growth

6. Providing financing for development projects
7. Supporting Egyptian SMEs
8. Financing entrepreneurship and innovation
9. Bridging the market's financing gap to achieve the transition to a sustainable economy
10. Contributing to the market's recovery amid the COVID-19 pandemic

On a parallel track, CIB has been integrating standards introduced by various international financial institutions (IFIs) into our Environmental and Social Risk Management System to improve our ESG performance, reduce associated risks, and increase the positive impact of our lending activities. This effort has brought us closer to achieving our goal of leading the sustainable finance transition in Egypt's banking sector.





RESPONSIBLE BANKING

- Committing to Responsible Banking
- Our ESG Strategy and PRB Implementation
- CIB's First PRB Progress Report
- PRB Impact Analysis Outcomes
- Examination of Identified Impacts
- Target Setting

Adaptation and mitigation efforts are crucial to combat climate change risks.

Committing to Responsible Banking



PRINCIPLES FOR RESPONSIBLE BANKING

Driven by our commitment to advance responsible banking practices, CIB has led the sector into a new era of social and environmental impact reporting by becoming a founding signatory of the Principles for Responsible Banking (PRB) developed under the UNEP-FI in 2019.

CIB in partnership with 29 other leading global banks, developed the UNEP-FI's six PRB, creating a framework that can be adapted and implemented by banks operating in a variety of markets and economic climates.

The PRB have become one the most prominent frameworks employed across the global banking sector to assess and manage environmental, social, and governance (ESG) standards across business and operational activities.

The framework supports the banking industry in its transformation towards embracing sustainable finance practices and enhancing its positive impacts on the environment and society. The principles embed sustainability across all business areas at the strategic, portfolio, and transactional levels. They enable banks to mitigate risks and identify opportunities to advance business in ways that aligns with national and regional development priorities, the United Nations Sustainable Development Goals (SDGs), and the Paris Climate Agreement.

The COVID-19 crisis has provided ample evidence of the benefits of the global collaboration established by these principles. Signatory banks have shared information and adaptation strategies in line with Principle 3, helping each other to overcome challenges and play a positive role in society's response to the pandemic.



The **Six Principles** for Responsible Business



1. Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement, and relevant national and regional frameworks.



4. Stakeholders

We will proactively and responsibly consult, engage, and partner with relevant stakeholders to achieve society's goals.



2. Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products, and services. To this end, we will set and publish targets where we can have the most significant impacts.



5. Governance and Culture

We will implement our commitment to these principles through effective governance and a culture of responsible banking.



3. Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.



6. Transparency and Accountability

We will periodically review our individual and collective implementation of these principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals

Our ESG Strategy and PRB Implementation

As we continue with our sustainability journey, we are working to further integrate ESG and sustainable finance practices into our offerings.

According to our long-term strategy, CIB is aligning banking services with the UN SDGs and Egypt Vision 2030 (Principle 1). We are assessing the environmental and social impacts of our portfolio and developing actionable targets that will be implemented (Principle 2) to empower our customers to adopt sustainable practices (Principle 3). The implementation of this strategic framework

is coupled with dedicated training for both CIB employees and our corporate clients (Principle 4).

In line with this effort, CIB in 2020 initiated the process of enhancing our ESG framework (Principle 5). We report on progress regarding our ESG practices and PRB implementation in our annual sustainability reports, which have been prepared in line with the Global Reporting Initiative (GRI) Standards since 2015 (Principle 6).



CIB's First PRB Progress Report

In 2020, CIB conducted its first self-assessment of its implementation of the principles. The Bank published its first comprehensive PRB Progress Report in March 2021.

Furthermore, the present Sustainability Report details the efforts deployed during 2020 to implement the PRB. This dedicated section highlights key practices employed in relation to each principle.



Principle 2 Impact Analysis and Target Setting

The portfolio impact analysis process enables CIB to identify its areas of impact, formulate a baseline, and develop a plan to mitigate negative impacts and increase positive ones. The process begins with the quantification of environmental, social, and economic impacts across CIB's lending portfolio.



Principle 1 Alignment

CIB's Five-Year Corporate Strategy (2019-2024) is consistent with and contributes to individuals' needs and society's goals, as expressed in the UN SDGs, the Paris Climate Agreement and relevant national and regional frameworks.

Our strategy highlights three key values:

- **Social mindedness:** We are unlocking the potential of marginalized groups in order to connect remote populations, promote financial inclusion and literacy, empower women and youth, and contribute to the development of an inclusive digital marketplace.
- **Environmental focus:** We are creating a sustainable roadmap as we work toward becoming Egypt's leading green bank.
- **Regional ambition:** We strive to develop financial services that will contribute to the transformation of Egypt and Africa.

Furthermore, in 2019, multiple comprehensive value creation models were integrated across all CIB's business and operational functions. Each model integrates ESG factors and monitors economic, social, and environmental practices.

Quantifying environmental, social and economic impact

- 1 Identify key areas of impact
- 2 Formulate a baseline
- 3 Develop a plan
- 4 Mitigate negative impacts
- 5 Increase positive impacts



We utilized the UNEP-FI portfolio impact analysis tool to determine the Business Banking portfolio's environmental, social, and economic impacts. The tool includes standards to assess the scope, scale, context, and intensity of each impact.

Scope of Analysis

In our first impact analysis exercise, we examined our Business Banking portfolio which encompasses our SME customers and constitutes around 4.5% of CIB's gross income. The Business Banking portfolio is segmented by industry, sector, and subsector.

Each category was mapped thoroughly using the Industry Standards International Classification database to capture the scale of exposure in terms of industries, technologies, and geographies.



Methodology

To complete the analysis of the Business Banking portfolio, CIB employed the following methodology:

- Data collection
- Data mapping
- Sector selection
- Egypt impact needs
- Analysis of identified impact
- Significant impact area engagement



Principle 3 Clients and Customers

CIB's business has been historically recognized for its relation-based and customer centric approach that promotes responsible practices, and where clients are served beyond banking services.

This includes many activities deployed as part of the duties of all functions:

- Best-in class front liners are available to all clients, and employees receive high-level training on ESG practices.
- The SME Academy launched in 2019 trains high-potential employees to support SMEs in their transformation into long-term sustainable businesses. In November 2020, 21 new officers graduated from its fourth round.
- We offer financial education to selected SME clients as part of our efforts to encourage sustainable practices and enable sustainable economic activities. The training is part of the CIB Client Awards launched in October 2020.
- As part of our Business Solutions Program, we launched in 2020 a series of virtual 'Growing Together' webinars to customers at a discounted price. The program offers business consultancy services and connects them with partners from different sectors.
- In 2021, CIB will execute a specialized training for its new Strategic Sustainability

Network comprising 56 senior and mid-level staff members. Participants will then monitor and report on ESG results across the Bank's activities and further support the implementation of the PRB.

- Dedicated sessions on financial literacy for the newly banked and underserved segments are conducted throughout the year, as detailed throughout this report.
- Our marketing activities adhere to principles of responsible communication, and we execute campaigns to reach the unbanked and underserved population across the country. Building trust with these groups is essential to the development of an inclusive banking sector in Egypt.
- Annual stakeholder engagement is key to maintaining a responsible relationship with our customers and society. We engage stakeholders in discussions of emerging needs and expectations in order to address material issues and improve our services.

Additionally, CIB's new Sustainable Finance Policy was developed in 2020 and approved by the Board of Directors in January 2021. The policy solidifies the commitment of our senior management to the integration of ESG standards and the PRB across all business activities.

Throughout this sustainability report, we present the array of products and services that CIB has developed and reimagined to reflect sustainable practices and ESG considerations. These include green bonds, green loans, financial inclusion products, and digital services, among others.



Principle 4 Stakeholders

Identifying stakeholder expectations and addressing their concerns is a core part of CIB's approach. This process allows us to identify materials issues, revisit our plans, and better serve our clients. Our planning around stakeholder engagement and the outcomes of these efforts are reported yearly in our sustainability reports and shared with the public on our corporate website.



Principle 5
**Governance
and Culture**

In 2019, CIB enhanced its governance structure by establishing its Corporate Sustainability Taskforce, which links the Board of Directors and the Sustainability Department. Since its creation, the taskforce improved our strategic stakeholder engagement efforts, assessed the Bank's progress on its ESG performance, and provided recommendations to the Board. Refer to section above.



Principle 6
**Transparency and
Accountability**

- Regular progress reports on PRB implementation are submitted to CIB's Board of Directors and the SFSC.
- CIB's commitment as a founding signatory of the PRB was announced in the Bank's 2018 and 2019 Sustainably Reports.
- CIB's first PRB Progress Report was prepared in 2020 and published in first quarter of 2021.



PRB Impact Analysis Outcomes

The impact analysis of the Business Banking portfolio allowed CIB to assess the significant impact areas which are dependent on identifying negative social and environmental impacts that requires mitigation, putting into consideration the significance to national context.

According to our analysis, we have identified that the Business Banking Portfolio has a positive social and economic impact, and a negative environmental impact as follows:

Impact Areas Associated with Key Sections (Positive)	Proportion of Portfolio	Impact Areas Associated with Key Sections (Negative)	Proportion of Portfolio
Inclusive Health Economics	26%	Waste	24%
Employment	25%	Climate	19%
Mobility	19%	Health and Sanitation	7%
Availability of Water	17%	Quality of Water	7%
Housing	17%	Availability of Water	4%



Examination of Identified Impacts

Sectors with Highest Impacts	
Positive Impacts: Inclusive Healthy Economies and Employment	Negative Impacts: Waste and Climate
<p>Two main contributors to the identified positive impacts:</p> <ul style="list-style-type: none">Construction: Infrastructure projects provide vulnerable and underserved segments with access to services, employment, and economic opportunities.Crop and animal production: highly labor-intensive and contributes to employment opportunities and sustainable livelihood.	<p>Three main contributors to the identified negative impacts:</p> <ul style="list-style-type: none">ConstructionCrop and animal productionWholesale and retail trade (due to transportation, logistics, and construction needs)



Target Setting

In 2021, CIB will carry out environmental, social, and economic impact analyses on its retail and corporate portfolios. The process will include extensive stakeholders' engagements to ensure applicable and attainable targets setting and the identification of green lending areas

that increase the Bank's positive impacts and mitigate the negative impacts. We will leverage our newly developed Sustainable Finance Institutional Pillars to advance collaboration among the cross-functional working groups that will be included in the target-setting process.





CIB STAKEHOLDERS AND MATERIALITY

- Setting an Example
- Commitment to our Stakeholders
- Materiality

Setting an Example

As Egypt's leading private sector bank, CIB is setting an example for how to achieve sustainable value creation for all stakeholders. The Bank's engagement with all its stakeholders has been a fundamental factor for our long-term success. Our ability to address the evolving needs and expectations of our stakeholders has allowed CIB to consistently create shared value.

In 2020, CIB continued to be empowered by its positive relationships with its stakeholders and supported by its engagement plan. New external and internal considerations were factored into our engagement plan in response to national and global shifts.

CIB's sustainability journey has matured over the years as our Board of Directors, executive management, and employees have grown their understanding of ESG principles and the business

case for sustainability. This has allowed for more in-depth stakeholder identification and engagement over time.

Since the start of the national economic reform program in 2017, the Egyptian banking sector has witnessed considerable changes in market dynamics and stakeholders needs and expectations. Against this backdrop, CIB undertook steps in 2018 to overhaul its approach to internal and external engagement using the leading AAA1000 Stakeholder Engagement Standards. A plan was developed, and relevant engagement was conducted. The outcome was reported back to the Sustainability Department and the CSTF. The consolidated findings supported CIB's identification of material issues relevant to the Bank as well as top management's decision-making around ESG issues.



Commitment to our Stakeholders⁶⁻⁷⁻⁸

The channels, frequency, and topics of engagement detailed in our stakeholder engagement plan were revised in 2020. No changes were made in terms of the identification and categorization of different stakeholder groups.

Channels of Communication

Our communication channels were maintained in compliance with national laws, contractual terms, and CIB policies and regulations. However, engagements which typically involve physical meetings and events were largely migrated to online platforms in response to the COVID-19 pandemic.

Frequency of Communication

In light of the COVID-19 situation, communication was prioritized as part of our business continuity and crisis management response. Engagements were heightened and conducted as often as needed to respond to the pandemic and other commitments, as indicated below.

Topics of Engagements⁹

Our topics of engagement have evolved, given CIB's new national and global commitments, which include, but are not limited to, the following:

- Central Bank of Egypt directives related to services and products in light of the COVID-19 crisis
- Responsibilities as founding signatory of the UNEP-FI PRB
- Climate risk and TCFD reporting
- Egypt's first Green Bond issuance
- CIB carbon reduction targets and commitments
- Requirements from development partners, including the IFC and EBRD
- Products and services developments meeting national priorities and considering ESG risks and opportunities
- CIB's digital transformation strategy



CIB's sustainability journey has matured over the years as our Board of Directors, executive management, and employees have grown their understanding of ESG principles and the business case for sustainability.

- Commitments to women's empowerment and the Egyptian Gender Equality Seal
- Regulator and CIB internal measures for precautionary health considerations

Our Stakeholder Categories

- Board of Directors
- Customers
- Employees
- Government and regulatory bodies
- National community
- Shareholders and investors
- Suppliers
- Sustainability partners and industry associates (international community)

(6) G102-40 | (7) G102-42 | (8) G102-43 | (9) G102-21



Stakeholder	Channels and Frequency	Feedback and Interests
Shareholders and Investors	<ul style="list-style-type: none">Quarterly financial resultsAnalyst and investor meetingsAnnual General MeetingAnnual reportsCorporate websiteESG reporting and sustainability indices	<ul style="list-style-type: none">Business continuity and crisis responseFinancial performanceSustainable investment and lendingESG issuesReputational managementRisk management
Board of Directors	<ul style="list-style-type: none">Board meetingsBoard committee meetingsInternal reporting by the sustainable finance committeeSustainability reporting and sustainability indicesAnnual reportAnnual General Meeting	<ul style="list-style-type: none">Business continuity and crisis responseCapital positioningReputational managementCIB's new Corporate StrategyDigital leadershipAccess to finance and investment opportunitiesFinancial educationEnvironmental and climate actionCommunity development
Employees	<ul style="list-style-type: none">Annual assessmentOngoing coaching and mentorshipTraining sessionsInternal meetings on all departmental levelsTown hallsEmployee effectiveness survey	<ul style="list-style-type: none">Corporate values and Code of ConductCompensation and benefitsTraining and developmentCareer development pathHealthcare measuresHybrid work setupEnabling working environment (grievance procedures, inclusion, diversity)

Stakeholder	Channels and Frequency	Feedback and Interests
Industry Associates and Sustainability Partners	<ul style="list-style-type: none">PRB Report on progressBloomberg Gender Equality IndexAnnual Carbon Disclosure Project reportingFTSE4Good Sustainability IndexSustainability reportAnnual reportCorporate website	<ul style="list-style-type: none">Commitment to global standards and requirements (PRB, PRI, TCFD, Net Zero Alliance)Practices for gender equalityEnergy efficiency and waste managementCarbon emission
Customers	<ul style="list-style-type: none">BranchesAccount relationship managersCall CentreCorporate websiteProduct activationsSatisfaction surveysSocial mediaMobile application	<ul style="list-style-type: none">Competitive ratesNew product offeringsDigital banking servicesExpended outreach of branches, ATMs, and POSAffordable bankingTailored financial solutionsFinancing entrepreneurship activities customer care responsivenessData privacy and securityComprehensive information on services
Suppliers	<ul style="list-style-type: none">Pre-tendering meetingsProject-based satisfaction surveysBriefings and feedback on new bank policies on S&E assessments and criteria	<ul style="list-style-type: none">Sustainable procurement practicesFair and timely paySupply chain risks and performanceS&E compliance and policiesSourcing for green productsSourcing for green buildingsRight to grievance

Stakeholder	Channels and Frequency	Feedback and Interests
Government and Regulatory Bodies	<ul style="list-style-type: none"> Central Bank of Egypt, Egyptian Stock Exchange, and others Quarterly and periodic meetings Daily and periodic emails and direct communications between the CBE and compliance department 	<ul style="list-style-type: none"> Financial performance Governance and compliance EGX Sustainability Index Financial inclusion Financial literacy Entrepreneurship and start-ups Digitalization of new National Payment System Cyber security
National Community	<ul style="list-style-type: none"> Partnerships with non-profit organizations Periodic press releases Social media announcements Annual CIB Foundation activity report Engagements related to the development of the CIB annual report Engagements related to the development 	<ul style="list-style-type: none"> Partnership and investment in infrastructure of health programs Programs, initiatives, sponsorships, and donations to sports, cultural, and social developments Affordable banking for underprivileged segments Physical accessibility for people with disabilities Financial inclusion products and services Financial literacy



Materiality¹⁰

Identification of Material Issues

The Bank reviews and considers all issues, challenges, and trends raised at both the national and international levels. We take guidance from the UN SDGs, African Agenda 2063, Egypt's national priorities, and both the Central Bank of Egypt and the Financial Regulatory Authority regulations and guidelines.

In 2020, we continued to focus on our core material issues and also considered new issues arising due to the COVID-19 pandemic and CIB's new commitments, as stated in the discussion of our stakeholder engagements and as defined across the report.

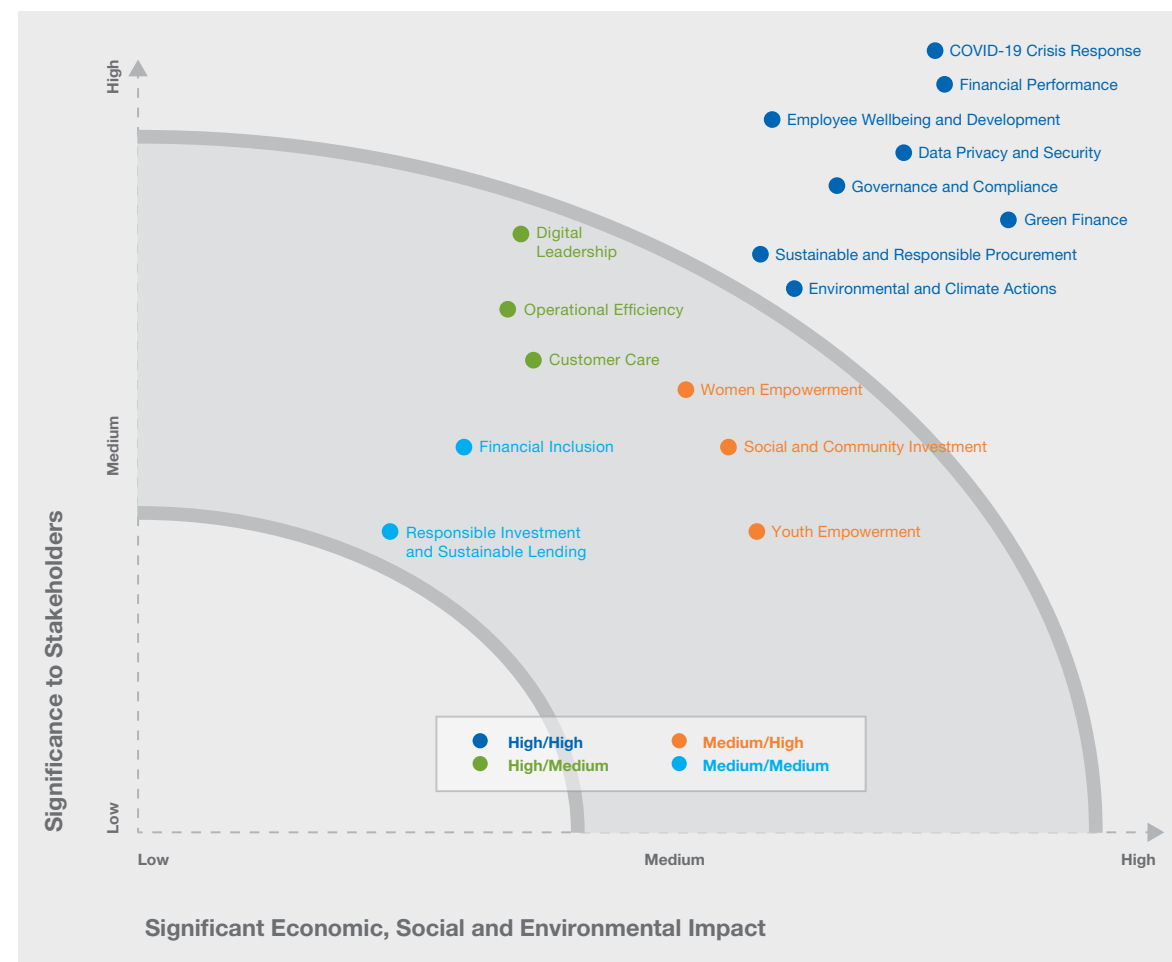
Prioritization of Material Issues

In discussion with our stakeholders, CIB has mapped its preliminary list of material issues in the following policies:

- CIB Business Strategy
- CIB Sustainable Finance Institutional Pillars
- CIB Crisis Response Plan

Topics are prioritized across our materiality matrix, reflecting their importance to our stakeholders and the significance of their impact on the economy, environment, and society.

Our commitment to corporate responsibility towards our employees, suppliers, customers, and communities was more important than ever in 2020 as we aimed to support the national response to the COVID-19 pandemic.



Shortlisted Material Topics	Priority	Topic Boundaries Outside the Bank
COVID-19 Crisis Response	High High	All stakeholders
Financial Performance	High High	Shareholders
Governance and Compliance	High High	Customers, shareholders
Data Privacy and Security	High High	Regulators, customers
Green Finance	High High	Investors, government, customers
Employee Wellbeing and Development	High High	Society
Sustainable and Responsible Procurement	High High	Suppliers
Environmental and Climate Actions	High High	Environment, government, investors
Digital Leadership	High Medium	Customers, society
Operational Efficiency	High Medium	Customers
Responsible Investment and Sustainable Lending	Medium Medium	Shareholders, investors, customers
Financial Inclusion	Medium Medium	Customers, society
Women Empowerment	Medium Medium	Customers, society
Social and Community Investment	Medium High	Beneficiaries, society
Youth Empowerment	Medium High	Customers, society
Customer Care	Medium High	Customers

(10) G102-44 | G102-46 | G102-47



MANAGING ENVIRONMENTAL AND SOCIAL RISKS

- From Risks to Prospects
- Getting Ahead of Risks
- ESRMS Governance Structure
- ESRM Progress in 2020

Unless climate change is seriously addressed, rising sea levels will pose serious risks to coastal cities such as Alexandria.

From Risks to Prospects¹¹

As international conventions, agreements, requirements, and frameworks for sustainability and climate-resilience have been developed, E&S issues, along with the associated risks and opportunities, have rapidly gained importance in the financial sector.

Material E&S issues have become a factor in strategic decision-making around a bank's portfolio. These issues can create financial risks, in regards to credit and liquidity. They can also create non-financial legal, reputational, and market

risks. Due to their central role in a nation's economy, banks have an ethical duty to conduct E&S risk assessments.

Banks can also capitalize on the opportunities stemming from effective E&S risk management, improved financial performance, and compliance with laws, regulations, and market standards; to increase sustainable value creation for all stakeholders.



(11) G102-15

Getting Ahead of Risks

CIB has recognized that the “traditional” approach to managing a bank is no longer sufficient or nor sustainable. As such, the Bank has taken the following steps:

- Initiated in 2016 the development of our Environmental and Social Risk Management System (ESRMS), in line with international best practices
- Received approval for our first E&S Policy Guide and Procedures Manual from senior management, the EBRD, and the IFC in 2017

- Began to integrate ESG principles into the development of products and services

Since 2017, we have gradually developed our capacity to efficiently implement our ESRMS. The system allows us to identify and manage our exposure to E&S risks in our operations and investment decision-making. It has made our business more resilient and innovative while also enabling CIB to provide our clients with tools and products to aid their own transitions to more responsible business models.

CIB's Environmental and Social Risk Management System at a Glance

The ESRMS outlines CIB's commitment to responsible environmental and social (E&S) risk management by:

Explaining the Bank's procedures for identifying, assessing, and managing the E&S risks of financial transactions

Defining the decision-making process

Describing the roles, responsibilities, and capacity needs of our staff for system implementation

Stating all documentation and record-keeping requirements

Providing guidance on how to screen transactions, categorize them based on their E&S risks, and conduct relevant due diligence

Describing how to monitor the environmental and social (E&S) performance of clients and investee



ESRMS Governance Structure

Environmental and Social Risk Management System Objectives¹²

The Bank's ESRMS meets national and international standards and is in line with CIB's Sustainable Finance Policy and long-term sustainability goals. The system serves the following broad objectives:

- Strive to conserve natural resources, protect the environment, and consider the Bank's impact on the living standards of those affected by its operations and financial activities
- Inspire and encourage socially and environmentally conscious practices among all stakeholders, including partners and co-investors
- Managing E&S risks throughout project lifecycles
- Setting an example for effective E&S practices
- Addressing the ESG component of project finance development, implementation, monitoring, and project conclusion

Environmental and Social Risk Management System Benefits

CIB's ESRMS has created growth opportunities for both the Bank and our clients related to the following areas:

Business Growth	Client-Related Benefits
<ul style="list-style-type: none">■ Increasing revenues■ Sustaining a low risk profile■ Accessing support from development institutions and new financial products■ Cultivating higher quality credit portfolio■ Reducing expenses and net credit losses■ Generating a need for more credit■ Creating new business development opportunities	<ul style="list-style-type: none">■ Understanding clients' E&S performance and risks■ Access to funding at competitive rates■ Building consumer trust and business opportunities■ Reducing reputational risks

Dedicated Environmental and Social Risk Management (ESRM) Team

CIB recognizes the importance of maintaining a dedicated team to ensure the sustainable implementation of the ESRMS, assess our E&S performance, and support our compliance with specific frameworks. The team's work is essential

to furthering CIB's overall goals, meeting investor expectations, and complying with the requirements set forth by our multilateral development partners.

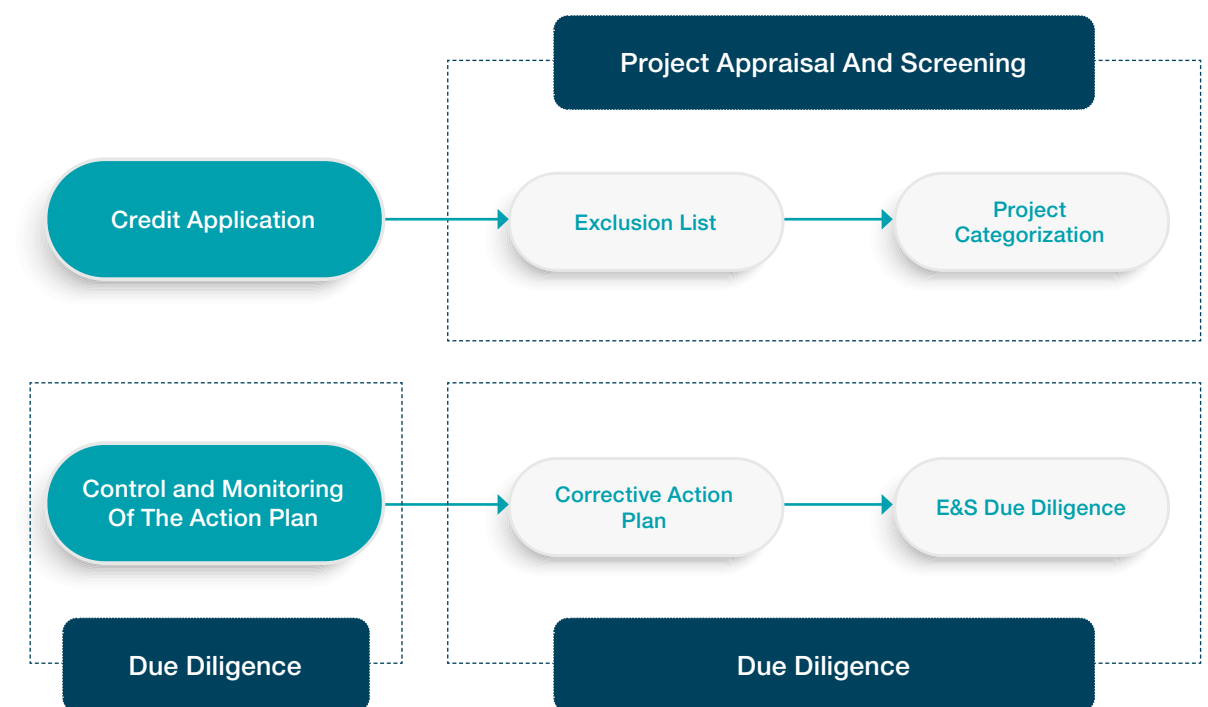
Environmental and Social Risk Assessment Framework

CIB has developed an overarching Environmental and Social Risk Assessment (ESRA) Framework to facilitate the implementation of the ESRMS across our operations.

- Phase 2: Due diligence (pre-financing phase)
- Phase 3: Monitoring (post-financing phase)

The framework is executed in three phases:

- Phase 1: Project appraisal and screening (screening phase)



(12) G102-11 | G201-2

ESRM Progress in 2020

The main changes and successes regarding CIB's ESRMS achieved in 2020 are as follows:

1. ESRMS and strategy convergence
2. Integration and compliance with IFC standards
3. ESRM assessment and upgrade
4. Risk analysis profile of CIB's portfolio
5. ESRM toolkit development
6. Review and amendment of E&S categorization schemes
7. Integration of Business Banking into ESRMS
8. ESRM capacity building
9. Continuous E&S regulatory compliance
10. Identification of key E&S issues in the financial sector

ESRMS and Strategy Convergence

The Bank has aligned its ESRMS with its sustainable finance strategic direction, relevant policies, adopted frameworks, and standards related to ESG issues as follows:

- [CIB's Sustainable Finance Policy](#) mandated and drafted in 2020 and approved in January 2021. CIB's ESRM system serves the policy's first pillar — driving inclusive growth — which relates to risk management and revenue generation.
- [CIB's S&E Credit Policy Guide](#) developed in 2017
- [IFC Environmental and Social Performance Standards](#)
- [EBRD Performance Requirements](#) adopted from 2020 onwards
- [TCFD Recommendations](#) adopted from 2020 onwards
- [UNEP-FI Principles for Responsible Banking](#)
- [Global Reporting Initiative Standards](#)
- [Carbon Disclosure Project](#)



The Bank has aligned its ESRMS with its sustainable finance strategic direction, relevant policies, adopted frameworks, and standards related to ESG issues.

Integration and Compliance with IFC standards

In 2020, CIB ensured compliance with the IFC's Environmental and Social Performance Standards and incorporated the EBRD's Performance Requirements and Guidance into its ESRMS.

ESRMS Assessment and Upgrade

CIB was granted technical assistance by the EU and the European Investment Bank through the Egyptian Pollution Abatement Program EPAPIII to upgrade our current ESRMS to meet international standards as well as ensure the system's alignment with our Sustainable Finance Policy and long-term sustainability goals. The technical assistance resulted in a gap analysis of the current ESRMS implementation process which covered the three phases of the system and assessed the roles of the relevant departments. The final standard operating procedures are expected to be delivered by 2021.

Risk Analysis Profile of CIB's Portfolio

CIB's sustainability reports focus on material financial and non-financial issues that have a direct or indirect impact on the Bank and its stakeholders, including shareholders, investors, customers, and society. The material topics include E&S issues, such as reducing our environmental footprint, corporate lending, project finance, and employee wellbeing, which have varying levels of risk.

In 2020, an impact analysis of CIB's SME lending portfolio was conducted as part of our commitment to the PRB. The analysis identified the most significant E&S risks within the Bank's top 25 corporate and project finance transactions, as outlined below.

Sectors Represented in CIB's Top 25 Corporate and Project Finance Transactions in 2020		
Power services	Building materials	Chemicals
Power generation and transmission	Ports	Tourism
Construction	Shipping	Electronics
Fertilizers	Infrastructure and capital goods	Pharmaceuticals
Petroleum	Food and beverage	Textiles

E&S Risks Represented in CIB's Top 25 Corporate and Project Finance Transactions in 2020	
Environmental	<ul style="list-style-type: none"> ■ GHG emissions ■ Resources consumption ■ Energy consumption ■ Water usage and disposal ■ Waste management ■ Ecosystems
Social	<ul style="list-style-type: none"> ■ Employee health and safety ■ Working conditions

ESRM Toolkit Development

CIB developed supporting tools, checklists, and templates that will help bank employees in the ESRMS implementation process.

Review and Amendment of E&S Categorization Schemes

CIB reviewed and amended its E&S categorization schemes.

Integration of Business Banking into ESRMS

CIB integrated its Business Banking portfolio, which encompasses its SME clients, into its ESRM system.

ESRMS Capacity Building

CIB provided ESRM training modules to build employees' capacity to implement the ESRMS as follows:

- 55 employees from the Business Banking, Corporate, and Risk divisions were provided with introductory sustainable finance workshops.
- 50 employees in the Business Banking division were provided with E&S risk analysis training that was developed in house and customized for the needs of the credit investigation team.
- Two training sessions were conducted for the Risk and Corporate Banking divisions in November 2020, which had 37 and 15 participants, respectively.



CIB integrated its Business Banking portfolio, which encompasses its SME clients, into its ESRM system in 2020.

Continuous Environmental and Social Regulatory Compliance

To ensure continuous regulatory compliance, CIB has also considered relevant national laws and regulations that addresses critical E&S issues in the development of its policies, procedures, and risk management framework. These laws are also identified as key E&S risks for the Bank's corporate lending and project finance portfolios.

Relevant Laws for Environmental and Social Protection	
Issues	Egyptian Laws and Regulations
Environmental Protection	<ul style="list-style-type: none"> ■ Executive Regulation of the Environmental Protection Law ■ Law No. 338 for the year 1995 ■ Law No. 4 for 1994 on the environment ■ Law No. 48 for 1982 on the protection of the River Nile and waterways ■ Law No. 52/1981 on protection against smoking hazards ■ Law No. 38/1967 on public cleanliness ■ Law No. 93/1962 on disposal of liquid wastes ■ Law No. 59/1960 on protection against ionizing radiation ■ Law No. 45/1949 regulating the use of loudspeakers
Health and Safety	<ul style="list-style-type: none"> ■ Legislative references: <ul style="list-style-type: none"> - Vocational health and safety ensuring labor environment security - Work-related accidents and injuries - Occupational health and safety measures at the workplace - Occupational health and safety services and committees ■ Labor Law No. 12 for the year 2003 regulating the relationship between employers and employees in the private sector ■ Decree No. 126 (2003) replacing No. 75 (1993) ■ Decree No. 211 (2003) replacing No.55 (1983) ■ Decree No. 134 (2003) replacing No. 116 (1991)
Employment	<ul style="list-style-type: none"> ■ Law No. 47 for the year 1978 governing civil servants ■ Law No. 48 for the year 1978 governing public sector employees ■ Law No. 203 for the year 1991 addressing special requirements for employees working in the public commercial (business) sector of the state ■ Law No. 12 for the year 2003 regulating the relationship between employers and employees in the private sector
Child Labor	<ul style="list-style-type: none"> ■ Law No. 12 for the year 1996

Women Workers	<ul style="list-style-type: none"> ■ Law No. 12 for the year 2003
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Identification of Key E&S Issues in the Financial Sector

CIB undertook an internal exercise in cooperation with an independent subject-matter consultant to identify key environmental and social issues in the financial sector, which have been raised by investors, the IFC, and partner organizations.

The purpose of this exercise was to identify which E&S issues are particularly important for

financial institutions as well as facilitate the continuous assessment and management of CIB’s risks and impacts.

This exercise was conducted in alignment with the GRI Standards, IFC, IFC Performance Standards, and EBRD Performance Requirements.

Key E&S Issues in the Financial Sector	
Environmental	Social
GHG emissions	Labor and working conditions
Climate-related risks	Employee health and safety
Natural resources use	Employee compensation and benefits
Energy consumption	Child and forced labor
Water usage	Gender diversity
Waste management	Staff turnover
Material efficiency	Training hours
Land degradation, contamination, and remediation	Land acquisition and involuntary resettlement
Biodiversity conservation	Local community support
Habitat protection	Risks and impacts on indigenous peoples
Air pollution	Cultural heritage preservation





FINANCING THE TRANSITION TO A GREEN ECONOMY

- Leading Egypt's Sustainable Finance Transition
- CIB's Green Bond Program
- Green Financing
- Egyptian Pollution Abatement Program
- Environmental Compliance Program
- Agribusiness Development Program
- Greening SME Program

CIB is a firm advocate of sustainable finance, and we are continually seeking to enhance our ESG performance by incorporating these issues into our strategy and operations, as well as our products and services. We aim to be the leading private sector bank in Egypt's sustainable finance transition.

Leading Egypt's Sustainable Finance Transition¹³

CIB is a firm advocate of sustainable finance, and we are continually seeking to enhance our ESG performance by incorporating these issues into our strategy and operations, as well as our products and services. We aim to be the leading private sector bank in Egypt's sustainable finance transition. Additionally, we aspire to be a trendsetter regarding regional approaches to sustainable finance.

The green finance instruments which CIB has introduced are a reflection of our holistic long-term strategy intended to measure and control the Bank's environmental impacts in order to mitigate those that are negative and maximize the positive.

Our Green Finance Programs

The Bank's approach includes reallocating capital away from projects and activities with harmful environmental impacts. CIB is also committed to developing a growing range of innovative green financing mechanisms to scale up investments in environmentally responsible projects and innovative technologies.

We aim to contribute to the establishment of a diverse and competitive green finance market in Egypt through the following programs:

1. Green Bond Program
2. Green Loan Program
3. Egyptian Pollution Abatement Program
4. Environmental Compliance Program
5. Agribusiness Development Program

Environmental and Climate Considerations

When developing our green finance offerings, building our loan portfolio, and making decisions around projects and activities to support, CIB takes into consideration critical environmental concerns as follows:

- **Climate action:** We aim to minimize and mitigate the growing threats posed by climate change.
- **Environmental footprint reduction:** CIB seeks to measure, monitor, and reduce our greenhouse gas emissions across all of our operations, as well as those of our partners and affiliates.
- **Environmental vulnerabilities mitigation:** We aim to mitigate and address the most salient environmental issues faced in Egypt, such as water scarcity, air pollution, land contamination, and desertification.
- **Sustainable resources management:** CIB is committed to adopting and promoting energy and resource saving practices. We are also engaged in supporting the global transition to renewable energy sources.
- **Habitat conservation:** We are committed to protecting Egypt's biodiversity.

Our Progress

CIB is proud to contribute to the development of a greener economy and the realization of a low-carbon future. In alignment with our climate and environmental objectives, the Bank offers access to finance for sustainable projects with a suite of green financial products that have resulted in:

- **Strategy and products harmonization:** Our green finance offerings are aligned with our sustainable finance strategy and both were developed in accordance with global standards such as the PRB.
- **Environmental risk management:** We have adopted a proactive approach to environmental risk management in regards to our portfolio. Our green finance lending criteria aim to mitigate economic risks and financial losses in conjunction with our ESRMS.

- **The "greening" of our portfolio:** Our cultivation of a greener lending portfolio drives sustainable investing and supports our clients' transition to more sustainable business practices and activities.
- **ESG impact creation:** The Bank's adoption of ESG principles is contributing to the development of a sustainable Egyptian economy and encouraging businesses to address critical social and environmental challenges.
- **Market consistency:** We are supporting Egypt's Vision 2030, the country's green recovery from the pandemic, and the CBE's initiatives.



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CIB's Green Bond Program

Issuing Egypt's First Corporate Green Bond

CIB is taking part in the global push to develop innovative financial products that spur responsible investments in projects that contribute to climate-resilient growth and sustainable value creation. The Bank also recognizes the central role of the banking sector in addressing the financing gap for the transition to a sustainable and purpose-driven economy.

We are proud to showcase CIB's multi-year effort to issue Egypt's first corporate green bond in cooperation with the IFC, which began in 2020. In line with our commitment to strategically align our business activities with international standards, CIB with this debt issuance will officially join the global green bond market.

The main objective of this first corporate green bond issuance is to make available project finance addressing key environmental challenges, such as climate change, natural resources depletion, loss of biodiversity, and different sources of pollution.

CIB's Green Bond Program will become a key financial instrument for supporting private sector engagement in Egypt's green economy transition. It will also send a positive signal to global capital markets and policymakers regarding the Bank's commitment to sustainable finance and supporting the sustainable growth of the Egyptian capital market. We are aiming to attract a new category of long-term impact investors focused on ESG performance in investment outcomes.

To ensure the efficiency of the new program, CIB has been developing an integrated Green Bond Framework based on international standards and best practices. This framework outlines the parameters for the management of the bond's proceeds, the eligibility criteria for projects to receive loans, reporting guidelines, and project impact evaluation processes.

International standards which have informed the development of the framework include:

- The Green Bond Principles issued in 2018 by the International Capital Market Association
- The Egyptian Financial Regulation Authority's policy guidelines issued in July 2019
- The IFC's definitions and metrics policy applied to climate investments

The proceeds from the bond issuance will be used to fund a portfolio of green loans to be offered to CIB's corporate and SME clients. Their distribution will also be aligned with five UN SDGs that are linked to CIB's broader strategy:



SDG 6: Clean Water and Sanitation



SDG 7: Affordable and Clean Energy



SDG 9: Industry, Innovation, and Infrastructure



SDG 11: Sustainable Cities and Communities



SDG 13: Climate Action

Green Bonds Eligibility Criteria

As a responsible green bond issuer, CIB will ensure projects comply with our well-defined eligibility criteria. Our framework identifies five main project categories which are eligible for financing.

Loans will target sectors including renewable energy, sustainable transportation, agribusiness, green building construction, and various aspects of resource efficiency.

Project category	Requirements
Energy Efficiency	Reduces absolute energy consumption by at least 15%
Renewable Energy	Power sources include solar, wind, geothermal, biomass, biogas, and waste-to-energy
Energy Efficiency Products	Products include vehicles, clean transportation, appliances, and lighting fixtures
Green Buildings	Buildings must comply with green standards, such as LEED, BREEAM, and EDGE
Water Efficiency	Projects must decrease water utilization from baseline by greater than or equal to 10%
Energy Management Systems	Projects must comply with ISO 50001 or an equivalent certification





Green Financing

The green loan market is gaining traction globally. Investors and lenders are seeking to reduce ESG risks in their investments while simultaneously increasing borrowers' performance by providing innovative financial instruments.

In line with national and global efforts, CIB is providing green financing solutions that are funding the transition to a green economy and shifting Egyptians towards alternative power sources and sustainable business activities.

CIB Green Loans

The CIB Green Loan is a credit facility to support our corporate customers pursuing economic growth through environmentally targeted projects and practices. Green loans are provided from the Bank's own funds at a preferential interest rate. They are focused on energy efficiency and renewable energy, as well as projects that will have demonstrable positive environmental impacts. The Bank has been prioritizing loan approvals for institutions that provide evidence of these impacts through documentation such as environmental and social impact assessments.

Through our Green Loan program, the Bank also provides complementary technical assistance and expertise to corporate clients, in partnership with the Ministry of Electricity and Renewable Energy

and the UN Development Program (UNDP). We also equip our clients with a list of approved partner suppliers from whom they can source LED bulbs, solar technologies, and other equipment at discounted rates.

CIB Retail Solar Loans

Since 2018, CIB has offered loans for retail customers seeking to purchase and install home solar solutions. Households that embrace this technology simultaneously reduce their electricity bills and their environmental footprints. The loan was developed in cooperation with several of the world's leading entities involved in solar power.

Our partnerships with reputable suppliers and companies enable our retail clients to obtain quality equipment and technical support at competitive prices, as well as discounts on administrative expenses. The loans feature flexible repayment terms of up to five years and has consistently exhibited competitive returns.

Currently, the Bank is exploring collaborations with new vendors and plans to increase awareness of the product. During 2019, we recorded one booking valued at EGP 110,000, and in 2020, we recorded one amounting to EGP 145,000.



Egyptian Pollution Abatement Program

CIB is participating in the Ministry of Environment's EUR 135 million Egyptian Pollution Abatement Program III (EPAP) funded by the European Investment Bank, Agence Française de Développement, Germany's KfW Bank, and the European Union.

For almost two decades, CIB has engaged in the different phases of the EPAP, which is dedicated to projects related to resource efficiency, pollution abatement, energy efficiency promotion, and industrial wastewater treatment. The program enables CIB's customers to improve their operational performance and contribute to the national transition to a low-carbon economy.

To qualify for EPAP financing, an industrial entity must have a five-year track record of operations

in compliance with Egyptian environmental laws. They should be able to commit to and achieve a decrease in pollution load by 50% for at least for one target pollutant with a payback period of over two years.

EPAP III Loans can amount to up to 90% of the eligible investment cost and can include a grant component worth 10% to 25%. The loan tenor is up to eight years, including a two-year grace period.

Projects funded through the EPAP have a track record of improving business performance for lenders, raters, insurers, customers, and other stakeholders. They achieve operational and cost efficiency by reducing energy and resource consumption.



Environmental Compliance Program

CIB subsidizes the Environmental Compliance Office Finance Program to support the development or upgrading of industrial plants to meet local and international environmental standards. Through this program, CIB encourages businesses to improve their environmental footprint and regulatory compliance while adding value to customer assets.

The program targets small- and medium-sized industrial entities that are members of the Egyptian Federation of Industry, and it provides low interest rates and appealing benefits. Loans can be worth up to 90% of the eligible investment cost with a EGP 7 million financing ceiling, a loan can have a tenor of up to five years, including a grace period of 12 months maximum.



Agribusiness Development Program

Agriculture is a critical sector of the Egyptian economy due to its role in ensuring food security and providing the income of much of the population. CIB is fully committed to supporting key actors in the agricultural sector, from small farmers, landless laborers, and unemployed women and youth to SMEs, marketing associations, co-operatives, NGOs, registered associations, farmer associations, and sole proprietors. Through our longstanding partnership with the Ministry of Agriculture and Land Reclamation, we offer various subsidized development programs aimed at modernizing Egypt's agricultural sector.

As an agent bank of the ADP, CIB offers a bundle of programs to eligible projects and beneficiary clients across all Egyptian governorates, as follows:

1. Agriculture Sector Development Program, launched in 2004
2. Promotion of Rural Incomes through Market Enhancement Project, launched in 2016
3. Support to Agriculture SMEs Program, launched in 2016
4. Sustainable Agricultural Investments and Livelihood Project, launched in 2017
5. Veterinary Services Program, launched in 2003
6. Buffalo Fattening Program, launched in 1992
7. Financial Investment and Sector Cooperation, launched in 2006

The projects and loans covered under these programs feature a number of extended benefits aimed at achieving long-term objectives to reinforce agribusinesses growth, spark innovation in agricultural methods and technologies, improve agribusinesses performance, raise the living standards of people working in the sector, promote agricultural sustainability, and support food security.

To achieve a truly sustainable impact that reflects these objectives, we support eligible projects which fall under the following categories:

- Land reclamation, irrigation improvement, and drainage systems
- Agricultural machinery and water distribution systems
- Agriculture input supply
- Medicinal herbs, aromatic plants, and honey production
- Livestock and poultry
- Pre- and post-harvest activities
- Marketing and agricultural-related activities
- Collection centers and agricultural packaging facilities
- Dairy processing units, milk chillers, and refrigerated trucks
- Tomato processing and dehydration units
- In-land fisheries and horticulture

The loan amounts and ceilings available for different customer types are regularly reviewed by the Board of Trustees of the program and are subject to change. The current ranges are as follows:

- **For Individuals and end-borrowers:** maximum EGP 1 million for each sector; maximum exposure under the ADP will not exceed EGP 2 million at any point.
- **For cooperatives and business associations:** maximum EGP 6 million for each sector; maximum exposure under the ADP will not exceed EGP 12 million at any point.



- Companies: maximum EGP 5 million for each sector; maximum exposure under the ADP will not exceed EGP 10 million at any point.

The terms and conditions for ADP loans are as follows:

- The loan can be made in Egyptian pounds or any other currency, if available. Repayments must be made in the same currency in which the loans were disbursed.
- Disbursements and repayments are made through SWIFT, ACH, and draft cheques.
- Repayments are made annually or semi-annually.
- The applied interest rate currently ranges between 7% and 10% based on loan tenor. Applied interest rates are regularly reviewed by the program Board of Trustees based on the agent Bank's recommendations.

- The loan tenor ranges from 12 to 60 months, and the grace period ranges from 6 to 24 months.

CIB is proud to have continued the success of the ADP over the years. In 2020, the approved amount of EGP 711.30 million was directed to projects in the following subsectors:

- Livestock (diary and fattening)
- Horticulture
- Input supply
- Irrigation, drainage, and agriculture machinery
- Post-harvest
- Poultry

Greening SME Program

CIB recognizes the crucial role of SMEs in the green transformation and acknowledges them as key drivers for Egypt’s sustainable economic growth. With this in mind, CIB launched our Greening SMEs Program, which aims to assist companies in adopting sustainable practices and pursuing green business opportunities, in line with Egypt’s Vision 2030 and the SDGs.

In order to ensure a holistic approach, provide a solid foundation, and identify key gaps and impacts, our first step was to conduct an environmental and social impact assessment of our borrowing SMEs.

Our theory of change proposes that SMEs can create a network of business influencers, and each company can create a positive ripple effect across the SME sector by raising the bar of sustainability performance and sharing experiences. This pattern, in turn, drives systemic change within the business community. It can also trigger positive changes within social and institutional structures, bringing about society-wide benefits and transformation. We strive to drive this transition by facilitating adherence to globally recognized standards that regulate green performance and social empowerment practices, including gender equality and inclusion.

When we talk about greening SMEs, we are not simply referring to incorporating a list of sustainable practices or introducing basic environmental management systems. Rather, we are pursuing a full-fledged, systematic transformation of how companies operate internally and within their broader network of partners. In this program, we have applied a novel typology to explore the different ways in which SMEs integrate sustainability using different tools and innovations.

Our Approach

Our ambitious program will help our SMEs become greener and more sustainable. To accomplish this goal, we employ the following steps:

- **Baseline assessment:** We assess the environmental and social impacts of borrowing SMEs to identify potential adverse impacts and develop suitable mitigation measures. Through this process, we also pinpoint new market opportunities SMEs can access by becoming greener.
- **SDG roadmap:** We support the establishment of high-level SDG roadmaps for SMEs, with a focus on CIB’s own key objectives.
- **Action plan:** We develop strategies to improve SMEs environmental and social impacts.
- **Environmental and social toolkit:** We design and implement effective instruments to promote environmental compliance, sustainable business models, and green practices among CIB-funded SMEs using an integrated perspective.
- **Transformative change:** We promote the greening of CIB-funded SMEs beyond incremental change by seeking to transform their operations, procurement practices, and corporate culture.

The program incorporates multiple tools including surveys, in-depth interviews, and focus group discussions with a selected sample of SMEs which focus on the environment, economy, and society — the triple bottom line. We believe that this assessment and the ongoing follow-up efforts will help improve the sustainability performance of involved SMEs, allowing them to discover new and exciting market opportunities. It also sends a strong signal to our partners and enables positive change within Egypt’s financial sector and business community. During 2019 and 2020, CIB provided project financing in multiple sectors, including electric power, construction and real estate, nonmetallic mineral product manufacturing, food and beverages, and utilities.

Green Projects Success Stories

Project Industry: Food and Beverages

- Project type: energy efficiency
- Sub-Project I: sterilization equipment (capacity increase of aseptic production line in juice syrup formulation)
- CIB financing: USD 2.96 million
- Energy saved: 3,040,008 kWh/year; 18.54% reduction
- Greenhouse gas emissions reduction: 1,069 tCO₂e

Project Industry: Food and Beverages

- Project type: energy efficiency
- Sub-Project II: add bakery production line (Second Line)
- CIB financing: USD 2.5 million
- Energy saved: 112,000 kWh/year; 21% reduction
- Greenhouse gas emissions reduction: 4,600 tCO₂e

Project Industry: Mineral Product Manufacturing

- Project type: energy efficiency
- Sub-Project III: glass furnace overhaul and machinery replacement
- CIB financing: USD 1.5 million
- Energy saved: 50,059,748 kWh/year
- GHG reduction: 10,138 tCO₂e

Project Industry: Construction and Real Estate

- Project type: water treatment
- Sub-Project IV: Construction of two drainage facilities inclusive of design, supply, and installation works of the wastewater treatment plant with a capacity of 10,000 m³/day
- CIB financing: USD 1.5 million





REVOLUTIONIZING CONSUMER BANKING

- Purpose-Driven Consumer Banking
- CIB's Digital Transformation



Financial illiteracy remains a major barrier in emerging markets, including Egypt, and CIB is committed to providing consumers with the education needed to make informed decisions.

Purpose-Driven Consumer Banking

As global awareness of sustainability has risen, individuals and households have increasingly adopted more sustainable behaviors in regards to their saving and investment decisions. As such, we believe that adopting sustainable finance practices in our consumer banking business will add significant value. Today, we are meeting more than our customers' traditional banking needs. We are also contributing to their economic and social wellbeing.

Promoting consumer awareness and financial literacy is crucial to our efforts to adopt sustainable finance practices, as this customer group represents a significant portion of the demand side of the financial sector. Financial illiteracy remains a major barrier in emerging markets, including Egypt, and CIB is committed to providing consumers with the education needed to make informed decisions. Our broader goal is to advocate for sustainable finance practices and influence economic policy to serve the community.

Delivering Innovative Products and Services

Retail Banking is one of CIB's core lines of business through which we offer a broad array of products and services to a growing base of over 1.45 million customers.

The following are just a few of our Retail Banking offerings:

- Tailored bank accounts
- Segment-focused and specialized lending solutions

- Cash management services
- Credit and debit card bundles
- Preferential deposit options
- Digital and paperless banking services

During the past year of uncertainty, CIB asserted our leadership in Egypt's banking sector by delivering adapted and tailor-made banking service to all of our customer segments. This resulted in 33% and 9% year-on-year growth in our loan and deposit portfolios, respectively.

We were proud to be the bank of choice for 269,000 new-to-bank customers during a challenging year. A total of 138,000 new credit cards were opened in 2020, bringing the total number in our portfolio to 615,400 primary and 120,600 supplementary cards.

In response to changing interest rates, CIB has continued to adopt selective pricing for time deposits and tiered pricing for savings accounts. The Bank's current and savings accounts accounted for 53.4% of our total funding base at the end of the year.

Global Finance Awards 2020

- World's Best Consumer Digital Bank in the Middle East
- Best Consumer Digital Bank
- Best Integrated Consumer Banking Site



Global Finance Awards 2020

- World's Best Consumer Digital Bank in the Middle East
- Best Consumer Digital Bank
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Consumers Deposits at Egypt's Bank to Trust

Private

The Private segment is our brand catering to high-net-worth individuals in Egypt. It serves the banking and investment needs of clients with minimum assets under management of EGP 20 million. We have opened our state-of-the-art Private Hub in the Zamalek area of Cairo, as well as an extended branch in Alexandria. The hub, inaugurated in 2019, is where our top-tier team of advisors provides bespoke advisory services. In 2020, we received CBE approval to offer portfolio management services to our Private customers.

Wealth and Plus

Our Wealth segment serves customers with liquid assets ranging from EGP 1 million to EGP 20 million, while our Plus segment offers quality service to customers with liquid assets ranging from EGP 200,000 to EGP 999,999. These premium segments constitute over 66% of the total volume of consumer banking deposits.

Prime

Mass customers are served through the Prime segment, which also addresses the needs of specific

sub-segments, including Millennials, payroll blue collar workers, payroll white collar workers, and families.

This segment constitutes a major component of our value creation for the majority of the country's population. Through our service and product offerings, we help new Prime clients to insulate themselves against economic fluctuations and take greater control of our money.

In 2020, this segment saw slow growth in deposit volumes of around 20% over the past year, compared to 128% in the year prior. Despite this, we are pleased to report a remarkable 130% increase in the number of customers in this segment in 2020, compared to 2019. This is the highest growth ratio recorded among our retail segments.

This pattern tells us that while households had to deplete their deposit balances to cope with the economic challenges presented by the pandemic, customers still trust and value the banking products and services offered by CIB.

Consumer Banking Segment Growth in 2020				
		Customer Numbers Growth Y-o-Y		Deposit Balance Growth Y-o-Y
Segment	2019	2020	2019	2020
Private	25.7%	43.7%	10.1%	40.2%
Wealth	3.5%	-1.3%	6.4%	6.5%
Plus	12.5%	10.9%	20.0%	13.8%
Prime	7.1%	3.2%	19.4%	-18.1%
Total	7.2%	3.5%	10.2%	8.9%

Lending Tools to Unlock a Brighter Future

Consumer loans continue to create value for our retail customer base. CIB has striven to meet our customers' new and evolving needs throughout 2020 as the world grappled with the unprecedented economic disruptions created by the pandemic.

Our value creation stems from four major components:

1. Growing availability of funds to households
2. Specialized offerings
3. Segment-driven focus
4. Simplified digital services

Growing Availability of Funds to Households

CIB's lending rate grew 34% in 2020, compared to only 17% in 2019, and the total value of lending facilities reached over EGP 35 billion at year-end. Despite the challenges that the pandemic created in regards to new outreach efforts, we grew our customer base by 21% and are now proudly providing loans to over 562,041 men and women across Egypt.

Our consumer lending program represents a key component of CIB's sustainable finance practices. It creates shared value for both our customers and our business. The program responds to the economic needs of our communities while also serving as the main income generator for our consumer banking business. As of the end of 2020, consumer loans represented 79% of our total loan portfolio.

CIB's lending rate grew

▲ 34%

in 2020

Specialized Offerings

Our specialized lending offerings are central to CIB's efforts to embody sustainability. They serve three objectives within our new sustainable finance strategic direction:

- Supporting clients in making sound financial decisions targeted to their specific needs, financial abilities, and timeframes
- Avoiding potential non-performing loans
- Facilitating households' access to education, housing, transportation, healthcare, and other services through personal loans

Our main lending products include:

- Educational loans: Aimed at alleviating barriers to college and post-graduate education, these loans offer our customers preferential interest rates and several exclusive features.
- Solfa we Aman loans: Developed to serve our low-income payroll customers, this short-term fixed loan offers a bundle with micro-insurance provided by AXA. It was developed as part of our commitment to financial inclusion.
- CBE loans initiatives: These personal loans are aimed at supporting women and youth, and they include discounted administrative fees.
- Housing loans: Our standard mortgages can represent up to 80% of a property's value and include flexible repayment terms. They are designed to enable customers to purchase the home that is right for their family at the time that they need it.

CIB has also participated in CBE housing initiatives since 2015, expanding our offering to include mortgage offerings for low- and middle-income Egyptian citizens. The balance of these loans is EGP 1.9 billion, and they are supporting 16,911 customers.



CIB's personal loan portfolio is ranked third among Egyptian banks and first among private banks.

CIB has also participated in CBE housing initiatives since 2015, expanding our offering to include mortgage offerings for low- and middle-income Egyptian citizens. The balance of these loans is EGP 1.9 billion, and they are supporting 16,911 customers.

Mortgage Low and Middle Income New Bookings (in thousands)		
FY 2018	FY 2019	FY 2020
506,531	507,512	711,389

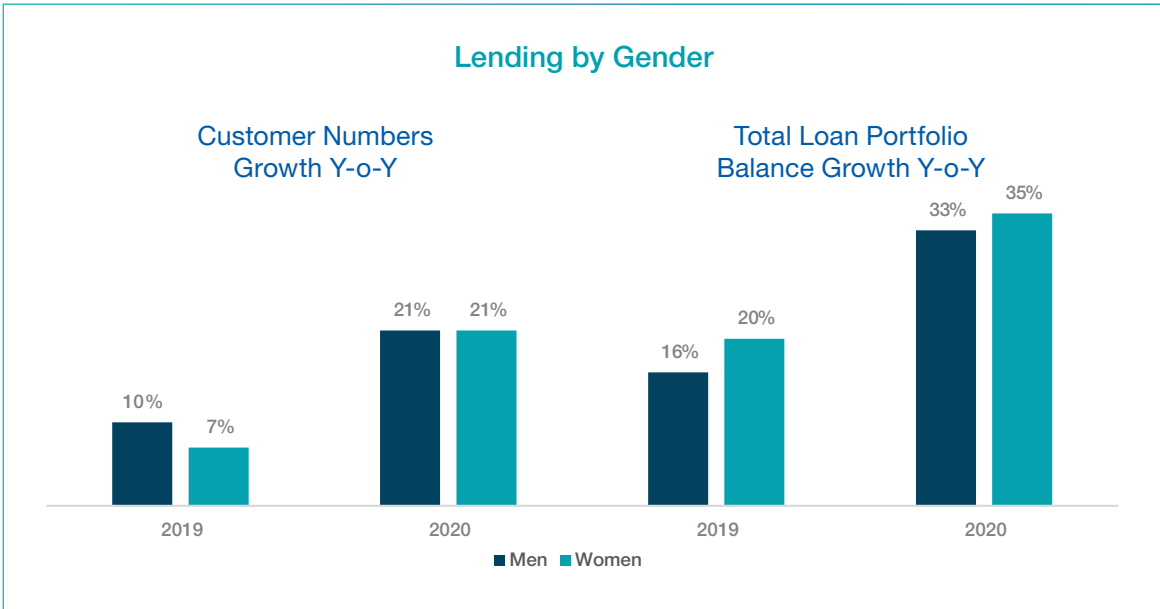
Segment-Driven Focus Closing the Gender Gap

Integrating sustainable finance practices into our retail banking business requires not only continuous monitoring of our ESG practices but also changes aimed at ensuring customer centricity, segmentation, and loan growth.

While men continue to represent a substantially larger portion of our total lending volume than women, we are proud to report that year-on-year growth in terms of customer numbers for both genders was equal at 21%.

For decades, the global banking system has been tipped towards favoring men as borrowers. This gender gap is particularly apparent in emerging economies, where women-led households often resort to peer-to-peer lending due to cultural and financial literacy barriers.

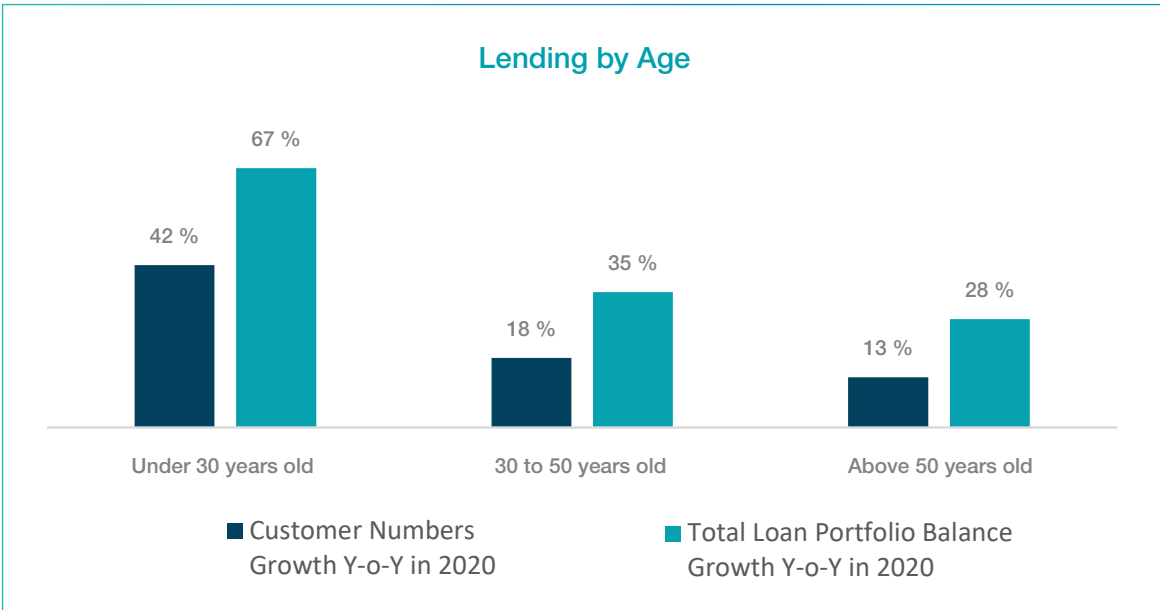
The growth rate of CIB's base of women customers tripled in 2020 to 21%, up from 7% between 2018 and 2019. We ended the year with a loan portfolio which included 121,789 individual women borrowers with a combined balance of over EGP 6 billion.



Advancing Youth Finance

Another important success in our sustainability journey is the achievement of 42% year-on-year growth in the number of CIB borrowers under the age of 30. The lending volume for this segment also reached EGP 2 billion, up a record 67%

year-on-year compared to 2018. We also celebrated steady growth in the 30 to 50 and over 50 segments, which saw 35% and 28% increases in total loan volume as well as 18% and 13% growth in customer numbers, respectively.



Bridging Regional Barriers

CIB is also committed to expanding our business into underserved areas of the country. In 2020, we saw both the number of customers and total loan volumes nearly triple in the Nile Delta and Upper Egypt. This year we saw nearly equal growth in our customer base between 18% and 23% for all regions (excluding touristic cities).

Simplified Digital Services

CIB's digital platform generates value in both economic and ESG terms for our clients and the business. Through this platform, CIB aims to achieve the following objectives:

1. Provide easier and speedy access to financial products for the youth segment, which typically displays a preference for digital services
2. Deliver safer and easier access to financial services for elderly
3. Adapt service access for women that reflects their schedules and role in family and household management
4. Shorten loan disbursement time for clients and increase the efficiency of the underwriting process for credit officers
5. Reduce branch operation costs by migrating client services online
6. Adopt economical solutions that reduce paper usage
7. Employ environmentally conscious practices to reduce energy use and greenhouse gas emission related to our operations



Launched in 2019 and 2020, respectively, our online platforms for loans and credit cards provide convenient and fast-tracked services.

- Customer interest in our Phone Loans platform has been promising. We were able to achieve traction on the platform with 19% year-on-year growth in users in 2020. The loan process takes from five to seven business days. The loan is booked and disbursed once the customer signs the relevant documents after the approval.
- Our online credit card application was launched in early 2020, and we have already seen some early signs of success. A total of 67% of online card requests were approved in the first year of operation. The average turn-around time for a credit card application to be approved is 10 days. Cards are then delivered to the client within an average of 5-7 working days.

CIB recognizes the importance of adjusting our backend and ensuring proper governance of new services, particularly the ones that are offered digitally to our clients. Our credit and risk teams have updated the relevant business and credit policies to pave the way for the development of new and innovative products that will better serve untapped and underserved customer segments.

CIB's Digital Transformation

The financial sector plays a key role in fostering economic growth, and it is essential for banks to swiftly adapt to customer needs, national priorities, and global trends. With the aim of grasping value-generating opportunities, CIB has invested strategically in digital transformation, data analytics, machine learning, and robotics, while keeping a focus on our core business activities.

Today, big data and digital tools are increasingly playing a central role in the operations of businesses and national economies. In response to this, CIB has woven digital thinking into all aspects of our organization. It is not only present in our delivery of products and services but also in the approaches we take to risk and capital management. Our Digital Banking division leverages new technologies to analyze data and develop innovative offerings, always with the goal of better serving our customers and communities.

In recent years, we have made significant strides towards digital transformation across different areas of CIB's business, but 2020 provided a true test for our digital platform as the pandemic pushed more aspects of people's lives online. The Bank faced head-on the challenge of accommodating rapid changes in customer behavior and preferences in favor of digital services.

With the help of our Bank of the Future program, in 2020 we positioned digital platforms as our primary service channel. CIB shifted toward greater reliance on robotics and operational centralization to increase efficiency and reduce the cost of service.

Continuous optimization was pursued as we used data science, management, and analytics to finesse our blockchain initiatives and over-arching digital strategy. CIB expects to expand

our digital infrastructure to complement the ever-changing demands of digitalization through the dynamic use of data to assess internal and external elements of our business, such as performance and risk.

CIB has upgraded to the T24 Core Banking system to improve operational efficiency and ensure a seamless customer journey. The shift facilitated the introduction of an arrangement architecture module, which is a new core banking engine outfitted with a product builder to serve all business segments. The new module will provide future products with enhanced technology, system stability, and decreased time to market.

Moreover, the operations and IT group finalized the Sigma program, which aims to streamline customer service delivery at branches. The program has contributed to the successful rollout of account opening and loan origination procedures that have improved customer experience, service delivery turn-around-time, and business growth. The IT group also enhanced the Bank's infrastructure resiliency through the implementation of its first phase of network virtualization, and we have started the rollout of a new virtual desktop platform.

CIB's digital business plan is driven by our aim of revolutionizing not only how our customers bank but also their daily lives. Our digital solutions provide tremendous value by enhancing the customer experience, optimizing working capital, reducing costs, improving the control and visibility of payments and receivables, and adding security to financial operations.

Our Digital Platforms

The cost synergy of CIB Online Banking increased by 42% from EGP 83.8 million month-to-date in September to EGP 119.3 million month-to-date in December 2020. This was the highest

month-to-date cost synergy achieved throughout the year. The online banking penetration rate increased from 48% year-to-date in September to 53% year-to-date in December 2020.

User Growth among CIB Online Banking Services in 2020						
	Total Volume of Transactions		Growth Rate Y-o-Y	Total Number of Customers		Growth Rate Y-o-Y
	2019	2020	2019-20	2019	2020	2019-20
Internet Banking	1,604,826	1,778,158	11%			
				592,137	802,036	35%
Mobile Banking	1,610,435	3,513,953	118%			
ATM	59,232,523	61,371,262	4%	N/A	N/A	N/A
IVR	2,573,905	3,077,729	20%	686,680	834,749	22%
Smart Wallet	6.1m	7.5m	23%	625,167	839,975	34%
Cash Management	2,879,063	3,674,844	28%	11,916	17,324	45%
Trade Finance Management	20,875	25,602	23%	2,263	3,727	65%
Governmental Payments	34,695	58,821	70%	866	1,751	102%
Total	67,956,322	73,500,369		1,232,349	1,664,813	

Online Banking

The customer base for CIB's online banking channels, including Internet and Mobile Banking) increased 35% year-on-year in 2020. We closed out the year with 802,036 customers using these channels. We have seen increased migration of credit card settlements and money transfers (both internal and external) from our branches to our Internet Banking platform.

To better serve our growing user base, CIB in 2019 revamped the user interface and experience of its Mobile Banking application, which saw year-on-year growth in transaction volumes of 118% in 2020. Through our app, customers can manage their finances and conduct a broad range of financial transactions.

ATMs

The availability of ATMs is not only important to providing quality customer service. It is also essential to promoting financial inclusion. CIB maintains the largest ATM network in Egypt among private sector banks. In 2020, our network grew 11%, reaching 1,121 ATMs, which handled over 61 million transactions. We have further supported national financial inclusion efforts by offering mobile payment interoperability for all mobile payment schemes via our ATMs. CIB also installed an additional 180 ATMs across the country as part of a CBE initiative; the placement of the ATMs was based on a data-driven location optimization model, as well as regulator guidance.

CIB's Nationwide ATM Network			
Geographical Area	2019	2020	Growth Y-o-Y
Greater Cairo	527	596	13% ↑
Alex, Matrouh, and North Coast	133	156	17% ↑
Delta	110	129	17% ↑
Red Sea	90	84	-7% ↓
Canal	57	60	5% ↑
Sinai	59	57	-3% ↓
Upper Egypt	36	39	8% ↑
Total	1,012	1,121	11% ↑

Despite the challenges faced in 2020, CIB continued to execute on our Digital Services Upgrade Plan. A new, modern ATM user interface was introduced at selected cash machines and full-function ATMs, and it will be expanded to other sites going forward.

Phone Banking

CIB's 19666 hotline, which connects customers to our automated IVR banking and Contact Center options, recorded 19% year-on-year growth in calls in 2020, compared to 11% growth in 2019, reaching nearly 1 million monthly calls.

Early in the year, customer inquiries related to regulatory initiatives associated with COVID-19 overloaded our networks, while the challenges arising from the curfew and precautionary measures led to a high percentage of absenteeism. In response, we increased voice channel capacity and launched a dedicated menu for regulator initiatives. We also halted certain requests during curfew hours and advised customers to use our digital channels instead.

We changed the IVR top level menu, which led the IVR resolve rate to surpass 49% and made this our primary voice channel. CIB also added self-service features for customers to unlock online banking accounts or recover their usernames, which offloaded agent calls. These efforts corresponded with a 22% year-on-year increase in IVR customers to 835,000 and a 37% year-on-year increase in synergies to EGP 35.2 million.

Trade Finance

Trade Finance Online is CIB's market-leading online trade channel. It provides customers with clear information about all their transactions while eliminating paperwork and saving them time and money. In 2019, we began migrating customers to a new export direct collection service on the CIB Business Online portal, which allows them to ship documents directly to CIB without visiting a branch. In 2020, we recorded a 65% increase in our customer base, while transactions conducted grew 23% year-on-year.

Cost Synergy

The success of our cost synergy approach applied across our digital channels was reflected in increased revenues in 2020.

Operational Cost Synergy Impacts Across Digital Channels in 2020			
Geographical Area	2019	2020	Growth Rate Y-o-Y
Greater Cairo	EGP 1,168,215,222	EGP 1,484,791,592	27%
Alex, Matrouh and North Coast	EGP 500,453,224	EGP 946,493,936	89%
Delta	EGP 25,650,057	EGP 35,209,198	37%
Red Sea	EGP 480,045,079	EGP 667,025,934	39%
Canal	EGP 10,370,678	EGP 18,112,011	75%
Sinai	EGP 3,726,345	EGP 5,194,342	39%
Total	EGP 2,188,460,604	EGP 3,156,827,013	44%

Digital Financial Inclusion

CIB's digital banking strategy is in line with the national push for financial inclusion. We are minimizing traditional cash payments and introducing new technological solutions with the aim of having mobile payments become a tool for digital banking and government payments. Our CIB Smart Wallet, ATMs, and POS systems play an important role in providing banking access to unbanked and underbanked people in Egypt.

The Bank's Financial Inclusion and Mobile Products division oversees the implementation of our mobile payments strategy. They systematically measure the Bank's digital services throughout their lifecycles to ensure that customer interactions continually migrate to optimal channels.

Migration from Branches and Call Centre to CIB Digital Services in 2020

Digital Service Type	Migration Rate
Cash Deposits through ATMs (<EGP10K)	96.4%
Cash Withdrawal through ATMs (<EGP20K)	98.5%
Online Banking Credit Card Settlement Transactions	96%
Online Banking Internal Transfers Transactions	81%
Online Banking External Transfers Transactions	59%
IVR self-service (% of eligible inquiries migrated from Call Center to IVR)	84%
Outgoing Transfers through cash management products	87%
Internal Transfers through cash management products	60%

CIB Smart Wallet

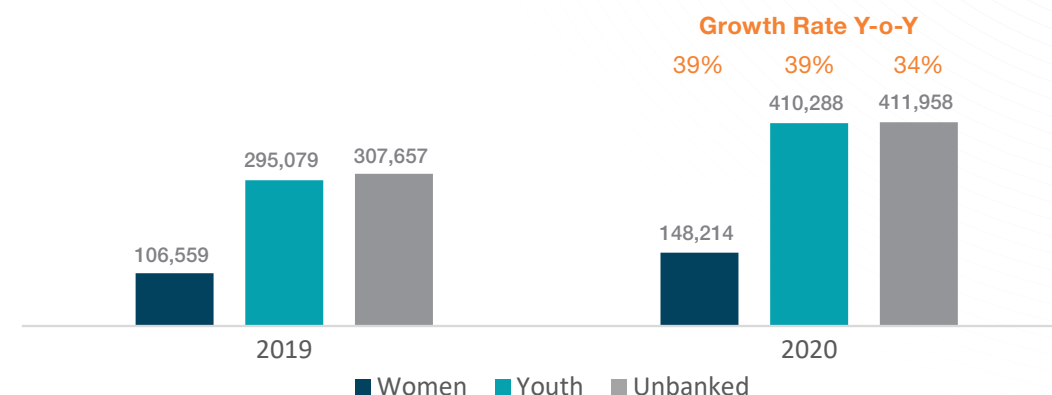
The CIB Smart Wallet is a transformational service designed specifically to reach unbanked and underbanked people. This innovative solution provides a convenient, secure, and cost-effective channel for making purchases and transferring money.

In line with the national effort to promote financial inclusion, CIB is continually introducing new products and services to enhance our mobile wallet offering and increase revenue streams. Following the CBE's authorization of QR code payment methods, CIB in 2019 introduced this

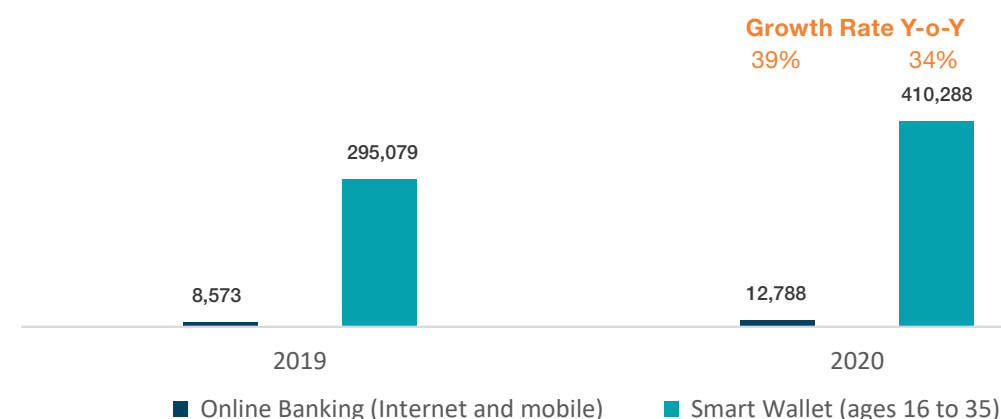
tool to the Smart Wallet to allow customers to access a larger merchant network more quickly and affordably. This tool enables quick, secure, and convenient processing of payments.

We continue to serve an increasing number of women, young people, and unbanked people, in particular, with this tool. In 2020, the number of both women and young people using the Smart Wallet grew 39% year-on-year. Our customer base among the unbanked grew 34%.

Growth in CIB Smart Wallet Customers 2020



Growth in Young Customers 2020



Growth in Unbanked Customers 2020



Points of Sale

CIB maintained its dominant position in Egypt's payment acceptance sector in 2020, attaining a market-leading share of 28% for POS transactions and a 19% market share for e-commerce transactions.

CIB maintains POS sites across all 27 administrative divisions in the country. In 2020, we saw growth in POS sites across all areas, with the exception of Sinai and Luxor.

We base our growth plan on careful analysis of the total cards issued per governorate and

the number of branches in each governorate available to serve our merchants, as well as the plan of the acquisition and sales team. This approach ensures sustainable benefits for our partnering merchants.

With the aim of promoting financial inclusion, the Bank has activated all POS and e-commerce platforms to accept the government-backed Meeza card and launched QR acceptance to reach untapped segments. This has also been a key enabler of payment business growth, especially with very small merchants.

The Total Number of POS (in each geographical location)				
NO	POS	2019	2020	Growth Rate Y-o-Y
1	Alexandria	1,240	1,591	28%
2	Al-Qalyubiyah	49	116	137%
3	Aswan	89	99	11%
4	Asyut	45	57	27%
5	Beheira	22	43	95%
6	Beni Suef	15	21	40%
7	Cairo	8,726	10,776	23%
8	Dakahlia	128	184	44%
9	Damietta	71	115	62%
10	Fayoum	15	21	40%
11	Gharbia	156	236	51%
12	Giza	3,066	3,637	19%

The Total Number of POS (in each geographical location)				
NO	POS	2019	2020	Growth Rate Y-o-Y
13	Ismailia	67	77	15%
14	Kafr El Sheikh	11	31	182%
15	Kharg	2	3	50%
16	Luxor	149	130	-13%
17	Matruh	189	274	45%
18	Minya	21	56	167%
19	Monufia	28	38	36%
20	North Sinai	0	12	100%
21	Port Said	119	168	41%
22	Qena	10	19	90%
23	Red Sea	1,117	1,164	4%
24	Sharqiyya	139	157	13%
25	Sohag	35	48	37%
26	South Sinai	614	569	-7%
27	Suez	129	205	59%

FinTech Strategy

Today, CIB collaborates with over 250 local and global start-ups under our Start-Ups Engagement Program. The program provides multiple engagement paths and frameworks designed to fit the business and operating models of each and every start-up.

To spur innovation in the fintech space, CIB's teams have been meeting with players in the ecosystem to increase their knowledge of the local market, introduce them to the CBE and other regulators, explain regulatory requirements and expectations from financial services providers, identify pain points and challenges faced by local market players, and explore engagements within the CBE Sandbox.

CIB's Innovation Lab, established in 2017, aims to strengthen CIB's relationship with fintech start-ups. We support incubators and accelerators in Egypt by providing workshops, mentorship, event support, and other resources. In some cases, we turn to start-ups to provide us with new tools that will allow us to transform our operating model and access new and underpenetrated markets.

We also aim to mix global best practices with local market talent through our strong pipeline of global fintech and other start-ups that can help localize global financial services while ensuring security and ethical data management.

CIB's Fintech Supporting Partners

1	Fintech Galaxy
2	Startup Reseau
3	Seedstars
4	Flat6labs
5	Falak
6	Endeavor
7	Start Egypt

Bank of the Future

Our new Bank of the Future program is intended to drive our digital transformation, increase efficiency, and establish our reputation as "the digital bank to trust". In particular, this program aims to position our digital banking channels as the primary means for engaging with CIB, while branches will be reframed as alternative access

points. Bank of the Future also encompasses the digitalization of the branch experience through the use of robotics and other tools. Finally, the program will introduce open platforms third parties can plug into to integrate their services with CIB and serve our customers' needs in new ways.



The Bank of the Future has Five Key Pillars

Service digitalization: Enhance the capabilities of CIB's digital channels in order to digitalize the customer journey from initiation to execution to delivery. This includes reimagining the customer service process within branches and educating customers on the use of digital channels.

Operations centralization: Migrate services from branches to central operations.

Robotics: Adopt robotic process automation and artificial intelligence to increase efficiency and creating the financial services industry of the future. CIB in 2020 identified over 250 processes for potential automation across more than 40 departments and areas.

Branch digital experience: Enhance the branch experience with digital touch points, such as online appointment booking, self-service kiosks, Wi-Fi, digital signage, biometrics, and walk-out banking.

Branch classification: Reimagine the branch network and allocate branches to serve dedicated customer segments. Extend the coverage model to ensure all Business Banking customers have an assigned account officer.



CHAMPIONING NATIONAL PRIORITIES

- Contribution to National Efforts
- Financial Inclusion Commitments

CIB's Green Bond Program is part of the Bank's new sustainable finance strategy and in line with Egypt's commitment to a more sustainable future.



Contribution to National Efforts¹⁴

Alignment with Egypt's National Agenda

Egypt has a population of 100.4 million growing at an annual average rate of 2%. At the same time, the country's financial exclusion rate is 67.3%, and this is decreasing by 6% annually on average. It is expected that in 2021, Egyptian population will reach 109 million, with the number of unbanked people coming to nearly 23.6 million if historical trends continue. The market of unbanked potential customers is expected to grow to around 43.7 million in the next five years, and CIB aims to capture 16% of this — around 6.8 million people.

Launching the Green Bond

Along with all other countries, Egypt has already begun to experience the negative impacts of climate change. To reduce the burden of these effects on future generations, it is necessary to take drastic action to curb emissions and rebalance the global energy mix towards renewable sources. In line with its signing of the Paris Agreement, Egypt has taken initial steps to invest in renewable energy sources, including solar and wind farms along the Red Sea and in the Western Desert. As a founding signatory of the UN PRB and the country's leading private sector bank, CIB is committed to realizing Egypt's Vision 2030 and advancing green finance.

CIB's Green Bond Program is part of the Bank's new sustainable finance strategy, and it also underpins our national commitment. It demonstrates our market readiness to attract to Egypt a new category of long-term impact investors as well as multinational corporates that have expressed interest in this local investment vehicle which contributes to their carbon credit balance.

With proceeds exclusively channeled towards projects and activities that are environmentally sound, our Green Bond Program will scale up and increase the share of renewables in Egypt's energy mix. It will also contribute to the mainstreaming of green building practices and resource efficiency in the industrial sector.

For more information on our efforts in this area, see [Section 7: Financing the Transition to a Greener Economy](#).

Financial Inclusion Mandates and Initiatives

Over the last five years, the CBE has issued numerous mandates and launched initiatives under the country's economic reform program. The national agenda has gained momentum thanks to synchronized efforts across the financial sector, including policy reforms, new governmental payments channels, and segment-focused initiatives.

Financial inclusion is a high priority on the national agenda. It entails providing greater access to financial services and financial literacy education to two main segments:

- The underserved: SMEs, microenterprises, women, entrepreneurs, and young people
- The unbanked: low-income individuals with no bank account

In line with CBE guidelines, CIB has increased its efforts to provide services and learning opportunities to these groups, as discussed later in this section.

To ensure proper monitoring and assessment on a national scale, the CBE in the first quarter of 2020 instructed all public and private banks in Egypt to establish dedicated financial inclusion units. These independent units are to be responsible for the development and implementation of medium-term financial inclusion strategies both mandated by the CBE and initiated by the banks. The units are to report directly to the Bank CEO, who will develop internal financial inclusion workstreams and act as the single source of consolidated information regarding financial inclusion updates for the CBE.

Supporting Egypt's First National E-Payment Card

In 2018, the CBE delegated and authorized the Egyptian Banks Company for Technological Advancement to build the National Payment Switch infrastructure and card management payment system.

Under the CBE and the National Payments Council, the Meeza payment card is Egypt's flagship program to provide digital financial services on a national scale and pave the way for the transition to a cashless society. The program is intended to reduce cash circulation across the local market and facilitate local transactions for citizens. In 2019, over 2 million cards were issued nationwide. They can be used at 7,000 POS and 12,000 ATMs. By the end of 2020, over 500,000 transactions had been performed, with the total volume exceeding EGP 500 million.

The Meeza card is considered a key tool for financial inclusion, particularly for people who have long worked in the informal side of the economy. Today, the card facilitates access to banking

products and easier financial management for previously unbanked and marginalized groups.

Egyptian citizens are eligible to apply for a Meeza card starting at the age of 16, and issuance requires only a valid National ID, with no need to opening a bank account or provide proof of income. These simplified regulations make the card accessible for more people.

CIB has been a private sector leader in this initiative since 2018 and currently offers three Meeza products:

- **Non-personalized Meeza Prepaid Cards:** sold through our branches and targeted towards unbanked customers who mainly need to conduct governmental services payments
- **Meeza Payroll Prepaid Cards:** offered to payroll employees with salaries under EGP 2,000 per month
- **Meeza Gov Prepaid Cards:** offered to employees from the Ministry of Foreign Affairs and Tanta Hospital

CIB's Meeza card customer base grew tenfold in 2020. The total volume of transactions completed in 2020 came to EGP 46 million, versus EGP 34 million in 2019.



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Financial Inclusion Commitments

CIB has developed an array of efforts to promote financial inclusion, a target that is woven into our Five-Year Corporate Strategy. Financial inclusion is central to our efforts to integrate ESG principles into our business, operate in a customer-centric way, and embody sustainable finance.

Throughout 2020, we mobilized the collective expertise of our business lines to capture the full-extent of our resources, create stronger synergies across the Bank, and identify new ways to serve all of our customer segments. We continued to invest in data analytics capabilities, and we are using these tools to develop innovative products and services to meet the needs of unbanked and underserved communities. At the same time, we

have continued to sustain and build on our long-standing programs in this area. We are also keen to provide financial and non-financial advisory services, as well as simplified KYC account opening processes for historically excluded groups.

CIB has also been an ongoing and enthusiastic participant in financial inclusion and literacy initiatives launched by the CBE. In 2020, CIB took part in four rounds of the CBE's financial inclusion initiative. The August session targeted youth while the October one focused on promoting inclusive savings accounts. More information about our work in this area can be found later in this section in the overview of our Easy Account.

Financial Inclusion Events		
Event	Event Duration	Occasion
Women Celebration	From 8 th to 31 st of March	The International Women Day
The Arab Financial Inclusion Day	From 1 st to 30 th of April	The Arab Financial Inclusion Day
Youth Celebration	From 1 st to 15 th of August	The International Youth Day
Saving Celebration	From 15 th to 31 st of October	The International Week for Financial Inclusion; The International Day for Saving

During the worst of the COVID-19 pandemic in 2020, we launched numerous digital activities and promotions through our social media channels, which reach of over 1 million people.

Small and Medium Enterprises

Micro, small, and medium-sized enterprises (MSMEs) are a major focus of the CBE's reform

efforts and the national Egypt Vision 2030 plan. In 2021, the CBE issued a directive requiring MSMEs to account for 25% of the lending portfolios of all public and private banks in Egypt by the end of 2022. This call builds on a 2018 directive requiring that MSMEs account for only 20% of banks' lending portfolios.

- Microfinance loan portfolio not to exceed 2.5% of the total bank's loan portfolio as of 31 December 2020. And maximum exposure of one MFI is 0.5% of the total bank's loan portfolio as of 31 December 2020.
- The required percentage will be considered on the highest achieved percentage of the credit facilities (direct and indirect) throughout the period until 31 December 2022.
- The 25% initiative is including the Bank's participation in the equity of investment funds which targets the direct investments in Micro (as per 26 May 2019 circular), small and medium enterprises (existing or start-ups).

In alignment with CIB's corporate strategy and CBE directives, SMEs are a major target segment for CIB. Our value creation in regards to these businesses extends beyond the provision of financial and banking services and towards a relationship-based approach.

The key products and services that CIB extends to its SME borrowers are as follows:

- Lending facilities
- Dedicated qualified relationship managers
- Tailored accounts
- Business Banking Call Center
- Professional Services Alliance Program
- Digital solutions

Furthermore, CIB acts as an apex bank to development funds in the agribusiness sector, while allowing other public and private sector banks, including the National Bank of Egypt and the Agriculture Development Bank, to utilize the funding as participating banks.

Lending Facilities

At the end of 2020, the volume of loans allocated to SME customers grew 20% year-on-year compared to 2019, and the size of our customer base with outstanding balances grew 31%.

To further our goal of supporting Egypt's SMEs, CIB launched in late 2019 our non-financial services business solution, which connects businesses with relevant partners in areas such as legal advisory, auditing and accounting, ecommerce, consultancy and training, marketing and research, human resources, technology solutions, and logistics and shipping. We are able to offer SMEs package discounts for these services to help them build their own sustainable businesses. Since the program launch, CIB has been able to connect 25 companies with these services, and we continue to seek ways to expand the scope and reach of this offering.

As our portfolio has grown in size, it has also become greener. More information on our efforts to support green businesses and build a greener economy can be found in [Section 7: Financing the Transition to a Greener Economy](#).

Women in Business

CIB has long recognized the important role that tailored financial products and services play in empowering women economically. When women can access bank accounts and savings tools, they can control their finances and their futures. We also provide advisory services and capacity building opportunities to women to enable them to make informed financial and investment decisions. These products and services are ultimately intended to help women increase the resiliency of their businesses, reduce their exposure to economic shocks, and increase their incomes.

Lending to women-owned businesses increased more than nine-fold year-on-year in 2020, while our customer base grew by 154%.

Youth Prime Me Bundle

Our Prime Me bundle targets youth between 21 and 30 years old. One key benefit of this bundle is rewarding the customers with generous bonus

points for their various banking activities, such as maintaining balances in their accounts, using their debit/credit cards, and booking a loan or referring a friend to the bundle. Customers can redeem their bonus points from a wide network of merchants. In addition, Prime Me customers receive a monthly newsletter featuring CIB's latest offers and promotions. As of the end of 2020, there were more than 40,000 Prime Me customers in CIB.

International Student Identification Card

The International Student Identification Card (ISIC) is part of a global network and is endorsed by UNESCO in Egypt. It is a card program for which people are eligible starting at age 12 and until the end of their academic studies. Students can use the card to obtain over 150,000 discounts of up to 50% at more than 125,000 locations across 130 countries. It can be used for retail purchases, e-commerce transactions, and cash withdrawals.

The card is a valuable tool for teaching adolescents about money management. Starting at age 12, children can load their cards at all CIB ATMs or branches, and parents have the ability to monitor spending on the card.

This card is mainly used by students traveling abroad for study or other purposes. Due to the international travel restrictions imposed by the pandemic, the number of cards in use declined in 2020 to 595, compared to 1,695 in 2019.

The Easy Account

The CIB Easy Account is a dedicated financial inclusion product. It is characterized by zero minimum deposit requirements, zero account opening fees, and zero minimum required balance. The minimum annual fee is only EGP 50 (under \$4). This product continued to gain traction throughout 2020, despite the challenging economic circumstances. CIB has recorded 209% year-on-year growth to record 132,802 customers in 2020 compared to 43,044 customers in 2019.

In 2020, CIB recorded a more than three-fold year-on-year increase in the total number of Easy account customers. The current account version of the product has consistently had one of the highest growth rates of our account products in recent years. This reflects both the importance of financial inclusion products and the success of our efforts to cater to historically overlooked customer segments.

Growth in Easy Account Customers			
Geographical Area	2019	2020	Y-o-Y Growth
Saving account	37,081	72,815	96%
Current account	5,963	59,987	906%
Total customers	43,044	132,802	209%

Entrepreneurs and Start-Ups

Over the years, CIB has been a major supporter of Egypt's entrepreneurial ecosystem. We have developed strategic partnerships with service providers, start-up incubators, and accelerators to promote financial inclusion and the growth of start-up businesses across the country.

CIB Innovation Lab

Established in 2017, CIB Innovation Lab was the first of its kind in the Egyptian market

placing it as an attractive hub for entrepreneurs and startups. It enjoys a robust pipeline of more than 200 local and global startups. Through its Entrepreneurship Engagement Program, CIB Innovation Lab aims at creating a production line from its startups products in alignment with CIB's strategic goals and priorities. Our program management includes supporting the startup across different stakeholders and organizational layers to eventually merge CIB's brand

and resources with the agility and unique value propositions of said startups to ensure standing out in the market.

CVentures

CVentures was established in December 2018 to invest in transformative tech and tech-enabled companies with best-in-class products and services as well as disruptive business models. It is focused on generating above-average financial returns in addition to complementing CIB's innovation agenda, financial inclusion strategy, and digital expansion efforts.

In 2020, CVentures invested in Countingup, a 2-in-1 business banking and accounting platform for sole traders and microenterprises. It also invested in MagicCube, a software security infrastructure provider for mobile and IoT devices. In addition, CVentures made a follow-on investment in Yodawy, an online medication and pharmacy benefits platform offering digital claims management.

Fawry Plus

In 2020, Fawry Plus opened an additional nine branches, bringing the total number in operation to 90 branches. It also signed an agreement to triple the number of branches going forward by using a shop-in-shop model that will allow consumers to access the service with even greater ease. Fawry Plus witnessed revenue growth of more than 80% year-on-year as a result of its expansion efforts. The business has also partnered with several banks and received CBE approvals to introduce the Meeza Prepaid card KYC service and international remittance disbursement services, in addition to wallet registration services.

Heading into 2021, Fawry Plus has adopted a forward-looking strategy, seeking to become the banking destination of choice for its customers and attract new ones. It plans to achieve this goal through the convenience of its branches, which are less crowded, more accessible, and open later than banks. The company will also seek to expand the scope of its services through a multitude of avenues. It will enter into additional partnerships with Egyptian financial institutions and key industry players to offer their services through Fawry Plus. In addition, it will focus on serving the e-commerce industry by offering cash management and logistics solutions, including establishing branches as drop-off and pick-up stations.

Low-Income Housing

As part of Egypt's national effort to reform real estate financing, the CBE launched an initiative in 2015 to provide low-interest long-term financing to low-income citizens. CIB is an active participant in the program, and in 2020 new bookings for medium- and low-income mortgages were recorded for a total of 16,911 customers and valued at EGP 1.9 billion. Last year, CIB also expanded its offerings to this segment under a CBE initiative, as detailed in Section 8: [Consumer and Digital Banking](#).

Remittances

Remittances play both an economic and a social role in society. They are particularly important in emerging markets with large rural and unbanked populations, where households are often entirely financially dependent on them. Remittances also play a role in improving financial access and inclusion. According to the IMF, when a country's remittance-to-GDP ratio increases to around 13%, remittances typically support financial inclusion by complementing formal financial access and channels.

In Egypt, personal remittances have fluctuated in recent years, coming in at 8% of GDP in 2020. The country is one of the largest recipients of remittances in the world, and seamless, cost-efficient digital solutions are needed to manage these financial flows for the country's citizens.

In this context, CIB recently launched its Pilot Plan for Remittances Digitization, with focus on female recipients. The program targets remittance flows from Saudi Arabia, the United Arab Emirates and Kuwait to the governorates of Sharqia and Dakahlia. The pilot was developed in collaboration with the CBE and the World Bank. Selected banks will monitor customer behavior with the intention of improving overall digital remittance inflows to Egypt. They will also aim to facilitate the transition to a cashless society through appropriate communication, awareness raising, and literacy campaigns.

Through a second cooperation between the CBE and the Arab Monetary Fund, the secure ARPS e-payment system is used to facilitate payments and settlements between Arab countries at minimal cost. Around 72% of Egyptians working abroad send remittances from Arab countries.



OUR ECOLOGICAL FOOTPRINT

- Ecological Footprint Plan
- Carbon Disclosure Project
- Towards Carbon Neutrality
- Bank-wide Projects and Initiatives
- Green Building Certifications

Egypt is targeting to generate 42% of its energy from renewable sources by 2035, and initiatives to aid the transition to a green economy have been backed by hefty funding from international finance institutions along with CIB.

Benban Solar Park, Aswan, Egypt.

Ecological Footprint Plan

CIB's ecological footprint plan was developed in 2017 to address energy and water efficiency challenges. We ultimately aim to make our business carbon neutral. To date, CIB has taken the following steps:

1. Developed our first Carbon Footprint Report examining all CIB premises
2. Launched bank-wide projects and initiatives for water, paper, and resources use reduction
3. Acquired our green buildings certification

We understand that in addition to achieving decarbonization, we must also account for our ecological footprint by reducing the use of water and other resources, as well as our generation of waste.

An ecological footprint analysis quantifies the land area needed to provide the resources and absorb the waste generated by a business or activity. This tool enables businesses and cities to respect and operate within the natural biocapacity of the Earth by using resources in a sustainable way. CIB has chosen to expand our reporting to include our ecological and water footprints because we view this as a more holistic approach than simply

calculating our carbon footprint. We also plan to include the investment portfolio under the organizational operational boundaries.

We aim to use our newfound knowledge of our ecological impact to develop more sustainable business scenarios and embed ESG principles into our policies. CIB prides itself on being the first bank in Egypt and Africa to address all three areas.

(Read on: <https://www.cibeg.com/-/media/project/downloads/about-cib/cib-corporate-responsibility-formerly-community/corporate-sustainability/publications/carbon-reports/cib-nov-9th.pdf>)

Carbon Disclosure Project

CIB has furthered its commitment to environmental transparency by becoming the first Egyptian bank to disclose its environmental impact through the Carbon Disclosure Project, a global non-profit organization that runs the world's leading environmental disclosure platform. CIB has disclosed through the Carbon Disclosure Project since 2018, and in 2020, the Bank completed its climate change and water security questionnaires.

CIB is among 9,600 companies worldwide committed to transparency around its environmental impact, which helps us manage environmental risk, identify opportunities, track and benchmark progress, and take action in areas

where there is new demand. Over the last four years, CIB has set the regional financial industry benchmark in conforming to ESG disclosures, reflecting our integrity and fiduciary duty to our investors and shareholders.



Towards Carbon Neutrality¹⁵

CIB developed its first Carbon Footprint Report because measuring a problem is the essential first step in developing a plan to address it. In 2018, CIB's total emissions hit 51,000 MtCO₂e (after updating the baseline according to the new activities added in 2019-2020 report), and we have committed ourselves to reducing greenhouse gas emissions by 10% (1,800 MtCO₂e) by 2025. Despite the challenges faced in 2020, CIB was able to achieve 10% reduction last year, compared to our baseline year 2018, to 45,901 MtCO₂e.

Scope of CIB's Operations						
Reporting Year	No. of Branches	% of Total Branches	No. of Employees	% of Total Employees	Total Emissions	Emissions per Employee
2018	203	100%	6,282	100%	51,000	8.12
2019	211	100%	7,023	100%	49,521	7.05
2020	216	100%	7,181	100%	45,901	6.39

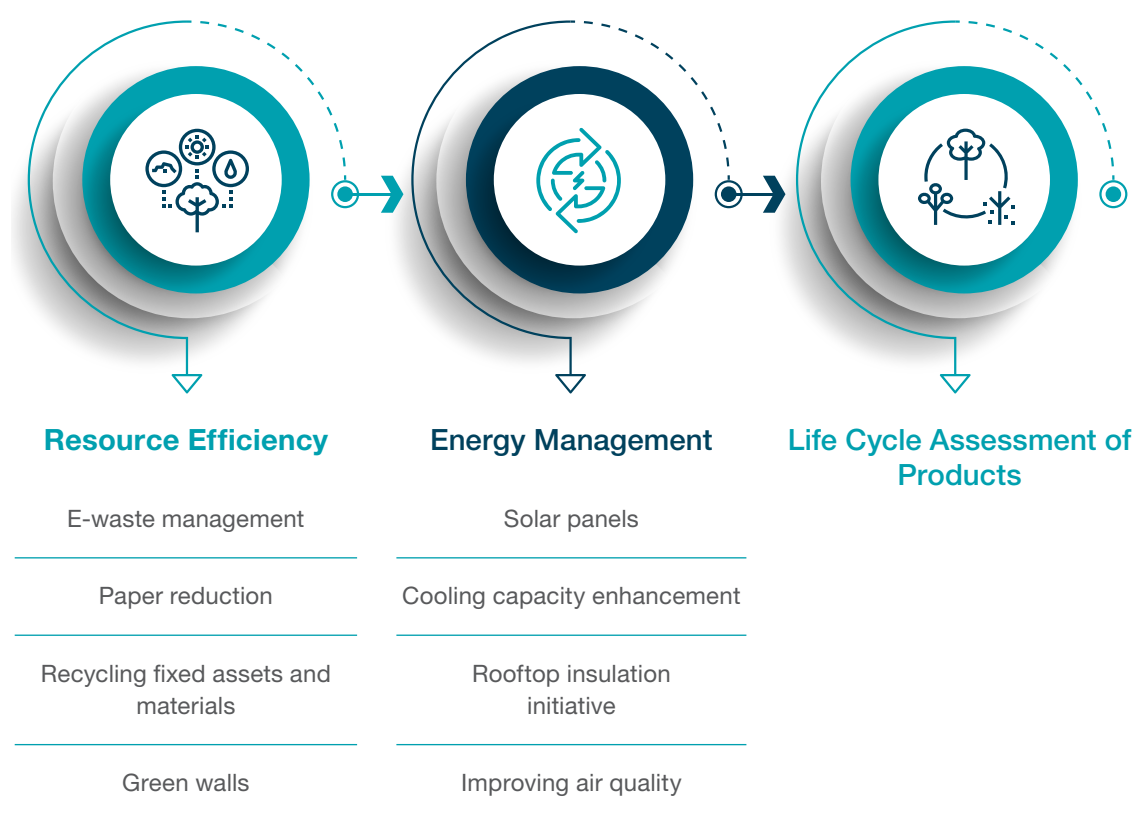
GHG Emissions from CIB Branches (in MtCO ₂ e)			
	2018	2019	2020
Total Scope 1 Emissions	10,058	5,776	6,185
Total Scope 2 Emissions	22,901	21,928	19,674
Total Scope 3 Emissions	18,041	21,816	20,042
Total Emissions	51,000	49,520	45,901
Emissions Reduction	3,619		

(15) G302-1 | G302-4 | G305-1 | G305-2 | G305-3



Bank-wide Projects and Initiatives¹⁶

CIB's commitment to greener resource use continues throughout the Bank and can be divided into three categories:



Resource Efficiency

For the past three years, CIB has taken part in the national solid waste program by selling obsolete electronic assets through limited auction to e-waste merchants pre-approved by the Ministry of Environment and Waste Management Regulatory Agency. For the past two years, CIB has been purchasing laptops with an extended warranty of five years instead of three, which has reduced the frequency with which we need to replace them and helped minimize our e-waste.

Paper Reduction

Our “Paper Champs” initiative has been transformed into an ongoing program to monitor paper consumption and encourage the adoption of innovative ideas and technologies across all branches and head offices. Through this effort, CIB achieved a 10% year-on-year reduction in our paper use for the sixth consecutive year, despite an increase in the number of branches.

Key tools and strategies applied to achieve this outcome are as follows:

- We activated automatically intelligent two-sided printing.
- We standardized all photocopier products and reduced power consumption by using Xerox energy star certified products.
- We removed banner pages from the printing process.
- We enabled the “hold all jobs” feature to limit unnecessary printing.
- We activated a print awareness tool to enhance printing efficiency and minimize errors.

As part of CIB's waste management program, the paper waste that we do generate is donated to recycling start-ups to further support green entrepreneurs. The shredding and recycling of outdated documents is completed

by a specialized paper kneading company to reduce environmental impact.

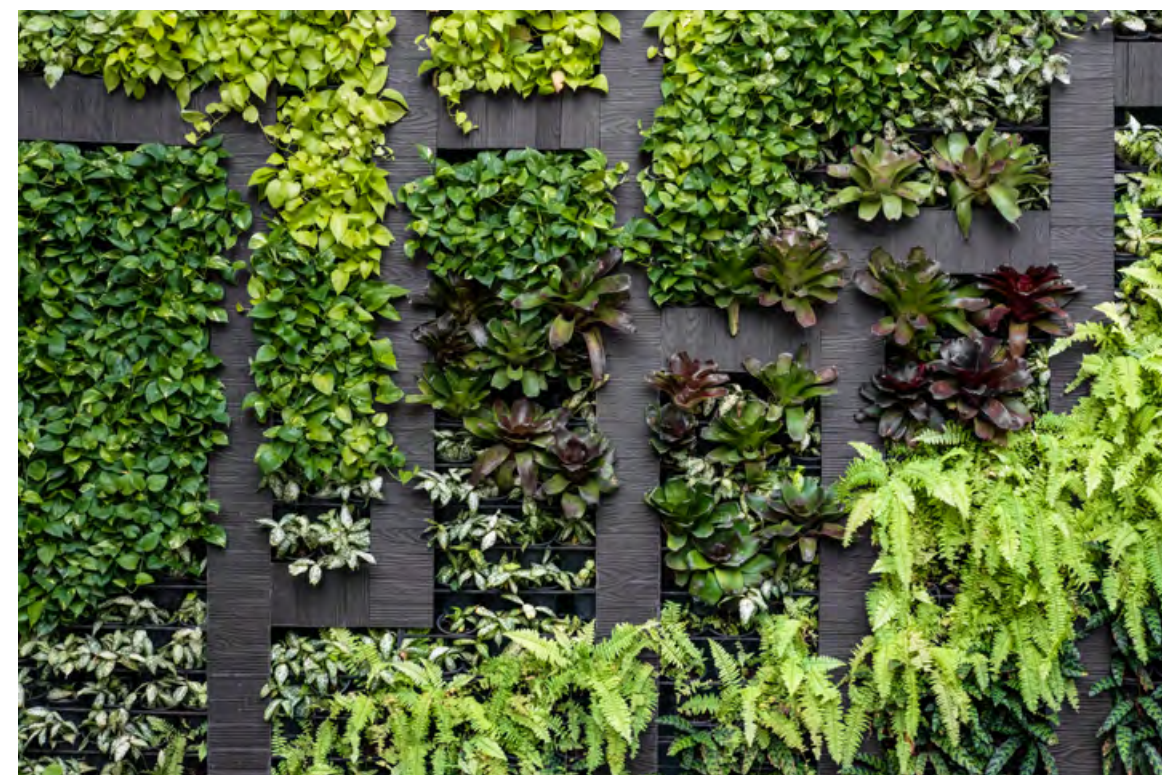
Our continued adoption and refining of innovative solutions has also led to a shift in customer behavior around digital banking, which promotes a green culture through electronic statements and digital transactions.

Recycling Fixed Assets and Materials

CIB extends the lifecycle of items that would otherwise be treated as scrap. The Corporate Service team is currently classifying salvaged, outdated, and damaged fixed assets and materials that will be offered firstly as donations, then to staff for reuse, and then for sale through external merchants.

Green Walls

Additional efforts towards air purification have been made across our branches. Today, all of CIB's branches incorporate a green wall. For each square meter of green wall, 2.3 kg of CO₂ is extracted, producing 1.7 kg of oxygen.



(16) G303-1 | G303-5

Energy Management and Energy Reduction Projects

Initiatives to Increase Energy Efficiency			
Initiative	Date Launched	Consumption 2019 (KW)	Consumption 2020 (KW)
Solar panels at Dahab	2020	69,720	72,660
Solar panels at 10 th of Ramadan	2020	186,720	287,440
Solar panels at Borg El-Arab	2020	238,000	234,960
Improved A/C system at Nadi El-Said	2019-2020	1,098,779	587,222
Improved A/C system at Mohandeseen branch	2019-2020	1,060,449	465,187
Changed to LED lighting at Shrouk branch	2020	97,638	103,858
Changed to LED lighting at Aghakhan branch	2020	164,078	135,870
Rooftop insulation at El-Shams branch 1	2020	239,736	267,975
Rooftop insulation at El-Shams branch 2	2020	0	43,534
Rooftop insulation at Obour (Carrefour) branch	2020	91,180	87,840
		3,246,300	2,286,546

CIB's Resource Consumption					
	Total Energy Consumption (kWh)	Total Water Consumption (m3)	Total Wastewater Produced (m3)	Total Paper Consumption (Sheets)	Total Paper Consumption (Tons)
2018	43,561,747	671,025	536,819	39,638,611	198
2019	42,331,457	1,033,378	826,702	39,008,246	195
2020	40,297,623	1,072,581	858,065	34,960,703	175

Lifecycle Assessment of Card Payment System

A lifecycle assessment was conducted for our card payment system for the year 2019. This assessment included four main components: credit and debit cards, ATMs, POS terminals, and data centers.

The entire lifecycle, from raw material extraction to manufacturing, transportation, use, and disposal, was assessed. The calculations were based on the number of cards in circulation and transactions made via ATMs, online channels, and POS. This comprehensive environmental impact assessment of our direct and indirect activities assisted us in developing an environmental management framework for a range of short- and long-term high-impact procedures.

Outcome and Conclusions

The analysis revealed that the most significant impacts of the system include fossil depletion, climate change, impacts on human health, human toxicity, and metal depletion. Based on the results of the lifecycle analysis and the impact of each subsystem, different scenarios for lowering the impact of debit and credit card payments and achieving optimum ecological efficiency were studied. These scenarios include, but are not limited to, developing a cardless system, increasing the lifetime of cards, and using renewable energy to power ATMs.



Green Building Certifications



Green Pyramid Certificate Gold Rating

CIB is the first bank in Egypt to acquire the Egyptian Green Pyramid Certificate Gold Rating awarded by the Ministries of Housing, Utilities and Urban Communities, Electric and Renewable Energy, and the Environment. With three branches having been awarded the Green Pyramid Rating System Certificate, we continue to lead the financial sector in this area. Our sustainable design code is implemented by our facilities management team, and our energy efficiency practices fall under four main categories:

- Lighting: LED lights, lighting occupancy sensors, separate lighting controls, and automatic timers
- Domestic water: flow restrictors and flush control
- Air conditioning: automatic timers and split-unit AC systems
- Indoor air quality: fresh air and air curtains



ISO41001 Certification

CIB is the first organization in Egypt and the first bank in the Middle East to receive our ISO 41001 certification. The certification covers all of the Bank's premises and its related operations. It recognizes CIB's full adoption of the Facilities Management System developed by the International Organization for Standardization.

CIB branches have the following sustainability initiatives already in place:

- Lighting occupancy sensors
- LED lighting panels
- Inverter air conditioning systems
- Power factor correction
- Solar water heaters (selected branches)
- Solar power systems (selected branches)
- Green walls inside and outside of branches





COMMENDABLE SUPPLIER RELATIONS

- Responsible Corporate Services Management
- Employment Creation through Local Procurement
- Managing Social and Environmental Risks in Supplier Selection
- Third Party Risks and Performance
- Overcoming Challenges During COVID-19



Responsible Corporate Services Management¹⁷

Supplier's Conduct and Rights

With mutual best interest in mind, CIB's suppliers are bound by confidentiality, non-disclosure, and conflict-of-interest agreements. Our long-standing relationships with many of our suppliers remain strong due to the trust and clear communication channels we have established. Suppliers communicate with a designated point person within the Bank. Complaints and concerns are investigated, and outcomes are communicated to the suppliers.

Responsible Practices

The Bank's corporate services management plays a significant role in cost reduction and operational and business efficiency. We continue to commit to the adoption of responsible practices. Our sourcing and procurement are in line with our environmental objectives with regards to energy saving and recycling:

- Desktop computers, laptops, and printers have energy-saving specifications.
- Plastic bags are made from biodegradable materials.
- Lighting systems have energy-saving specifications.
- Wood products are either recycled or made from responsibly harvested trees.


Our warehouse was located in a neighborhood that had become heavily populated, and CIB became concerned about our potential impact on neighborhood resources, road infrastructure, and traffic congestion. In 2020, CIB relocated its warehouse to an industrial district, which is designed to accommodate the needs of such facilities.



Employment Creation through Local Procurement¹⁸

CIB manages a diverse database of active vendors whose numbers have grown from 320 in 2018 to 650 today. CIB's vendors database is considered one of the largest in the banking sector. In 2020, approximately 90% of our vendors were local, and 95% of the procurement budget was spent with local vendors and suppliers. CIB has long-standing relationships with many of

its suppliers, and we are proud that the Bank continues to provide a sustainable source of economic prosperity and employment opportunities. CIB encourages its suppliers to incorporate sustainable practices and corporate responsibility in their operations.



Managing Social and Environmental Risks in Supplier Selection¹⁹

As part of CIB's procurement process, due diligence is conducted on all potential vendors to further examine their standing in the market with respect to financial stability, quality, delivery capacity, and after-sale support, among other areas. This screening helps us maximize the benefits obtained, support our internal stakeholders, mitigate any foreseen risks that might jeopardize CIB's interest and, ensure the sustainable growth of our business. As part of the vendor management strategy, a vendor evaluation is regularly performed to ensure alignment to our policies, regulations, and high service standards.

Vendor selection techniques are implemented to ensure that the selected supplier provides the best value for CIB. This is accomplished through a request for quotation, tender, or direct order negotiations.

Intelligence Assessment

New vendors and services require a comprehensive market intelligence exercise. Critical components of market intelligence include price benchmarking, client visits, and other relevant committee requirements as deemed

necessary. Market intelligence is also provided by external sources, subject to approval from the relevant committee.

New suppliers must be deemed as qualified before taking part in sourcing activities. They must provide the required documents to conduct financial, criminal, reputational, and technical background checks.

Termination and Off-Boarding

The off-boarding process ensures the interest of both CIB and its suppliers. During this process, the vendor certifies that all physical artifacts and intellectual property are returned and soft copies destroyed. Access to the Bank's networks and premises is suspended, and all contractual obligations are fulfilled based on payments made to the vendor.

For vendors that do not meet requirements during the contract period or that underperform, an exit management plan for termination takes place, as per our internal procedures. The plan is intended to ensure both parties are acting in good faith and to reflect the best interest of both parties.

(17) G102-9 | G102-10 (18) G203-2 | G204-1

(19) G414-1 | G414-2 | G308-1

Third Party Risks and Performance²⁰

Reliance on third parties presents various risks to the Bank. If not managed effectively, a third party may expose the Bank to risks including, but not limited, concentration, conduct, reputation, strategic, country, legal, information security, and business continuity risks.

The scope of these risk categories is as follows:

- **Concentration risks** arise when outsourced services or products are provided by a limited number of third parties.
- **Conduct risk** may arise from a third party's behavior, relationships, and failure to uphold its duties towards the Bank's customers. This can result in significant customer detriment.
- **Reputation risk** may arise from the potential negative implications of third party relationships or actions on the Bank's profit and capital due to negative opinions, attitudes, or impression that reside with the Bank's different stakeholders.
- **Strategic risk** may arise from any third party actions causing negative implications for the Bank's profit and capital due to inadequate policies, improper implementation of decisions, or failure to respond promptly to changes in the surrounding environment.
- **Country risks** arise when the Bank engages a foreign-based third party, exposing the organization to possible economic, social, and political conditions and events in the country where the third party is located.
- **Legal risks** arise when a third party exposes the Bank to legal implications and possible litigation.
- **Information security risks** may arise from a third party and may lead to several threats, such as data leakage, intentional and unintentional tampering with data, and misuse of data.
- **Business continuity risks** arise due to a third party's inability to perform contracted services, which may impact the Bank's critical operations or disrupt ITs services.

In order to manage third party risks, a Third Party Risk Management Framework has been put in place. It includes the following tools used to perform ongoing monitoring and management of third party risks:

- **Third party risk incidents management:** investigation of third party risk incidents in terms of root cause analysis, corrective actions plans, and lessons learnt. Ensures stakeholders develop corrective action plans in close collaboration with relevant parties to avoid recurrence.
- **Third party risk assessment:** identification, assessment, monitoring, reporting, and mitigation of third party risks.
- **Key risk indicators:** development and monitoring of third party risk indicators, and treatment of high risk exposures.
- **Key performance indicators:** proper remediation plan implementation for problematic KPIs in coordination with different stakeholders to set a corrective action plan according to performance issues.
- **Risk culture and awareness:** development and execution of a robust communication and training plan through different channels to facilitate the effective application of third party risk management tools.
- **Procedures, policies, and products review:** review of standard operating procedures, policies and products from a third party risk perspective. Ensures third party inputs regarding the effectiveness of the stated controls.
- **Issues and action points:** monitoring and escalation of third party risks and issues, along with root cause analysis and remediation plans, in close coordination with key stakeholders and in line with the pre-set timelines.
- **Reporting:** performance of risk analysis and adequate reporting or escalation of issues and their action plans to concerned committees.

Overcoming Challenges During COVID-19

The COVID-19 pandemic emphasized the Bank's expected exposure to concentration, country, and business continuity risks that might arise from third parties. Third party stakeholders formed a taskforce to assess and segregate expected third parties that might face business setbacks in parallel with measuring the impact on CIB's operations

and its continuity plans. The Bank's contractual agreements and warehouse supply were assessed to secure CIB's needs, either from current or alternative third parties. Due to the Bank's readiness and the completion of this assessment of alternatives at an early stage, no significant business disruption or additional risk exposure occurred.



(20) G102-15



THE CIBIANS

- Year of Shared Value and Commitment
- Inclusive Work Environment
- Empowering Our Employees
- Ethical Working Environment
- Continued Commitment to Learning and Development
- Career Development through Trusted Mentorship
- Women's Empowerment at CIB
- Supporting the Banking Sector
- Advancing Sustainable Finance Principles

It is thanks to every one of our 7,071 employees that CIB was able to navigate 2020 and remain a reliable partner to our clients throughout a period of national and global crisis.

Year of Shared Value and Commitment²¹

The CIBians are our most valuable asset. As the market has evolved and our business has faced unprecedented challenges which have required swift adaptation, our employees have upheld their responsibility to our stakeholders and executed their work with dedication and professionalism. It is thanks to every one of our 7,071 employees that CIB was able to navigate 2020 and remain a reliable partner to our clients throughout a period of national and global crisis.

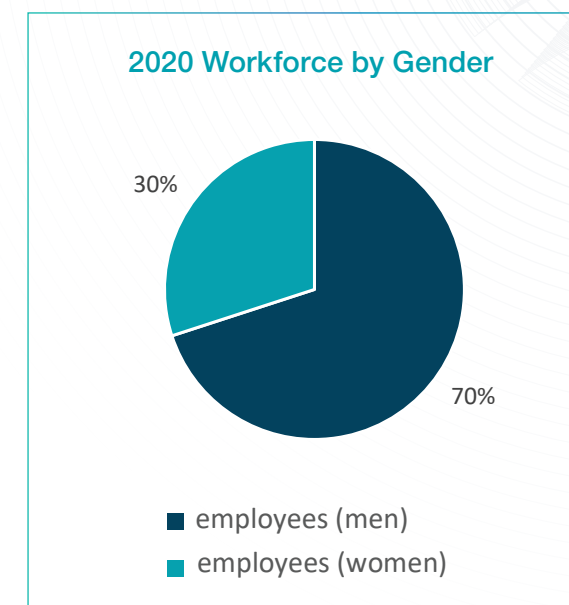
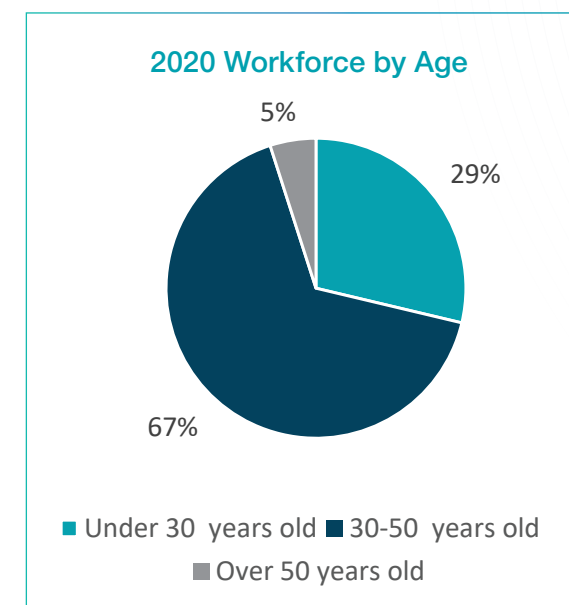
CIB is committed to cultivating a diverse and inclusive workforce that encourages innovation, ensures the sustainability of its operations, and preserves its leading position in the market. Our Sustainability Report details the practices, policies, and codes we have developed to ensure sustainable value creation for our employees. CIB is proud to have been recognized by Forbes as one of the top 500 employers globally in 2019. We ranked in 90th place, coming in among the top 100 companies in the world for employees.

Employee Engagement	Employer Brand Our employees' economic and social wellbeing are at the heart of CIB's mission		Partnership Agreements
	Value Creation	Policies and Practices	
	Expertise	Training and certification, career prospects, leadership, and development	
	Agility	E-learning, parental leaves, flexible work arrangements	
	Stability	Remuneration, compensation, medical care, and other benefits	
	Responsibility	Women's empowerment and recognition	
	Employee Commitment Ethics and values are in the heart of every CIBian		

At the outbreak of the COVID-19 crisis, the Bank activated its work-from-home plan, giving priority to employees with higher health risks and greater need for family reasons. Employees who suffer from chronic health conditions and employees above 50 — who represent 5% of the CIB workforce — were given priority to work from home. All women employees with children under 12 were also permitted to work from home. Other employees were authorized to work from home

on a rotational basis to safeguard their health and protect families. Thanks to the collaboration of our employees, our operational performance remained steady despite this unprecedented shift.

Despite the pandemic, departures among women employees represented only 28% of total turnover. This reflects CIB's continued effort to create inclusive and flexible working conditions for women.

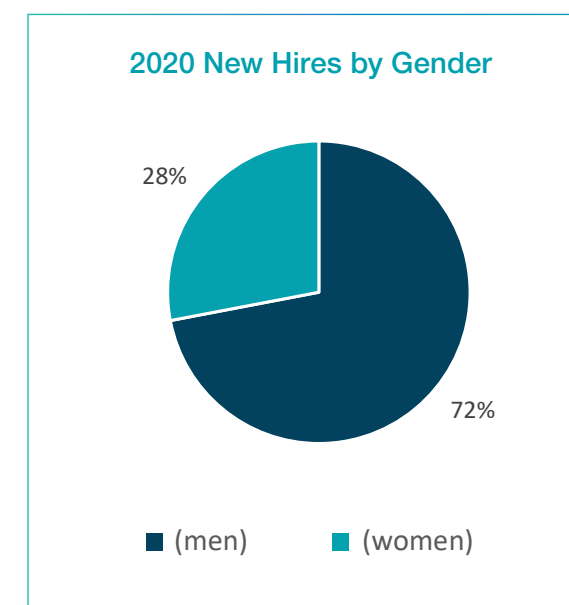
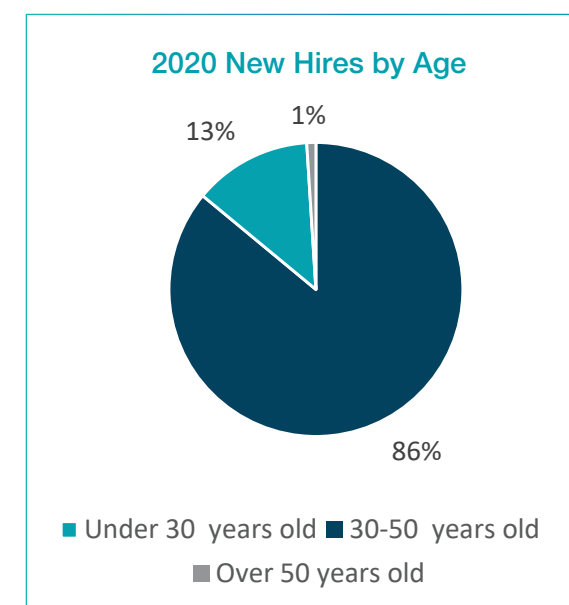


Maintaining business performance and responding to customer needs and expectations during 2020 required a prudent employee management and staff recruitment plan. At the same time, it was also essential to ensure that our employees were well cared for and safeguarded against new social and economic difficulties.

Although, many large corporations cut their workforces during the pandemic, CIB increased

employment to ensure resiliency and business continuity while supporting national priorities. Only 285 employees left CIB last year, representing less than 4% of the total population.

According to our pre-determined plan, CIB increased the size of its workforce by almost 6% in 2020 to 7,071 employees, compared to 6,900 at the end of 2019. In line with our aim of attracting young talent to the banking sector, 86% of CIB's new hires were under 30 years old.



(21) G102-8 | G401-1 | G405-1

Inclusive Work Environment

Human capital is the backbone that ensures CIB's sustainable performance. As a people-focused organization, CIB prides itself on its ability to maintain a talented pool of dedicated employees. We believe that it is a strategic necessity to develop, nurture, and encourage high-performing individuals who can foster a culture of commitment to business. As such, we strive to create an enabling, diverse, and inclusive workplace that caters to all.

In 2020, CIB launched the Taleo Recruitment System, which enhances the overall candidate experience by increasing our digital presence and integrating our hiring process with social media platforms. The new system will also increase productivity, due to its use of advanced automated pre-screening features that are accessible from any location. These features strengthen communication between the team and hiring managers by making it possible to track the progress of requisitions and candidates.

Our recruitment approach aims to attract talented individuals across different professions to join the CIB family and help achieve the Bank's strategic goals. We provide equal opportunities for decent work and career development for all of our employees.

Some highlights in regards to CIB's efforts to promote diversity and inclusion are as follows:

- Early in 2020, we introduced the "Helmik Yehemna" initiative to encourage women to join the workforce in areas where they are under-represented.
- We are particularly proud CIB's work culture is inclusive of people with disabilities. The Bank partners with local NGOs to attract talented and skilled people with special needs to our business.
- The Bank executes its talent acquisition and career mobility initiatives via the "Tawarny" program, which allows university students to practice mock HR interviews, including in virtual sessions. Additionally, the "Ma7atetna 3andak" program sends mobile recruitment teams outside Cairo to facilitate the recruitment process for candidates at local hubs. In 2020, the team visited two governorates in greater Egypt.
- Multiple training programs were implemented in 2020 to convey market and specialized knowledge to graduates who plan to join the banking sector.

Empowering Our Employees²²

CIB provides its employees with compensation and benefits packages that support their social and economic stability. We take pride in being an employer of choice in Egypt, and we are constantly working to increase employee satisfaction and retention.

Remuneration

Our remuneration plan is assessed on a yearly basis, taking into consideration market fluctuations and external developments. CIB's hiring and remuneration policies aim to ensure equal opportunity for all candidates, regardless of gender, religion, age, and marital status.

CIB does not differentiate the basic salary and remuneration for any employee category by gender or location. Our average entry level wage is above the national regulation threshold to ensure that we attract talent and pay all genders fairly according to industry norms. CIB adheres to the same fair pay standards in regards to its outsourced employees.

Compensation

Our compensation scheme is based on fair and transparent standards designed to promote a culture of motivation. It is a variable long-term incentive program used to compensate and retain CIB employees.

CIB offers an Employee Stock Ownership Plan as part of its compensation strategy, with the aim of rewarding and strengthening our ties with outstanding employees, managers, and executive board members. The plan allows designated employees to own CIB stocks at face value via promise-to-sell agreements. CIB allocates 1% of its issued and paid-in capital to the plan.

During 2020, CIB allocated a total of 8,599,210 shares to 4,687 employees. The plan was introduced in 2006, renewed in 2015, and extended again until at least 2025. Since the inception of the Employee Stock Ownership Plan, the Bank has allocated 99,632,173 shares to its employees, taking into consideration capital increases executed throughout the stated period.

(22) G202-1 | G405-2



Benefits²³

Medical Care and Insurance

CIB covers up to 10% of an employee's monthly gross salary across all employment grades. The Bank has agreements with an extensive network of first-class doctors, hospitals, and labs in all cities across the country.

Interest-free School Loans

CIBians are offered interest-free school loans, equivalent to two months of their gross salary. These loans are intended to help cover the cost of school fees, and they can be repaid over a period of up to 12 months. In 2020, 675 employees benefited from the service.

Mortgage loans

This loan features a subsidized interest rate averaging 11%.

Company Vehicles

CIB provides cars for certain managerial employees, and we offer a bus service running to our premises in Smart Village.



Social Insurance

CIB covers up to 10% of an employee's monthly gross salary, across all employment grades.

Staff loans

These loans have a subsidized decreasing interest rate averaged at 7.75% and can be repaid over a maximum tenor of six years.

Credit Cards

Staff credit cards feature a subsidized interest rate of less than 1.3%. Over 6% of CIBians were issued a new employee credit card in 2020.

Parental Leave²⁴

CIB is one of very few national organizations in Egypt that offers parental leave for fathers. CIB fathers are entitled to a short paid leave of three days following the birth of their child. While companies are not required to offer paternal leave by law, CIB views it as a basic parental right and essential to our commitment to employees. In 2020, 148 men celebrated the birth of their children and took their parental leave.

As for maternity leave, CIB adheres to national laws that grant women employees who have completed a minimum of 10 months of employment service 90 calendar days of paid leave. In 2020, 97% of women who were on parental leave during the reporting year returned to work.

Flexible Work Arrangements²⁵

Long before the COVID-19 situation, CIB prided itself on taking a progressive approach to scheduling that focuses on quality and results rather than traditional working conditions. CIB's Flexible Work Arrangement was established in July 2020. It allows eligible employees to arrive at and leave work at flexible times depending on their schedules. This program also provides an opportunity for employees to work from the office or from home, according to the business' needs. The program aims to empower women in the workplace by offering new mothers the flexibility to work from home full time before applying for unpaid leave.

Retirement and Pension²⁶

- As stipulated by Egyptian labor laws, we provide an eight-week termination notice for employees who have spent 1 to 10 years in service of the Bank. We offer three months' notice for employees who have spent more than 10 years at CIB.
- Employees who have submitted their resignation must leave the Bank immediately, and the remaining period until the effective date is considered as garden leave.
- We contribute to our employees' retirement plans through the Social Insurance Law, which entitles employees to the Bank's support for their pensions. The pension plan's liabilities are met by CIB's general resources.

124

employees eligible for maternity leave

100%

of eligible employees took maternity leave

82%

employees who returned after maternity leave were still in their role 12 months later

97%

of employees on maternity leave during the reporting period returned to work after 90 days

(23) G401-2

(24) G401-3 | (25) G402-1 | (26) G201-3

Ethical Working Environment²⁷

CIB has a non-discrimination policy which emphasizes its role as an equal opportunity employer. We are committed to providing equal opportunities for training, compensation, transfer, promotion, and other aspects of employment for all qualified applicants and employees without bias in regards to gender,

race, color, religion, age, or physical ability. Complaints and incidents of discrimination are reported through the dedicated Staff Issues Committee. CIB recorded no reported incidents of discrimination in 2020. It is also notable to mention that the committee is considered a model for collective bargaining agreements.

Continued Commitment to Learning and Development²⁸

CIB provides need-based learning paths and solutions for staff members to complement the gathered annual training needs analysis.

With the possession of L&D LMS, the staff have access to their availed eligible courses for ease registration and enrollment after discussing the selected courses with their line manager to ensure consistency with the staff's developmental plans.

To capitalize on the digital transformation taking place across the Bank and with the pandemic emergence, an extensive presence of digital learning solutions and non-conventional learning streams become inevitable.

Under that essence, the following innovative highlights had taken place:

- Inclusion of a wide set of business skills, e-learning as a non-conventional format.
- Conversion of more than 50% of the training programs into virtual formats.
- Offering of 14 e-learning modules in 2020.

- Development of more than 15 educational videos to support the business in the dissemination of certain topics.
- Conversion of the Induction program, Credit Analyst program, and the SME Academy into a virtual format along with the transformation of materials to comply with the new learning approach.
- Successful implementation of the Summer Training program in a virtual format.
- Provide the required support to Mayfair CIB Kenya, by offering the L&D LMS to host the e-learning assigned for training of their staff.
- Successful conduction of the East Africa Analyst program with more than 90% in virtual format to cope with the pandemic challenges.
- Revamp of the Contact Center training approach represented in the transformation training materials to take place in an e-learning format followed by virtual sessions.

(27) G102-17 | G102-41 | (28) G404-1 | G404-2 | G406-1



Employees Trained in 2020		
	2020	2020 including Online Learning
Number of Staff Trained	4,383	6,525
Percentage of Trainees to Total Employees	62%	92%

Training Overview 2020		
Training Types Completed	Average Training Hours per Gender	Average Training Hours per Employee Category
<ul style="list-style-type: none"> Business skills Leadership and management skills Technical skills Sales and services Digital training Team building 	<p>Both genders: 30 hrs.</p> <p>Women: 28 hrs.</p> <p>Men: 31 hrs.</p>	<ul style="list-style-type: none"> Executive management: 35 hrs. First-line management: 26 hrs. Management: 26 hrs. Middle management: 33 hrs. Professionals: 31 hrs. Secretaries: 16 hrs. Senior management: 62 hrs. Non-clerical employees: 3 hrs.

Funding for External Training and Education²⁹

CIB also supports its employees by providing funding for training and educational opportunities outside of Egypt. In 2020, 16 employees received 2,456 hours of training through specialized programs offered by international institutions.

Support for Mayfair CIB

Following the Bank’s expansion into Kenya, CIB HR had worked intensively in providing the needed support to Mayfair CIB HR, where the L&D has set a concise framework for cooperation, enclosing the following as part of the scope:

- Gathering the e-learning sessions developed by the business into different technical domains, such as financial crime, sanctions, and reputational risk.
- Sharing the said e-learning with Mayfair CIB for localization purposes to ensure its compatibility with the culture and regulatory bodies in Kenya.
- Availing a digital platform for Mayfair CIB staff to ease their access to the developed e-learning and the tracking of their progress and performance.

(29) G404-3

Africa Development Plan

CIB has identified expansion in Africa as one of our key strategic objectives. Aiming to serve that strategy, we have been working to identify, train, and develop highly-competent African bankers who are acquainted with CIB’s systems, work flows, and processes. Such talents are needed to support the Bank in its transformation. They need technical capabilities and skills, as well as the knowledge and cultural awareness to serve our ultimate objective.

The development plan has established CIB as a technical learning hub disseminating technical credit knowledge to young people in East Africa. The program concluded with the successful graduation of 19 participants. A graduation ceremony took place in the presence of CIB Chairman Mr. Sherif Sami, CEO Mr. Hussein Abaza, and board member Mrs. Amani Abou Zeid. The delegates’ profiles were shared with Mayfair CIB for possible recruitment.



Career Development through Trusted Mentorship

In addition to offering training programs, CIB facilitates performance and career development for bank employees. Annual counseling and mentorship are conducted on an individual level to create shared value for employees and the business.

To acquire proper insights, CIB has conducted its annual Employee Effectiveness Survey since 2015. The survey is anonymous and voluntary; employees completed it at a rate of 88% in 2016 and 92% in 2018. Due to the pandemic, the survey was not conducted in 2020, but is expected to be relaunched in September 2021.



Women's Empowerment at CIB

In line with CIB's longstanding commitment to promoting gender equity in Egypt's private sector, we assess our own progress in this area and continuously develop dedicated programs and initiatives around women's empowerment.

Guided by Global Practices

Bloomberg Gender-Equality Index

CIB in 2021 retained its position on the Bloomberg Gender-Equality Index for the third year running.

UN Women's Empowerment Principles

CIB is the first Egyptian bank to sign the CEO Statement of Support for the UN Women's Empowerment Principles. The principles were developed by UN Women and the UN Global Compact to provide a holistic framework to empower women and girls in the workplace, marketplace, and community. The seven principles are based on real-life business practice and seek to highlight gender within corporate sustainability efforts.

Supporting National Priorities

Egypt is the first country globally to launch its National Strategy for the Empowerment of the Egyptian Woman 2030, which is aligned with the SDGs. It reaffirms the government's commitment to advancing women's empowerment in Egypt.

CIB was the sole organization from the banking sector to participate in the formation of Egypt's Gender Gap Accelerator. By actively participating in the national project, CIB has demonstrated its commitment to alleviating the longstanding issue of gender inequality.

Egypt's Ministry of International Cooperation, along with the National Council for Women and the World Economic Forum, is working diligently to close the gender gap in both the public and private sectors. In 2020, the entities collaborated to launch Egypt's Closing the Gender Gap Accelerator project.

The four key objectives of the accelerator are as follows:

- Preparing women for the post COVID-19 working world
- Closing gender gaps in remuneration between and within sectors
- Enabling women's participation in the labor force
- Promoting more women to management and leadership roles

Mr. Hussein Abaza, CIB's CEO and Managing Director, has been appointed as one of four private-sector co-chairs to monitor the implementation of the project, along with the representatives of the planning entities.

Egyptian Gender Equity Seal

CIB partnered with the World Bank and the National Council for Women to develop the World Bank Gender Equity Model (GEM) 3 for 2020. The Bank will be among the first two pilot entities applying this model.

The certification process includes different stages in which CIB's gender-related data (qualitative and quantitative) is assessed to identify areas of improvement as well as prepare a detailed action plan and recommendations.

The Gender Equity Model promotes quality standards in key areas, such as hiring, training and professional development, and work-life balance. It considers the role of public-private partnerships in harmonizing objectives and capabilities, and it is based on companies' voluntary commitment to adopting an action plan to promote equity in the areas covered by the model.

Advancing CIB's Women's Empowerment Programs

"Helmik Yehemna" ("You Make a Difference")

In 2020, CIB launched the "Helmik Yehemna" ("You Make a Difference") initiative with the aim of increasing women's representation across different employment areas by mentoring them and discovering their untapped potential. CIB has partnered with universities across Egypt to attract talented women to available positions.

Our key goal is to address the gender gap in regards to new hires and increase job opportunities for women in the banking sector.

She's Back

Introduced in 2019, this initiative is aimed at easing the transition for women returning from maternity or childcare leave. The program updates returning employees on material changes that have taken place during their leave in regards to corporate and macroeconomic knowledge, CIB operations, internal policies, and economic and banking sector updates.

Despite the pandemic, the program welcomed a higher number of returning mothers this year at 95, compared to 43 in 2019.

Women in Tech

CIB in 2019 introduced its Women in Tech initiative to address the gender gap in the Bank's technology departments and help women build the skills needed to work in these areas. Our program is the first of its kind in Egypt's banking sector.

In 2019, 14 candidates were selected to join this program and rotated among several different departments including IT, Security and Resilience Management, Digital Banking, and Global Transaction Banking. Their rotation encompassed both theoretical and practical training. This initiative was crowned by a closing ceremony that featured presentations from the candidates made in front of the Chief Operating Officer, Chief Information Officer, Chief Security Officer, and Chief Digital Officer. Four candidates were hired from the program and are still employed at CIB to date. The program is set to resume in October 2021.

Women in Leadership Program

The Learning and Development team has created a specialized development track for women to equip them with the skills and experience to achieve long-term career success and become leaders of organizational change. The Women's Empowerment Program is conducted in house over two sessions and attended by 47 professional women. The initiative is set to continue in 2020.

Exclusive Women Leadership Program by the Egyptian Banking Institute (EBI)

A two-day program tailored to women in the middle- and first-line management levels, composed of two international leadership modules on key management skills in the banking sector. Five female leaders were selected to attend as pilots followed by three rounds from the same program attended by 65 women in the set managerial level.



Supporting the Banking Sector

CIB equips young Egyptians with the right tools for the labor market, with the goal of cultivating a new generation of qualified candidates who will drive the country's development and growth. Accordingly, multiple external initiatives dedicated to undergraduates and students were completed in 2020.

Summer Dazzling Competition

A unique virtual project which saw 210 undergraduates of private universities in a competition format aiming ultimately to develop them by giving them the opportunity to come up with new ideas and projects that the Bank can benefit from, while offering the university undergraduates a genuine insight into how corporate life and professional environments operate.

Banking Acumen for Uprising Talents

Through this program, 233 rising undergraduate talents from public universities were offered a distinguished experience to inform and equip them with bank-related knowledge and information through a series of virtual training sessions designed to prepare them for the work place with its challenges and dynamics.

Winter Internship

The Winter Internship Program provides students from the American University in Cairo, selected through an eligibility criteria, with real-world professional banking business experience by being exposed to specific business areas and getting introduced to its operating business.



Advancing Sustainable Finance Principles

In 2021, CIB will resume its development aspirations through three main milestones:

- Business enablement and support
- Digitalization
- Development of outsourcing

Additionally, an educational sustainability work stream will be developed aiming to accelerate the implementation of developmental goals of sustainability to complement the Bank's efforts to embed ESG principles.



AT THE HEART OF OUR COMMUNITY

- How CIB Serves the Community
- Advancing Healthcare Programs
- CIBians Giving Back
- Supporting Sports, Culture, and Community Development



The government is aiming for better management of finite resources through new legislation like the Water Resources Act.

How CIB Serves the Community³⁰

For over a decade, CIB has remained committed to serving our communities through our CSR activities and the CIB Foundation.

The Foundation's main areas of focus include healthcare, sports, and community development, in line with Egypt's Vision 2030 and the UN SDGs. Governed by a seven-member Board of Trustees, the Foundation seeks to ensure that its resources are spent efficiently to reach the greatest number of beneficiaries. It is the recipient of 1.5% of CIB's annual net profit, which amounted to around EGP 177 million in

2020. Shareholder and employee donations to the Foundation in 2020 came to around EGP 30.49 million.

The Foundation is a non-profit under the Ministry of Social Solidarity Decree No. 588. As an NGO, the Foundation adheres to the governing by-laws #149 for the year 2019. Its license is annually renewed following internal and external audits. The CIB Foundation reports on a quarterly basis to the Egyptian Ministry of Social Solidarity, which serves as the regulator and administrative authority for NGOs in Egypt.

(30) G413-1



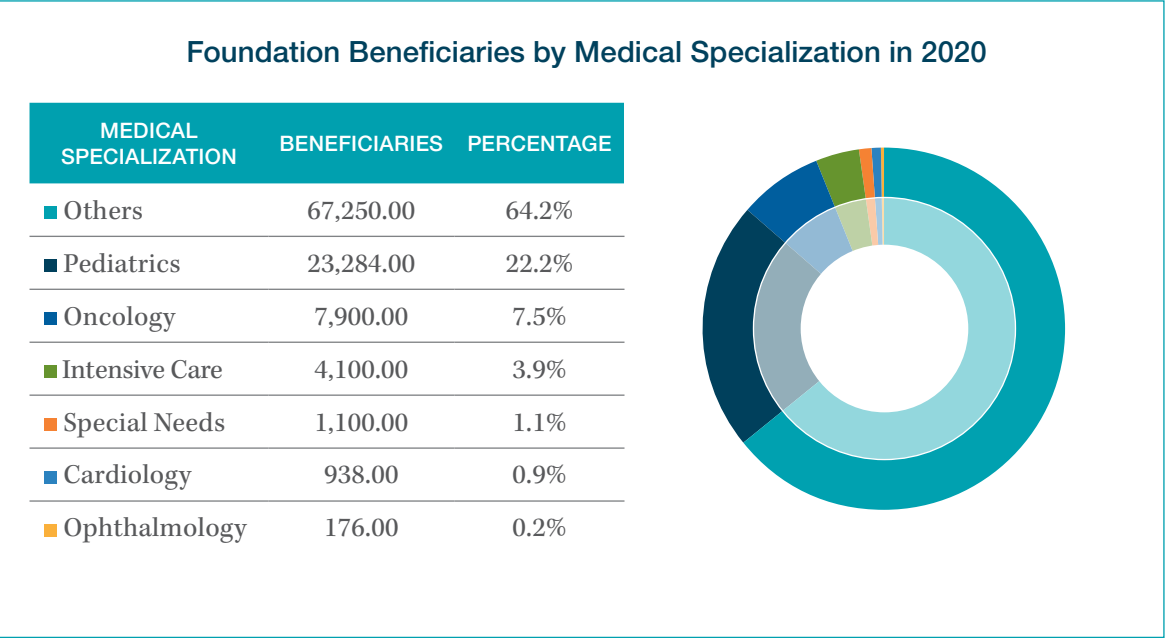
Advancing Healthcare Programs

A productive community requires healthy citizenry, and the CIB Foundation strives to ensure that Egyptian children are receiving the care they deserve to lead the healthiest lives possible. Additionally, the Foundation seeks to ease the burden on families in need of affordable healthcare services. In pursuit of these goals, the CIB Foundation is committed to enhancing the quality of services available at our partner institutions for young Egyptians.

The CIB Foundation is continuing to build on the strategic partnerships established over the last decade with public, private, and NGO healthcare providers to achieve better results and extend support to underserved children throughout Egypt.

In 2020, the CIB Foundation's goals and objectives did not change, but they have expanded to include initiatives contributing towards COVID-19 relief.

Foundation Objectives for Healthcare Support	
Medical Equipment	Objectives
Medical Equipment	1. Upgrading already existing units 2. Establishing new units
Surgeries and Treatment	3. Financing surgeries 4. Funding the cost of medications
Operating Costs	5. Maintaining the level of service 6. Ensuring the sustainability of CIB Foundation-funded units
Medical Convoys	7. Reaching remote areas



Supplying Medical Equipment

- **Fighters of 57357:** CIB has maintained a longstanding partnership with Children's Cancer Hospital 57357. The CIB Foundation has allocated EGP 30 million to establish a Digital Pathology Lab, which uses software to analyze digitized specimen slides. This digital technology will increase the efficiency of the diagnosis procedure by reducing human error and cutting down the results turnaround time from two days to five hours. The automated lab is expected to benefit approximately 7,000 children annually.
- **A Journey of Hope:** Through our partnership with Nile of Hope Foundation, CIB is supporting the establishment of a center of excellence in the Greater Alexandria region to treat children with congenital defects. In pursuit of this goal, the CIB Foundation purchased a closed MRI machine worth USD 1.29 million for the hospital's pediatric radiology department. The MRI machine is expected to be used in the diagnosis and treatment of approximately 4,500 children annually.
- **A Journey of Healing:** The Foundation's Board allocated EGP 11.77 million in April 2020 to outfit the pediatric department in the Shifaa Al-Orman Hospital in Luxor. The new department can provide chemotherapy and radiotherapy to children, reducing families' need to travel long distances for treatment. As there are very few specialized centers treating children with cancer in Upper Egypt, families often have to travel to Cairo. The pediatric department is expected to serve around 900 children annually.
- **Our Differences...Our Strength:** In line with the Foundation's commitment to supporting children with special needs, EGP 5.55 million was allocated to establish clinics for cerebral palsy and audio and mental measurement at five rehabilitation centers in Cairo, Giza, and Helwan, which are managed by the National Foundation for Family and Community Development. This project is expected to serve approximately 1,000 children annually.
- **The Right to Live Upright:** In collaboration with Assiut University Hospital, the CIB Foundation will fund a specialized center to treat children with spinal problems and deformities. The Foundation allocated EGP 4.48 million to purchase surgical equipment to perform complex and minimally invasive surgical procedures with the highest quality and precision. This unit will enable the hospital to serve an estimated 104 children annually.
- **Touch of Hope:** Building on its previous successful collaboration with the Sporting Students Hospital, the CIB Foundation allocated EGP 3.88 million to establish an advanced pediatric cardiac operating room with a capsule system. This operating room is expected to be used in the care of 288 children annually. The capsule operating room will support the hospital in performing minimally invasive and highly advanced surgeries to an international standard. This project will also help decrease the number of children on the waiting list for pediatric cardiac surgeries.
- **Children Without Risk:** The Foundation's Board approved EGP 3.94 million to outfit a pediatric ICU in Mabara El Maadi Hospital in collaboration with Lions Club Garden City. The club financed the construction and finishing works for the unit, and the Foundation will outfit it with the latest medical equipment. The ICU is expected to serve approximately 600 children each year, and it will contribute to efforts to lower the child mortality and treat diseases that may cause permanent disabilities in children.
- **For a Better Eye Sight:** The Board allocated EGP 3.07 million to support the establishment of a specialized pediatric eye center at the Memorial Institute for Ophthalmic Research in Giza. The funds will be used to outfit the outpatient clinics. The project will help to eradicate the causes of blindness in children and infants. The outpatient clinics in the pediatric eye center will enable the institute to provide specialized services tailored for children, who are currently diagnosed and treated with adults. The specialized center





will be able to offer services to more children from Giza's suburban areas, Upper Egypt, and the Delta. Around 12,000 children per year are expected to benefit.

Funding Life-Altering Surgeries and Treatment

- **Strong Hearts...Stronger Future:** Building on the longstanding partnership between the Magdi Yacoub Foundation and the CIB Foundation, the Board allocated EGP 20 million to fund 100 pediatric open-heart surgeries and purchase cath lab consumables for 350 children. The Aswan Heart Center performs around 4,000 surgical and cardiac procedures annually, with 2,400 of these patients being children. The center is known for providing care to an international standard. In 2020, EGP 15 million was disbursed from the total project funds.
- **Gift of Life:** In a continuation of our successful collaboration with the Rotary Club of Giza Metropolitan and El Kasr El Eini Hospital, the CIB Foundation allocated EGP 4.5 million to fund a third round of 100 open-heart surgeries to be performed at the hospital. The donation was aimed at reducing the number of children on waiting lists and relieving some of the hospital's financial burden.
- **Super Smile:** The CIB Foundation allocated EGP 1.25 million to fund 50 cleft lip and cleft palate surgeries to be performed at the Ain Shams University Hospital. Rotary District 2451 has noticed during their medical convoys that this congenital defect is present in Upper Egypt.
- **Diabetic Heroes:** The CIB Foundation allocated EGP 370,000 to the Medicine for All Foundation to sponsor medications for 250 diabetic children for one year. The medication will be distributed on a monthly basis.
- **Children Right to Sight Program:** The CIB Foundation allocated EGP 929,000 to cover 176 eye surgeries as part of the Children's Right to Sight program, in collaboration with the Rotary Club of Kasr El Nile.

- **One Heart:** The CIB Foundation allocated EGP 10 million to cover 100 pediatric open-heart surgeries to reduce the number of children on waiting lists and relieve some of the hospital's financial burden. The hospital, which is managed and operated by the Al Joud Foundation, is located in Shubra El Kheima and operates in line with international standards. It offers services free of charge to underprivileged children.

Sponsoring Medical Operating Costs

- **Fighters of 57357:** The Foundation allocated EGP 4 million to support the Fighters 57357 Hospital's activities at its Cairo and Tanta branches. The key activities include pathology, blood banks, radiology laboratories, medication, radiotherapy, nuclear medicine, and supplies. The amount was disbursed in full in 2020.
- **Their Care...Our Responsibility:** The Board allocated EGP 6 million to fund the annual operating costs of five pediatric units at the Ain Shams University Hospital supervised and managed by the Yahia Arafa Children's Charity Foundation. In addition, the Board allocated EGP 3 million to retrofit depreciated medical equipment in the five units, which serve around 14,500 children annually.
- **Going Miles for Their Smiles:** As part of the CIB Foundation's mandate to support children in need, the Board allocated an EGP 1.85 million contribution to the annual operating costs of FACE for Children in Need. The funds covered a part of the medical services and care provided to orphans in Maadi Home Center, which hosts 50 children.
- **For a Better Childhood:** The Board approved a budget of EGP 1.91 million to fund 50% of the annual operating costs of the pediatric and neonatal ICU sections of Benha University Hospital. These sections were outfitted with funding from the CIB Foundation. The two units serve about 3,500 children in Qalyubia region annually. The funds allocated in 2020 will ensure the project's sustainability and the quality of service provided to children by the two units.

- **Private Sector Alliance Against COVID-19:** The CIB Foundation allocated EGP 5 million to support the AmCham Private Sector Alliance Against COVID-19 in collaboration with UNICEF Egypt. The funds were directed towards purchasing protective equipment for the medical staff in healthcare units nationwide. The total project amount was disbursed in 2020.
- **For a Better Life:** The Board approved EGP 1.39 million to cover 50% of the annual operating costs of the MOVE Foundation for Children with Cerebral Palsy, with which CIB has a long-standing partnership. The new funding costs will enable the MOVE Foundation to provide free services to 100 underprivileged children. The annual operating costs cover staff salaries, maintenance work, transportation for children, stationary expenses, and utility bills.

Supporting Medical Convoys

- **A Warmer Winter:** In 2020, the Foundation allocated EGP 8 million to fund its seventh collaboration with the Egyptian Clothing Bank. The funds were allotted to cover the manufacture of 50,000 winter training suits and 50,000 pairs of shoes to be distributed to children in underprivileged areas across the country. The total project amount was disbursed in 2020.



CIBians Giving Back

The CIB Foundation made the difficult decision to halt volunteering events for most of 2020 due to the COVID-19 pandemic. Prior to the escalation of the global crisis, though, we organized the CIB Family School Bag Packing Event in February 2020. At this event, CIB staff and families participated in the packing of more than 11,550 school bags for beneficiaries of the 6/6 Eye Exam Convoys. The bags included health and hygiene kits and coloring books. CIB invites our employees to participate in our CSR activities with the aim of fostering a stronger relationship between the Bank and our communities.

In 2021, CIB's CSR program will focus on the following:

1. Expanding "CIB Squash for Everyone" to other governorates and non-metropolitan areas
2. Launching "Every Child Deserves to Smile" to spread the joy by donating toys and clothes to children in need
3. Increasing access to pediatric care in Upper Egypt

Supporting Sports, Culture, and Community Development

For many years now, CIB has made contributions to sports, culture, and community development in Egypt through its CSR activities. We found that these initiatives were even more essential in 2020 as communities struggles with the economic challenges created by the COVID-19 pandemic.

To ensure the seamless continuation of activities and initiatives, the CSR function is supported by a funding stream from the Bank's sponsorships budget. In 2020, a total of six CSR projects were completed.

Sports and Community Support in 2020

	Number of Projects	Total Investment Amount
Sports	3	EGP 36,443,571
Community	3	EGP 7,355,640

Promoting Sports

- **Egyptian Squash Federation:** CIB has always been a strong advocate of sports in Egypt. This includes our ongoing sponsorship of the Egyptian Squash Federation. The Bank this year provided financial support to the federation, including the provision of equipment for gifted junior players to develop their skills and participate in local, regional, and international tournaments, as well as the Olympics.
- **Squash Tournaments:** CIB has expanded its squash-related support to allow more Egyptian athletes to progress in the Professional Squash Association's official rankings. In 2020, we sponsored the CIB Egyptian Squash Open Women's and Men's Platinum event, which took place at the Great Pyramids of Giza and brought together 96 athletes.
- **Sponsoring Egyptian Athletes:** CIB has tailored special sponsorships to help 11 talented Egyptian players maintain their

rankings and continue representing the country around the world.

Preserving Culture

- **Fayoum Natural and Cultural House:** CIB partnered with the UNDP, the Egyptian Italian Environmental Project, and the Ministry of Environment to inaugurate the first open Natural and Cultural House in Egypt at Zewara Camp, Wadi El Rayan Protectorate in the Fayoum Governorate. This project provided CIB with the opportunity to align its internal environmental initiatives with external community investment. The Fayoum Depression is a world-famous fossil site and long-time focus of scientific study. The area contains the only continuous sequence of fossiliferous continental middle-to-late Eocene and early Oligocene (approximately 32 to 38 million years old) deposits on the Afro-Arabian landmass. Fossils from the Fayoum Depression provide detailed documentation of the early evolution of marine and terrestrial animals.

Community Development

- **Beena:** Beena is a protocol signed between CIB and the Ministry of Social Solidarity to encourage active youth participation in the community and monitor the development of social care services. The Bank has been the main partner and financial sponsor of Beena for four consecutive years. This initiative has successfully attracted thousands of young people from around Egypt who have volunteered with orphans, senior citizens, and individuals with special needs.
- **KidZania:** Since 2013, CIB has organized several annual trips to KidZania for underprivileged

and special needs children, as well as those with other health conditions. The children learn about banking operations, such as debit cards, cheque issuance, and depositing and withdrawing money using KidZania's official currency, Kidzos.

- **Autism International Day with ADVANCE:** CIB has supported the Egyptian ADVANCE Society for Persons with Autism and Other Disabilities with the aim of empowering children with Autism to access their creative capabilities, introducing healthy models of social inclusion, and supporting their integration into society.





GOVERNANCE

- Governance Structure, Nomination, and Selection
- Chair of the Board
- Role of the Board in Setting Values and Strategy
- Evaluating Board Performance
- Remuneration
- Conflicts of Interest
- Code of Conduct
- Internal and External Controls

Egypt's climate has been gradually changing over the past 20 years; the summer of 2021 was the hottest in five years, with temperatures recording 3-4°C above normal rates.

The Great Pyramids of Egypt, Giza, Cairo

Governance Structure, Nomination, and Selection³¹

Board of Directors³²

CIB has a competent Board of Directors, which provides the Bank with the necessary leadership, oversight, and experience to grow the business, control risks, and ensure proper governance.

To maintain balance and independence, the Board should be composed, always, of an appropriate combination of directors, as follows:

- Maximum of two executive directors according to CBE directives dated 11 November 2021
- Shareholder representatives as elected by the General Assembly
- A majority of independent directors that collectively possess experience and knowledge from different domains

Such a structure ensures that no individual or small group of individuals is able to dominate the Board's decision making.

The Board of Directors reflects an optimal mix of skills, expertise, and diversity in terms of gender and nationality. It boasts a majority of qualified Non-Executive Directors who possess experience in different fields and are capable of exercising sound objective judgment. The Bank has reached an independence level of 86% amongst its directors and women compose 29% of board membership, in line with international best practice.

Board Committees

CIB's Board has six standing committees that assist in fulfilling its responsibilities. Each committee chairperson is responsible for briefing the Board on the major issues raised by the committee that he or she chairs. Such briefings enable the members of the Board to carry out their duties in an effective manner. Each committee operates under a written charter that sets out its responsibilities and composition requirements, reporting to the Board on a regular basis.

Board Member Name	Membership Type	Appointment Date
Mr. Sherif Samy	Independent/Non-Executive	March 2020
Mr. Hussein Abaza	Executive	March 2017
Dr. Amani Abou Zeid	Independent/Non-Executive	December 2017
Mrs. Magda Habib	Independent/Non-Executive	December 2017
Mr. Pareesh Sukthankar	Independent/Non-Executive	October 2019
Mr. Rajeev Kakar	Independent/Non-Executive	October 2019
Mr. Jay-Michael Baslow	Independent/Non-Executive	October 2020
Mr. Tarek Rouchdy	Independent/Non-Executive	March 2021

Non-Executive Committees

1. Audit Committee
2. Compensation Committee
3. Governance and Nomination Committee
4. Operations and Technology Committee
5. Risk Committee
6. Sustainability Committee

Committee	Composition	
Audit	Mr. Sherif Samy	Chair
	Mrs. Magda Habib	Member
	Mr. Pareesh Sukthankar	Member
Risk	Mr. Pareesh Sukthankar	Chair
	Dr. Amani Abou Zeid	Member
	Mr. Jay-Michael Baslow	Member
Operations and Technology	Mr. Rajeev Kakar	Chair
	Mrs. Magda Habib	Member
	Mr. Sherif Samy	Member
Compensation	Mr. Rajeev Kakar	Chair
	All Non-Executive Directors	Member
Governance and Nomination	Mr. Sherif Samy	Chair
	All Non-Executive Directors	Member
Sustainability*	Jay-Michael Baslow	Chairperson
	Dr. Amani Abou-Zeid	Member
	Mr. Tarek Rouchdy	Member

* The Sustainability Committee was planned in 2020 and enacted in Q1 2021.

(31) G102-18 | G102-22 | (32) G102-24



Chair of the Board³³

CIB's Board of Directors is chaired by Mr. Sherif Samy, an experienced senior executive and advisor in financial markets and services, investment management, and corporate governance. Prior to October 2020, the roles of Chairperson and Managing director were merged. The person in this position was responsible for oversight of the Bank's regulatory and control areas, and their independence and reporting lines to the designated non-executive committees of the Board was preserved. This position was also charged with monitoring the checks and balances of the business as well as ensuring continuous oversight of the Board over business activities. In late 2020, CIB opted to impose a clear separation between the role of the Non-Executive Chairperson on one hand and the CEO and Managing Director on the other. The establishment of a Non-Executive Chairperson role ensures that CIB is in full compliance with the Central Bank of Egypt (CBE) and Financial Regulatory Authority (FRA) governance directives.

Nomination and Selection of Board and Committee Members

The Governance and Nomination Committee is responsible for identifying, screening, and reviewing individuals qualified to serve as non-shareholder representative directors.

The Governance and Nomination Committee's key responsibilities are as follows:

1. Establishing standards, criteria, and processes for the selection of individuals to serve on the Board.
2. Reviewing the composition of the Board, including whether the Board reflects the appropriate balance of independence, sound judgment, business experience, technical skills, and other desired qualities. This is done on an annual basis in partnership with the Board as a whole.
3. Working with the Board to ensure orderly succession in leadership within the Board and key executive positions within the Bank, as well as to maintain contingency plans for succession in case of any exigencies.

4. Defining the responsibilities of executive, non-executive, and independent members of the Board.

5. Considering nominees for the Board who meet the eligibility requirements and are recommended by shareholders.

Furthermore, the General Assembly provides a platform for shareholders to engage with the Board of Directors and exercise their voting rights. Shareholder consent is required for appointment, suspension, or dismissal of the members of the Board.

Delegating Authority for Economic, Environmental, and Social Concerns³⁴

The Board of Directors may, by resolution, partly discharge its responsibilities and delegate its authority to the Bank's executive management or to the existing committees of the Board.

In 2020, the Sustainable Finance Steering Committee was established to oversee effective integration of ESG practices within the Bank's business and operational functions while ensuring alignment with global and regional trends as well as stakeholder values and interests. This effort will be continued under the guidance of the Board Sustainability Committee, which was mandated and established in the second quarter of 2021 prior of the publication of this report. ([Read on: Sustainability Governance](#))

(33) G102-23 | (34) G102-19 | G102-20





Role of the Board in Setting Values and Strategy³⁵

The Board of Directors is the ultimate decision-making body of the Bank and has the broadest powers to manage its operations. All directors must act in what they reasonably believe to be the best interest of the Bank and its stakeholders by:

- Setting the Bank's values and standards to ensure that all obligations to stakeholders and society are understood and met
- Setting the Bank's strategic objectives and overseeing their implementation, providing oversight of senior management, and ensuring the

effectiveness of the Bank's internal control and risk management systems to secure its reputation and long-term sustainability

- Promoting sustainability initiative
- Overseeing the implementation of the corporate responsibility framework
- Elevating and energizing the Bank's drive in adopting best international corporate responsibility practices



Evaluating Board Performance

The Board and its directors annually survey the effectiveness and the contribution of the Board and its committees, the evaluation of the Board and Board Committees is undertaken in light of their respective charters. Furthermore, the Board undertakes annual self-assessment of

individual members to ensure effective contribution. It is the Lead Director's responsibility to review the result of these assessments and to share with the Board common remarks and recommendations, if any.



Remuneration

The Board Compensation Committee consists of three Non-Executive Directors, one of whom is appointed chairperson. This committee is responsible for the following aspects related to remuneration:

- Providing guidance to the Board with regards to the appropriate compensation for Board members as well as the Bank's executive officers. The compensation committee oversees all financial aspects, including salaries, allowances, benefits, and stock options, among others.
- Determine the compensation of the control functions (Risk, Compliance, and Internal Audit) in a way that is based principally on the achievement of their objectives and does not compromise their independence.

- Reviewing market data to assess the Bank's competitive position with respect to senior executive compensation in order to ensure the Bank's ability to attract and retain high-caliber personnel.

- Setting and periodically reviewing policies, compensation strategies, and programs that encompass remuneration of the Bank's executive officers and key personnel.

- Reviewing the corporate goals and objectives of key senior executive officers, evaluating their performance, and setting their compensation level based on these evaluations. In determining the long-term incentive component, the committee considers the Bank's performance and relative shareholder returns.



Conflicts of Interest³⁶

The Bank is committed to maintaining the highest level of probity and behavior amongst its workforce. It is keen to mitigate any actual, potential, or perceived conflicts of interest in its operations, organizational structure, reporting lines, and internal and external transactions. The Board ensures that senior management implements policies to identify, prevent or manage, and disclose potential conflicts of interest that may arise as a result of the various activities and roles of the Bank, as well as those which may arise as a result of the Bank's affiliations or transactions with other affiliates.

CIB has developed a Conflict-of-Interest policy that provides guidance in identifying and handling actual and potential conflicts of interest involving the Bank and its activities. This policy also protects the Bank's decision-making

process to enable our shareholders, customers, and other stakeholders to have confidence in said process, as well as to protect the integrity and reputation of the Bank, its employees, and the Board of Directors. The policy covers the responsibility of the directors and employees in adhering to proper conduct. It equally addresses in detail the topics identified as potential conflicts of interest. One of the key roles of the Governance and Nomination Committee is to consider all conflict of interest matters that are presented to it or those matters that it deems necessary to be considered as they may indicate a conflict-of-interest situation.

(35) G102-26 | (36) G102-25



Code of Conduct³⁷

CIB's Code of Conduct sets out the standards that apply to all staff and provide them with a comprehensive frame of reference. The code calls for equal opportunity, fair competition, and fair treatment of all staff. The Bank's core values are integrity, client focus, innovation, hard work, teamwork, respect to the individual, and mannerism, and all staff are required to work in accordance with these values. Staff members have formal channels to direct their

grievances through the dedicated Staff Issues Committee and Staff Petition Committee. The Governance Group conducts e-learning sessions for new staff members during the onboarding process which explain the Code of Conduct and the importance of complying with its contents. The Code of Conduct is concurred by the Management Committee (ManCom) and the Governance and Nomination Committee to be finally approved by the Board of Directors.



Internal and External Controls

Internal Controls

To ensure having an effective governance structure, the Board needs to liaise with and support the internal control functions (Risk, Compliance, and Internal Audit). Both the Board and Senior Management should constructively use the outcome of the work conducted by these functions, and use their gap analysis reports and findings to take the necessary corrective action.

It is necessary to segregate the roles of the internal control functions so that each works independently from the other and that each function can communicate directly with the Board and senior management.

Risk Function

The Risk Group provides independent risk oversight and is responsible of the enterprise risk management framework across the organization. The group works to identify, measure,



CIB's Board effectively utilizes the work carried out by the appointed external auditors to ensure that the Bank adheres to all the regulatory requirements.

monitor, control, and manage risk exposure against limits and tolerance levels. It reports its findings to the Board and senior management and through the Board's Risk Committee.

Compliance Function

Compliance is a multi-dimensional function with strong practices that protect CIB from the risk of regulatory fines, material financial losses, and reputational losses due to the failure to comply with regulations, rules, and internal and external policies. It also provides intrinsic benefits, such as constructive communication, improved business practices, and a better understanding of the regulatory environment.

Internal Audit Function

CIB Internal Audit Group (IAG) is backed by a prudent Board Audit Committee, to ensure the independence of the IAG as the Third Line of Defense, reviewing activities of the first two lines of defense based on the risk-based audit plan and the methodology approved by the Board Audit Committee.

External Controls

CIB's Board effectively utilizes the work carried out by the appointed external auditors to ensure that the Bank adheres to all the regulatory requirements. CIB external auditors are appointed every five years to ensure objectivity, and in adherence to the CBE instructions.

CIB's external auditors have direct access to the Audit Committee and can provide it directly with the interim and annual financial positions and statements. Non-Executive Directors meet with the external auditors at least once annually without the presence of senior management and Executive Directors.

CIB's Board of Directors and senior management fully support the role of the external audit function, in line with Article 105 of Companies Law 159. The Board and management monitor the integrity of the Bank's financial statements to ensure that they reflect performance and present CIB's bona fide financial position. External auditors cannot be family members of any of the Bank's executive staff members or any of its affiliates.

Data Security

Data Breaches, Personally Identifiable Information (PII), and Account Holders Affected

No data breaches occurred, and accordingly CIB has recorded 0% of personally identifiable information (PII) and none of CIB's account holders were affected.

Approach to Identifying and Addressing Data Security Risks

The Bank maintains a defense in depth layers of security that protects the Bank's critical assets and services against cyberattacks. Such controls are deployed across multiple channels and domains including network, email, and end-points with a Data Classification and Protection, Identity Access Management, and Privileged Access management programs along with the Security Operations Center team. Our adequate controls and proper incident management procedures are in place to avoid data related security incidents.

Business Ethics

Monetary Losses as a Result of Legal Proceedings

CIB has not incurred any losses as a result of legal proceedings associated with fraud, insider trading, antitrust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations.

Whistle Blower Policies and Procedures

CIB is committed to the highest levels of ethics and integrity in the way that we do business and takes very seriously any form of malpractice that occurs. CIB has an existing whistle blower policy that was established June 2012 and updated in October 2019. Compliance restructured its organization chart in September 2020, to put in place a dedicated whistle blower compliance officer. Whistle blower policy ensures independence, confidentiality, and thorough investigation processes as an essential component to safekeep the identity of the reporter.

Systematic Risk Management

CIB is not a "Globally-Systemic Important Bank" but according to the Central Bank of Egypt methodology, the Bank is a "Nationally-Systemic Important Bank".

Stress Testing in Capital Adequacy Planning

CIB has an Integrated Stress Testing Program that accounts for correlation and interdependency between various risks, and it is an integral part of the ICAAP, in which the Bank undertakes rigorous, forward-looking Stress Testing that identifies severe events or changes in market conditions that could adversely impact the Bank. The outcome is used to identify the related impact on different risk exposures, and in relation to Regulatory Capital, Balance Sheet, and Income Statement.

(37) G102-16

The foundation for Stress Testing exercises was derived from international best practices and Basel literature, it uses a set of comprehensive techniques, including sensitivity and scenario analysis applying different economic and market factor shocks with various degrees of severity, based on both portfolio-driven and event-driven scenarios with either historical data and/or hypothetical assumptions. Additionally, Reverse Stress Testing is conducted by identifying significant negative outcomes that threaten the viability of the Bank, and conditions that could lead to such outcome.

In addition, the Central Bank of Egypt mandates banks to conduct annual stress testing exercises through the annual Stress Testing Report on the lending portfolio as well as a comprehensive stress testing exercise through the Internal Capital Adequacy Assessment Process (ICAAP) Report and the Recovery Plan. In each, CBE sets out the foundation and minimum requirements while leaving it within the banks' responsibilities to develop the scenarios and assumptions. If needed, CBE might apply additional mandatory stress scenarios of varying severity and scope on certain banks and/or the whole banking sector.

As of 31 December 2020, CIB's Capital base reached EGP 62.9 billion and Pillar I CAR of 31.41%, with EGP 37.4 billion (18.66%) excess capital buffer over a minimum regulatory requirement of 12.75%. On the liquidity side, CIB has an ample level of HQLA, which is positively reflected on the Bank's Liquidity Ratios maintaining a large buffer above regulatory ratios, in both local currency and foreign currency. At the end of 2020, the LCY CBE liquidity ratio remained well above the regulatory threshold of 20%, recording 56.8%, while the FCY liquidity ratio reached 67.6%, above the regulatory threshold of 25%. Net Stable Funding Ratio (NSFR) was 301.42% for local currency and 168.09% for foreign currency, and Liquidity Coverage Ratio (LCR) was 1976.64% for local currency and 336.99% for foreign currency, all above the 100% of CBE and Basel III requirements.

Based on the 2021-2023 capital planning process, the Risk Group has conducted different severe scenarios that represent hypothetical and historical shocks for the Main Macroeconomic

Indicators in three events with major impacts on the Egyptian economy that took place during the past 25 years (COVID-19, EGP Currency Flotation, and the Egyptian Revolution), as well as a fourth scenario that represents the worst out of the three events for each of the macroeconomic indicators.

In all scenarios, CIB continues to demonstrate a strong and robust capital base and remains resilient to very extreme (Long Tail) shocks, by having adequate Capital Buffer post scenarios for both Pillar I and II risks above the minimum required CAR of 12.75%, and a Risk Appetite Indicator (RAI) of 16%. The Bank has also maintained a solid liquidity position reflected in strong liquidity ratios applying extreme scenarios, that helps in protecting the Bank against changes in market environment without any management actions, contingency, or recovery plans.





GRI Index

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	1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	FN-CB-240a.2	*
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* Not disclosed.

Independent Assurance Statement

To the Board of Directors
Commercial International Bank (CIB)

Introduction

DCarbon is a local sustainability and environmental consultancy firm registered under the Egyptian law no. 159 for the year 1981 and its executive regulation. Dcarbon is a certified training partner to the Global Reporting Initiative (GRI), and a GRI Gold Community member. Our main focus is to assist organizations, public and private, in understanding and addressing their economic, environmental, and social impact.

DCarbon was engaged by the **Commercial International Bank (CIB)** to perform an independent assurance on its 2020 Sustainability Reporting process ('the Report') for the fourth year, with the purpose to maintain an annual monitoring and a comparative assessment of the Bank's practices and advancement on the implementation of GRI reporting principles and disclosures for fulfilling the GRI Standards Core option.

Scope, Boundary and Limitations

The scope of assurance has included data and information for the period 01 January 2020 to 31 December 2020 for operations in Egypt, based on Global Reporting Initiative's (GRI) Standards in accordance with Core option.

The boundary of the report comprises of data and information that were captured across its operational and business functions and sites. The boundary equally includes the Bank's Head Office support functions, Corporate Governance and stakeholders' engagements as part of this assurance and as indicated in the report.

Assurance scope excludes:

- Data and information in the Report outside this reporting period indicating historical data to establish context for the reporting period disclosures or looking-forward statements by the **CIB**.
- Verification statements indicating testimonials, opinions, success stories, and / or aspirations.
- Verification of claims (limited to data and information presented)

Assurance procedures

Back-end reviews, data assessments and context analysis were conducted by **DCarbon Team of Specialist:**

Ms. Sofia Yialama - Sustainability Research Manager

Mr. Mahmoud Gamal El-Din - Senior Sustainability Research Analyst

The Assurance included the Independent Signatories of this Assurance, who are recognized expertise in auditing environmental, social and economic information and abiding to DCarbon's values of integrity, confidentiality, professional competence, objectivity, and due attention.

The nature, timing and extent of procedures selected depended on the experts and specialists engagements with the Bank, data provided, and the approval of the CIB's Sustainability Governance Body delegated by the Board of Directors.

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The Bank was responsible for identification of material sustainability issues in relation to multiple global frameworks under which the Bank's practices is currently operating, establishing and maintaining appropriate internal performance management and the relevant internal control systems for the reported data.

Assurance activities included procedures to obtain evidence about the reliability of the disclosures:

- Review of evidence of internal policies, procedures, and strategy documents as provided by the bank.
- Review of materiality and stakeholders' engagement framework deployed at **CIB**.
- Assessment of the systems used for data collection and reporting on the standard, including data collection through surveys and/or writing prompts; where applicable or available.
- Evaluation of the processing and monitoring of data collection for disclosures.
- Assessment that the report has been prepared in accordance with GRI Standards: Core option and Topic Specific Standard Disclosures of material topics as listed in the report.
- Review of the Report to ensure that there is no misrepresentation of disclosures as per the scope of assurance and our findings.

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement.

Reasonable Assurance was obtained in regard to the disclosures covering governance, strategy, stakeholders' engagement practices, materiality assessment, scale of the organization, products and services, market presence, employee well-being, and management approach of activities under social investments.

Limited Assurance level was obtained for disclosures on environmental footprint and procurement practices.

We advise stakeholders to review the annual report for assurance on financial performance and other standards of practice.

Conclusion

We have reviewed the Sustainability Report of the **Commercial International Bank**. Considering the risk of material error, we received necessary explanations from the bank to support sufficient evidence to our assurance conclusion. Based on the activities performed and evidences received, in our opinion, the **Commercial International Bank** has complied, in all material respects, with the GRI Standards for sustainability reporting criteria.


May Elwany
Vice-president of Strategy & Lead Expert
Lead Report Auditor


Ehab Shalaby, Ph.D.
Chairman & CEO

