



Consolidated Financial Statements

June 2020 - Interim Condensed



Limited Review Report on Condensed Consolidated Interim Financial Statements

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

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Commercial International Bank - Egypt (S.A.E) as of 30 June 2020 and the related condensed consolidated statements of income, comprehensive income, cash flows and changes in shareholders' equity for the six months period then ended. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations, our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on review engagements (2410). "Review of interim financial statements performed by the Independent Auditor of the Entity". A limited review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the bank, and applying analytical and other limited review procedures. A limited review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these condensed consolidated interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements do not present fairly - in all material respects - the condensed consolidated financial position of Commercial International Bank - Egypt (S.A.E) as at 30 June 2020 and of its condensed consolidated financial performance and condensed consolidated cash flows for the six months period then ended in accordance with the rules of preparation and presentation of the bank's financial statements approved by the Central Bank of Egypt board of directors on 16 December 2008 as amended by regulations issued on 26 February 2019 and its subsequent interpretive instructions and Central Bank of Egypt board of directors resolution on 3 May 2020 regarding issuing condensed interim financial statements for banks and with the requirements of applicable Egyptian laws and regulations.

Cairo, July 13, 2020

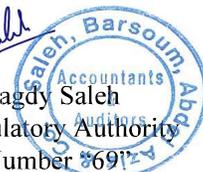


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Public Accountants

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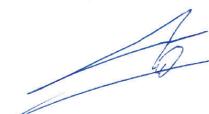
Condensed Consolidated Interim Balance Sheet as at June 30, 2020

	Notes	Jun. 30, 2020 EGP Thousands	Dec. 31, 2019 EGP Thousands
Assets			
Cash and balances with central bank	7	31,267,392	28,273,962
Due from banks	8	56,949,232	28,353,366
Loans and advances to banks, net	10	883,248	625,264
Loans and advances to customers, net	11	120,030,212	119,321,103
Derivative financial instruments		315,916	216,383
Investments			
- Financial Assets at Fair value through P&L	12	357,304	418,781
- Financial Assets at Fair value through OCI	12	85,100,258	89,897,257
- Amortized cost	12	92,972,929	107,225,613
- Investments in associates	13	99,837	107,693
Other assets		9,009,198	9,748,143
Goodwill	22	243,046	-
Deferred tax assets (Liabilities)		457,940	350,339
Property, plant and equipment	14	2,363,886	2,204,464
Total assets		400,050,398	386,742,368
Liabilities and equity			
Liabilities			
Due to banks	15	12,277,482	11,810,607
Due to customers	16	320,146,441	304,448,455
Derivative financial instruments		340,652	282,588
Current tax liabilities		2,652,208	4,639,364
Other liabilities		5,450,289	8,396,794
Other loans		3,250,254	3,272,746
Provisions	17	3,069,002	2,011,369
Total liabilities		347,186,328	334,861,923
Equity			
Issued and paid up capital		14,690,821	14,690,821
Reserves		31,328,841	24,344,815
Reserve for employee stock ownership plan (ESOP)		1,260,111	963,152
Retained earnings *		5,131,049	11,881,657
Total equity		52,410,822	51,880,445
Minority interest		453,248	-
Total minority interest, equity and net profit for the period/year		52,864,070	51,880,445
Total liabilities and equity		400,050,398	386,742,368

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

(Review report attached)

* Including net profit for the current period



Hisham Ezz Al-Arab
Chairman and Managing Director

Condensed Consolidated Interim Income Statement for the period ended June 30, 2020

	Last 3 Months Jun. 30, 2020 EGP Thousands	Last 6 Months Jun. 30, 2020 EGP Thousands	Last 3 Months Jun. 30, 2019 EGP Thousands	Last 6 Months Jun. 30, 2019 EGP Thousands
Continued Operations				
Interest and similar income	10,235,541	20,922,642	10,417,753	20,695,803
Interest and similar expense	(3,953,658)	(8,445,315)	(5,351,446)	(10,690,088)
Net interest income	6,281,883	12,477,327	5,066,307	10,005,715
Fee and commission income	673,804	1,479,217	791,777	1,647,254
Fee and commission expense	(187,496)	(493,057)	(258,515)	(536,140)
Net fee and commission income	486,308	986,160	533,262	1,111,114
Dividend income	25,962	25,962	22,333	22,454
Net trading income	182,656	177,231	130,064	379,943
Profits (Losses) on financial investments	361,855	832,005	13,404	19,781
Administrative expenses	(1,323,160)	(2,848,020)	(1,297,166)	(2,619,234)
Other operating (expenses) income	(1,099,779)	(1,847,212)	(521,245)	(662,508)
Goodwill amortization	(8,381)	(8,381)	-	-
Intangible assets amortization	-	-	(32,552)	(65,104)
Impairment release (charges) for credit losses	(1,019,544)	(2,259,654)	(274,397)	(795,124)
Bank's share in the profits of associates	(1,155)	6,994	(3,481)	(1,101)
Profit before income tax	3,886,645	7,542,412	3,636,529	7,395,936
Income tax expense	(1,319,721)	(2,652,208)	(968,727)	(2,058,736)
Deferred tax assets (Liabilities)	32,360	107,601	42,711	17,300
Net profit for the period	2,599,284	4,997,805	2,710,513	5,354,500
Earning per share				
Basic	1.57	3.01	1.64	3.23
Diluted	1.56	3.00	1.63	3.21



Hisham Ezz Al-Arab
 Chairman and Managing Director

Condensed Consolidated Interim statement of other Comprehensive Income for the period ended June 30, 2020

	Last 3 Months Jun. 30, 2020 EGP Thousands	Last 6 Months Jun. 30, 2020 EGP Thousands	Last 3 Months Jun. 30, 2019 EGP Thousands	Last 6 Months Jun. 30, 2019 EGP Thousands
Net profit for the period	2,599,284	4,997,805	2,710,513	5,354,500
Net change in fair value of instruments measured at fair value through other comprehensive income	3,382,389	(1,483,581)	396,157	2,838,861
Cumulative foreign currencies translation differences	148	1,647	3,002	4,182
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	137,833	90,512	(2,546)	(109,668)
Total other comprehensive income for the period	6,119,654	3,606,383	3,107,126	8,087,875

Condensed Consolidated Interim Cash flows for the period ended June 30, 2020

	<i>Notes</i>	Jun. 30, 2020 EGP Thousands	Jun. 30, 2019 EGP Thousands
Cash flow from operating activities			
Profit before income tax from continued operations		7,542,412	7,395,936
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	14	383,782	275,052
Impairment charge for credit losses (Loans and advances to customers and banks)		2,144,988	875,635
Other provisions charges	17	1,098,888	3,140
Impairment charge for credit losses (due from banks)		24,154	29,156
Impairment charge for credit losses (financial investments)		90,512	(109,667)
Impairment charge for other assets		24,621	52,772
Exchange revaluation differences for financial assets at fair value through OCI		(84,884)	886,795
Goodwill amortization		8,381	-
Intangible assets amortization		-	65,104
Impairment charge financial assets at fair value through OCI		-	45,664
Exchange differences in financial investments in subsidiary		-	3,020
Utilization of other provisions	17	(1,066)	1,878
Other provisions no longer used	17	(43,200)	(126,575)
Exchange differences of other provisions	17	3,011	(69,724)
Profits from selling property, plant and equipment		(94)	(1,439)
(Profits) losses from selling financial investments	12	(924,720)	(65,445)
Released (Impairment) charges of investments in associates and subsidiaries		14,100	-
Shares based payments		296,959	247,998
Bank's share in the profits of associates		(6,994)	1,101
Released (Impairment) charges of FVOCI equity instruments		78,615	-
Operating profits before changes in operating assets and liabilities		10,649,465	9,510,401
Net decrease (increase) in assets and liabilities			
Due from banks	8	(598,148)	(25,049,337)
Treasury bills and other governmental notes		280,433	24,315,394
Financial assets at fair value through P&L	12	61,477	2,262,513
Derivative financial instruments		(41,469)	(75,592)
Loans and advances to banks and customers	10 - 11	(3,109,801)	(4,776,117)
Other assets		907,956	1,289,326
Due to banks	15	466,875	(5,879,606)
Due to customers	16	15,697,986	20,265,649
Income tax obligations paid		(4,639,364)	(3,625,579)
Other liabilities		(2,946,225)	(1,225,572)
Net cash provided from operating activities		16,729,185	17,011,480
Cash flow from investing activities			
Proceeds from Investments in associates.		750	-
Proceeds (payments) for investment in subsidiaries.		194,722	-
Payment for purchases of property, plant, equipment and branches constructions		(739,117)	(840,953)
Proceeds from selling property, plant and equipment		94	1,439
Proceeds from redemption of financial assets at amortized cost		59,360,102	33,290,053
Payment for purchases of financial assets at amortized cost		(44,945,839)	(32,633,462)
Payment for purchases of financial assets at fair value through OCI		(50,868,698)	(11,433,512)
Proceeds from selling financial assets at fair value through OCI		55,237,128	5,105,870
Net cash used in investing activities		18,239,142	(6,510,565)

Condensed Consolidated Interim Cash flows for the period ended June 30, 2020 (Cont.)

	Jun. 30, 2020 EGP Thousands	Jun. 30, 2019 EGP Thousands
Cash flow from financing activities		
Increase (decrease) in long term loans	(22,492)	(230,801)
Dividend paid	<u>(3,370,464)</u>	<u>(2,700,544)</u>
Net cash used in (provided from) financing activities	<u>(3,392,956)</u>	<u>(2,931,345)</u>
Net increase (decrease) in cash and cash equivalent during the period	31,575,371	7,569,570
Beginning balance of cash and cash equivalent	<u>22,895,017</u>	<u>34,303,645</u>
Cash and cash equivalent at the end of the period	<u>54,470,388</u>	<u>41,873,215</u>
Cash and cash equivalent comprise:		
Cash and balances with central bank	7 31,267,392	24,993,377
Due from banks	8 56,990,499	66,543,158
Treasury bills and other governmental notes	9 27,591,164	25,344,096
Obligatory reserve balance with CBE	7 (22,995,458)	(15,980,212)
Due from banks with maturities more than three months	(10,271,665)	(33,329,274)
Treasury bills with maturity more than three months	<u>(28,111,544)</u>	<u>(25,697,930)</u>
Total cash and cash equivalent	<u>54,470,388</u>	<u>41,873,215</u>

Condensed Consolidated Interim statement of changes in shareholders' equity for the period ended June 30, 2019

Jun. 30, 2019	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
													EGP Thousands
Beginning balance	11,668,326	1,710,293	12,776,215	1,549,445	12,421	(1,860,851)	4,323	9,637,083	738,320	-	36,235,575	-	36,235,575
Capital increase	2,917,082	-	(2,917,082)	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	477,736	6,375,589	-	1,045	-	-	(6,854,370)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(2,700,544)	-	-	(2,700,544)	-	(2,700,544)
Net profit of the period	-	-	-	-	-	-	-	5,354,500	-	-	5,354,500	-	5,354,500
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	2,838,861	-	-	-	-	2,838,861	-	2,838,861
Transferred (from) to bank risk reserve	-	-	-	-	-	-	841	(841)	-	-	-	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	(109,668)	-	-	-	-	(109,668)	-	(109,668)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	247,998	-	247,998	-	247,998
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	4,182	4,182	-	4,182
Balance at the end of the period	<u>14,585,408</u>	<u>2,188,029</u>	<u>16,234,722</u>	<u>1,549,445</u>	<u>13,466</u>	<u>868,342</u>	<u>5,164</u>	<u>5,435,828</u>	<u>986,318</u>	<u>4,182</u>	<u>41,870,904</u>	<u>-</u>	<u>41,870,904</u>

Condensed Consolidated Interim statement of changes in shareholders' equity for the period ended June 30, 2020

Jun. 30, 2020	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Capital reserve</u>	<u>Reserve for financial assets at fair value through OCI</u>	<u>Banking risks reserve</u>	<u>Retained earnings</u>	<u>Reserve for employee stock ownership plan</u>	<u>Cumulative foreign currencies translation differences</u>	<u>Total Shareholders Equity</u>	<u>Minority Interest</u>	<u>Total</u>
	EGP Thousands												
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	13,466	4,111,781	5,164	11,881,657	963,152	2,501	51,880,445	-	51,880,445
Capital increase	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	590,106	7,840,286	-	1,440	-	-	(8,431,832)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	(3,370,464)	-	-	(3,370,464)	-	(3,370,464)
Minority Interest share	-	-	-	-	-	-	-	-	-	-	-	453,248	453,248
Net profit of the period	-	-	-	-	-	-	-	4,997,805	-	-	4,997,805	-	4,997,805
Transferred from reserve for financial assets at fair value through OCI	-	-	-	-	-	(55,142)	-	55,142	-	-	-	-	-
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(1,483,581)	-	-	-	-	(1,483,581)	-	(1,483,581)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	1,259	(1,259)	-	-	-	-	-
Release provision for impairment of debt instruments investments	-	-	-	-	-	90,512	-	-	-	-	90,512	-	90,512
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	296,959	-	296,959	-	296,959
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	(854)	(854)	-	(854)
Balance at the end of the period	14,690,821	2,778,135	24,314,715	1,549,445	14,906	2,663,570	6,423	5,131,049	1,260,111	1,647	52,410,822	453,248	52,864,070

Notes to the condensed consolidated interim financial statement for the period ended June 30, 2020

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 180 branches, and 27 units employing 6964 employees on the statement of financial position date.

Commercial international Bank (Egypt) S.A.E. was formed as a commercial bank under the investment law no. 43 of 1974. The address of its registered head office is as follows: Nile tower, 21/23 Charles de Gaulle Street-Giza. The Bank is listed in the Egyptian stock exchange.

The bank owns investments in subsidiaries “C-Ventures”, “May Fair” and “Damietta Shipping” in which the bank’s shares are 99.99%, 51% and 32% respectively.

Financial statements have been approved by board of directors on July 13, 2020.

2. Summary of accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1. Basis of preparation

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

Also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, the bank issued condensed financial statements based on the Central Bank of Egypt instructions issued on May 5, 2020, which allow banks to issue condensed quarterly financial statements.

Reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

These condensed consolidated interim financial statements do not include all the information and disclosures required for full annual consolidated financial statements prepared in accordance with CBE rules mentioned above and should be read in conjunction with the Bank’s financial statements as at and for the year ended 31 December 2019.

In preparing these condensed consolidated interim financial statements, significant judgments made by the management in applying the Bank’s accounting policies and the key sources of estimation were the same as those that were applied to the consolidated financial statements as at and for the year ended 31 December 2019.

2.2. Basis of consolidation

The basis of the consolidation is as follows:

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

3.1. Loans and advances

Loans and advances are summarized as follows:

	Jun.30, 2020		Dec.31, 2019	
	EGP Thousands		EGP Thousands	
	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>	<u>Loans and advances to customers</u>	<u>Loans and advances to banks</u>
Gross Loans and advances	134,067,385	887,612	131,244,095	629,780
Less:				
Impairment provision	13,933,139	4,364	11,825,887	4,516
Unamortized bills discount	60,381	-	55,197	-
Unearned interest	4,803	-	8,236	-
Suspended credit account	38,850	-	33,672	-
Net	120,030,212	883,248	119,321,103	625,264

Impairment provision losses for loans and advances reached EGP 13,937,503 thousand.

During the period, the Bank's total loans and advances increased by 2.34%.

In order to minimize the propable exposure to credit risk, the Bank focuses more on the business with large enterprises, banks or retail customers with good credit rating or sufficient collateral.

Total balances of loans and facilities to customers divided by stages:

EGP Thousands

Jun.30, 2020	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
	Individuals	30,246,044	640,804	425,495	-
Institutions and Business Banking	55,315,743	42,429,834	5,009,465	-	102,755,042
Total	85,561,787	43,070,638	5,434,960	-	134,067,385

Expected credit losses for loans and facilities to customers divided by stages:

Jun.30, 2020	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
	Individuals	444,014	13,768	235,729	-
Institutions and Business Banking	1,373,521	6,908,148	4,957,959	-	13,239,628
Total	1,817,535	6,921,916	5,193,688	-	13,933,139

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

Jun.30, 2020	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Total</u>
	Time and term loans	-	887,612	-
Expected credit losses	-	(4,364)	-	(4,364)
Net	-	883,248	-	883,248

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

Jun.30, 2020	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Total</u>
	Facilities and guarantees	48,422,697	23,921,203	71,367
Expected credit losses	(1,391,043)	(1,433,036)	(66,900)	(2,890,979)
Net	47,031,654	22,488,167	4,467	69,524,288

Total balances of loans and facilities to customers divided by stages:

EGP Thousands

Dec.31, 2019

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Individually</u> <u>impaired</u>	<u>Total</u>
Individuals	26,734,506	339,408	202,357	-	27,276,271
Institutions and Business Banking	63,749,864	35,158,341	5,059,619	-	103,967,824
Total	90,484,370	35,497,749	5,261,976	-	131,244,095

Expected credit losses for loans and facilities to customers divided by stages:

Dec.31, 2019

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Individually</u> <u>impaired</u>	<u>Total</u>
Individuals	96,469	10,394	210,068	-	316,931
Institutions and Business Banking	1,208,722	5,325,121	4,975,113	-	11,508,956
Total	1,305,191	5,335,515	5,185,181	-	11,825,887

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

Dec.31, 2019

	<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2: Expected</u> <u>credit losses</u> <u>Over a lifetime that</u> <u>is not creditworthy</u>	<u>Stage 3: Expected</u> <u>credit losses</u> <u>Over a lifetime</u> <u>Credit default</u>	<u>Total</u>
Time and term loans	-	629,780	-	629,780
Expected credit losses	-	(4,516)	-	(4,516)
Net	-	625,264	-	625,264

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

Jun.30, 2020

EGP Thousands

Due from banks

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Provision for credit losses on 1 January 2020	17,201	-	-	17,201
New financial assets purchased or issued	15,442	-	-	15,442
Matured or disposed financial assets	(384)	-	-	(384)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	9,096	-	-	9,096
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	41,355	-	-	41,355

Individual Loans:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Provision for credit losses on 1 January 2020	96,469	10,394	210,068	316,931
Impairment during the period	347,545	3,374	25,841	376,760
Write off during the period	-	-	(20,093)	(20,093)
Recoveries	-	-	19,913	19,913
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	444,014	13,768	235,729	693,511

Corporate and Business Banking loans:

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Provision for credit losses on 1 January 2020	1,208,723	5,325,119	4,975,114	11,508,956
New financial assets purchased or issued	257,597	922,820	632	1,181,049
Matured or disposed financial assets	(315,016)	(596,279)	(107,876)	(1,019,171)
Transferred to stage 1	12,393	(26,679)	-	(14,286)
Transferred to stage 2	(17,048)	81,792	-	64,744
Transferred to stage 3	-	(143,336)	174,660	31,324
Changes in the probability of default and loss in case of default and the exposure at default	104,431	213,079	4,686	322,196
Changes to model assumptions and methodology	114,895	1,087,629	-	1,202,524
Recoveries	-	-	4,904	4,904
Write off during the period	-	-	(131,291)	(131,291)
Cumulative foreign currencies translation differences	7,546	44,003	37,130	88,679
Ending balance	1,373,521	6,908,148	4,957,959	13,239,628

Financial Assets at Fair value through OCI

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Provision for credit losses on 1 January 2020	414,394	-	-	414,394
New financial assets purchased or issued	91,318	-	-	91,318
Matured or disposed financial assets	(19,952)	-	-	(19,952)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	19,146	-	-	19,146
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	504,906	-	-	504,906

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

Dec.31, 2019

	EGP Thousands			
Due from banks	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Provision for credit losses on 1 January 2019	160	7,155	-	7,315
New financial assets purchased or issued	16,816	-	-	16,816
Matured or disposed financial assets	(158)	(7,155)	-	(7,313)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(1)	-	-	(1)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	16,817	-	-	16,817
Individual Loans:	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
Provision for credit losses on 1 January 2019	72,092	24,843	127,376	224,311
Impairment during the year	24,377	(14,449)	140,974	150,902
Write off during the year	-	-	(118,486)	(118,486)
Recoveries	-	-	60,204	60,204
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	96,469	10,394	210,068	316,931
Corporate and Business Banking loans:	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Provision for credit losses on 1 January 2019	691,013	6,700,083	4,709,096	12,100,192
New financial assets purchased or issued	751,746	1,074,222	-	1,825,968
Matured or disposed financial assets	(364,309)	(899,007)	(772,859)	(2,036,175)
Transferred to stage 1	158,357	(359,174)	-	(200,817)
Transferred to stage 2	(3,937)	9,427	-	5,490
Transferred to stage 3	1,472	(2,560,546)	2,409,875	(149,199)
Changes in the probability of default and loss in case of default and the exposure at default	93,395	1,509,405	3,051	1,605,851
Changes to model assumptions and methodology	5,845	401,743	-	407,588
Recoveries	-	-	399,429	399,429
Write off during the year	-	-	(1,262,286)	(1,262,286)
Cumulative foreign currencies translation differences	(124,860)	(551,032)	(511,193)	(1,187,085)
Ending balance	1,208,722	5,325,121	4,975,113	11,508,956
Financial Assets at Fair value through OCI	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	<u>12 months</u>	<u>Life time</u>	<u>Life time</u>	
Provision for credit losses on 1 January 2019	595,511	3,803	-	599,314
New financial assets purchased or issued	183,940	-	-	183,940
Matured or disposed financial assets	(282,223)	(773)	-	(282,996)
Transferred to stage 1	931	(3,030)	-	(2,099)
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	(83,764)	-	-	(83,764)
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	414,395	-	-	414,395

Loans and advances restructured

Restructuring activities include rescheduling arrangements, applying obligatory management programs, modifying and deferral of payments. The application of restructuring policies are based on indicators or criteria of credit performance of the borrower that is based on the personal judgment of the management, which indicate that payment will most likely continue. Restructuring is commonly applied to term loans, specially customer loans. Renegotiated loans totaled at the end of the period

Jun.30, 2020 Dec.31, 2019

Loans and advances to
Corporate

- Direct loans

	4,213,592	4,682,243
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Total	4,213,592	4,682,243
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3.2. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the period based on Standard & Poor's valuation and its equivalent.

Jun.30, 2020

EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	92,972,929	-	-	-	92,972,929
Not rated	-	-	-	-	-
Total	92,972,929	-	-	-	92,972,929

Jun.30, 2020

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	84,154,232	-	-	-	84,154,232
Not rated	-	-	-	-	-
Total	84,154,232	-	-	-	84,154,232

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the period based on Standard & Poor's valuation and its equivalent.

Jun.30, 2020

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	504,906	-	-	-	504,906
Not rated	-	-	-	-	-
Total	504,906	-	-	-	504,906

3.1.8. Financial investments:

The following table represents an analysis of financial investment balances by rating agencies at the end of the year based on Standard & Poor's valuation and its equivalent.

Dec.31, 2019 EGP Thousands

<u>Amortized cost</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	107,225,613	-	-	-	107,225,613
Not rated	-	-	-	-	-
Total	107,225,613	-	-	-	107,225,613

Dec.31, 2019 EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	88,820,722	-	-	-	88,820,722
Not rated	-	-	-	-	-
Total	88,820,722	-	-	-	88,820,722

The following table shows the analysis of impairment on credit losses of financial investments by rating agencies at the end of the year based on Standard & Poor's valuation and its equivalent.

Dec.31, 2019 EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1: Expected credit losses over 12 months</u>	<u>Stage 2: Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Stage 3: Expected credit losses Over a lifetime Credit default</u>	<u>Individually impaired</u>	<u>Total</u>
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	414,395	-	-	-	414,395
Not rated	-	-	-	-	-
Total	414,395	-	-	-	414,395

3.3. Foreign exchange risk

The Bank's financial position and cash flows are exposed to fluctuations in foreign currency exchange rates. The Board sets limits on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily. The table below summarizes the Bank's exposure to foreign exchange rate risk and financial instruments at carrying amounts, categorized by currency.

Jun.30, 2020	Equivalent EGP Thousands					Total
	EGP	USD	EUR	GBP	Other	
Financial assets						
Cash and balances with central bank	26,840,126	2,947,955	497,536	62,293	919,482	31,267,392
Gross due from banks	18,345,329	37,117,387	499,060	823,783	204,940	56,990,499
Gross loans and advances to banks	-	887,612	-	-	-	887,612
Gross loans and advances to customers	82,620,694	45,381,168	5,482,173	71,907	511,443	134,067,385
Derivative financial instruments	47,586	268,330	-	-	-	315,916
Financial investments						
Gross financial investment securities	158,611,514	18,884,284	2,030,491	-	319,100	179,845,389
Investments in associates	99,837	-	-	-	-	99,837
Total financial assets	286,565,086	105,486,736	8,509,260	957,983	1,954,965	403,474,030
Financial liabilities						
Due to banks	127,779	12,065,351	69,770	11,561	3,021	12,277,482
Due to customers	228,658,843	80,986,942	8,149,924	947,169	1,403,563	320,146,441
Derivative financial instruments	132,323	208,329	-	-	-	340,652
Other loans	22,574	3,227,680	-	-	-	3,250,254
Total financial liabilities	228,941,519	96,488,302	8,219,694	958,730	1,406,584	336,014,829
Net on-balance sheet financial position	57,623,567	8,998,434	289,566	(747)	548,381	67,459,201

3.4. Interest rate risk

The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but profit may decrease in the event that unexpected movements arise. The Board sets limits on the gaps of interest rate repricing that may be undertaken, which is monitored by the bank's Risk Management Department.

3.5. Liquidity risk

Liquidity risk is the risk that the Bank is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend.

Liquidity Risk Management Organization and Measurement Tools

Liquidity Risk is governed by Asset and Liability Committee (ALCO) and Board Risk Committee (BRC) subject to provisions of Treasury Policy Guide (TPG).

Board Risk Committee (BRC): Provides oversight of risk management functions and assesses compliance to the set risk strategies and policies approved by the

Board of Directors (BoD) through periodic reports submitted by the Risk Group. The committee makes recommendations to the BoD with regards to risk management strategies and policies (including those related to capital adequacy, liquidity management, various types of risks: credit, market, operation, compliance, reputation and any other risks the Bank may be exposed to).

Asset & Liability Committee (ALCO): Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/ reward guidelines approved by the BoD.

Treasury Policy Guide (TPG): The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group.

The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile related to the Covid-19 pandemic.. CIB will continue with its robust Liability strategy with reliance on customer deposits (stable funding) as the main contributor of total liabilities, and low dependency on the Wholesale Funding. CIB has ample level of High Quality Liquid Assets (HQLA) based on its LCY & FCY Sovereign Portfolio investments, which positively reflects the Bank's solid Liquidity Ratios and Basel III LCR & NSFR ratios, with a large buffer maintained above the Regulatory ratios requirements.

For June 2020 NSFR ratio record 189.49% (LCY 229.20% and FCY 127.02%), and LCR ratio record 1434.43% (LCY 1592.07% and FCY 328.55%).

For December 2019 NSFR ratio record 217.35% (LCY 255.43% and FCY 156.14%), and LCR ratio record 611.44% (LCY 757.42% and FCY 230.87%).

For June 2020 CAR ratio record 29.53%, and 26.07% for December 2019 .

For June 2020 Leverage ratio record 9.5%, and 10.32% for December 2019 .

3.6. Financial instruments not measured at fair value

The table below summarizes the book value and fair value of those financial assets and liabilities not presented on the Bank's balance sheet at their fair value.

	<u>Book value</u>		<u>Fair value</u>	
	Jun.30, 2020	Dec.31, 2019	Jun.30, 2020	Dec.31, 2019
Financial assets				
Due from banks	56,949,232	28,353,366	57,045,963	28,370,754
Gross loans and advances to banks	887,612	629,780	887,612	629,780
Gross loans and advances to customers	134,067,385	131,244,095	133,877,048	128,740,476
Financial investments:				
Amortized cost	92,972,929	107,225,613	93,273,433	106,016,744
Total financial assets	284,877,158	267,452,854	285,084,056	263,757,754
Financial liabilities				
Due to banks	12,277,482	11,810,607	12,227,811	11,702,778
Due to customers	320,146,441	304,448,455	319,705,849	302,256,825
Other loans	3,250,254	3,272,746	3,250,254	3,272,746
Total financial liabilities	335,674,177	319,531,808	335,183,914	317,232,349

The fair value is considered in the previous note from the second and third level in accordance with the fair value standard

Due from banks

The fair value of floating rate placements and overnight deposits is their carrying amount. The estimated fair value of floating interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and similar maturity date.

Fair values of financial instruments

The following table provides the fair value measurement hierarchy of the assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2020:

instruments:

Level 1 - Quoted prices in active markets for the same instrument (i.e. without modification or repacking);

Level 2 - Quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are

based on observable market data; and

Level 3 - Valuation techniques for which any significant input is not based on observable market data.

Jun.30, 2020	Date of Valuation	Fair value measurement using			
		<u>Total</u>	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (level 2)</u>	<u>Valuation techniques (level 3)</u>
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	30-Jun-20	357,304	357,304	-	-
Financial Assets at Fair value through OCI	30-Jun-20	85,100,258	57,159,797	27,940,461	-
Total		85,457,562	57,517,101	27,940,461	-
Derivative financial instruments					
Financial assets	30-Jun-20	315,916	-	315,916	-
Financial liabilities	30-Jun-20	340,652	-	340,652	-
Total		656,568	-	656,568	-
Assets for which fair values are disclosed:					
Amortized cost	30-Jun-20	93,273,433	-	93,111,854	161,579
Loans and advances to banks	30-Jun-20	887,612	-	-	887,612
Loans and advances to customers	30-Jun-20	133,877,048	-	-	133,877,048
Total		228,038,093	-	93,111,854	134,926,239
Liabilities for which fair values are disclosed:					
Other loans	30-Jun-20	3,250,254	-	3,250,254	-
Due to customers	30-Jun-20	319,705,849	-	-	319,705,849
Total		322,956,103	-	3,250,254	319,705,849
Dec.31, 2019	Date of Valuation	Fair value measurement using			
		<u>Total</u>	<u>Quoted prices in active markets (Level 1)</u>	<u>Significant observable inputs (level 2)</u>	<u>Valuation techniques (level 3)</u>
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-19	418,781	418,781	-	-
Financial Assets at Fair value through OCI	31-Dec-19	89,897,257	61,689,580	28,207,677	-
Total		90,316,038	62,108,361	28,207,677	-
Derivative financial instruments					
Financial assets	31-Dec-19	216,383	-	216,383	-
Financial liabilities	31-Dec-19	282,588	-	282,588	-
Total		498,971	-	498,971	-
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-19	106,016,744	-	106,016,744	-
Loans and advances to banks	31-Dec-19	629,780	-	-	629,780
Loans and advances to customers	31-Dec-19	128,740,476	-	-	128,740,476
Total		235,387,000	-	106,016,744	129,370,256
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-19	3,272,746	-	3,272,746	-
Due to customers	31-Dec-19	302,256,825	-	-	302,256,825
Total		305,529,571	-	3,272,746	302,256,825

4. Segment analysis

4.1. By business segment

The Bank is divided into four main business segments on a worldwide basis:

- Corporate banking – incorporating direct debit facilities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products
- Investment – incorporating financial instruments Trading, structured financing, Corporate leasing, and merger and acquisitions advice.
- Retail banking – incorporating private banking services, private customer current accounts, savings, deposits, investment savings products, custody, credit and debit cards, consumer loans and mortgages;
- Others –Including other banking business, such as Assets Management.

Transactions between the business segments are on normal commercial terms and conditions.

EGP Thousands

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Jun.30, 2020						
Revenue according to business segment	5,795,050	764,394	4,207,027	3,427,905	348,777	14,543,153
Expenses according to business segment	(4,728,094)	(326,918)	(193,725)	(1,743,121)	(8,883)	(7,000,741)
Profit before tax	1,066,956	437,476	4,013,302	1,684,784	339,894	7,542,412
Tax	(355,477)	(147,518)	(1,353,905)	(573,094)	(114,613)	(2,544,607)
Profit for the period	711,479	289,958	2,659,397	1,111,690	225,281	4,997,805
Total assets	118,042,244	974,810	188,222,043	31,148,038	61,663,263	400,050,398
Dec.31, 2019						
Revenue according to business segment	9,754,092	2,234,547	5,292,706	7,121,674	816,595	25,219,614
Expenses according to business segment	(4,737,534)	(898,119)	(152,895)	(2,882,762)	(13,423)	(8,684,733)
Profit before tax	5,016,558	1,336,428	5,139,811	4,238,912	803,172	16,534,881
Tax	(1,436,735)	(382,556)	(1,471,285)	(1,213,400)	(229,910)	(4,733,886)
Profit for the year	3,579,823	953,872	3,668,526	3,025,512	573,262	11,800,995
Total assets	103,555,078	1,398,063	200,721,627	26,524,730	54,542,870	386,742,368

4.2. By geographical segment

	<u>Cairo</u>	<u>Alex, Delta & Sinai</u>	<u>Upper Egypt</u>	<u>Outside Egypt (Kenya)</u>	<u>Total</u>
Jun.30, 2020					
Revenue according to geographical segment	12,627,867	1,532,148	383,138	-	14,543,153
Expenses according to geographical segment	(6,149,672)	(728,405)	(122,664)	-	(7,000,741)
Profit before tax	6,478,195	803,743	260,474	-	7,542,412
Tax	(2,185,749)	(271,025)	(87,833)	-	(2,544,607)
Profit for the period	4,292,446	532,718	172,641	-	4,997,805
Total assets	367,358,660	23,179,065	7,623,705	1,888,968	400,050,398
Dec.31, 2019					
Revenue according to geographical segment	21,215,527	3,309,436	694,651	25,219,614	
Expenses according to geographical segment	(7,293,433)	(1,143,218)	(248,082)	(8,684,733)	
Profit before tax	13,922,094	2,166,218	446,569	16,534,881	
Tax	(3,985,969)	(620,086)	(127,831)	(4,733,886)	
Profit for the year	9,936,125	1,546,132	318,738	11,800,995	
Total assets	358,906,093	21,081,215	6,755,060	386,742,368	

5 . Net trading income

	Last 3 Months Jun.30, 2020 EGP Thousands	Last 6 Months Jun.30, 2020 EGP Thousands	Last 3 Months Jun.30, 2019 EGP Thousands	Last 6 Months Jun.30, 2019 EGP Thousands
Profit (Loss) from foreign exchange	38,629	205,058	151,438	342,425
Profit (Loss) from forward foreign exchange deals revaluation	109,664	53,751	14,748	(8,090)
Profit (Loss) from interest rate swaps revaluation	3,165	(7,749)	(10,490)	(10,804)
Profit (Loss) from currency swap deals revaluation	(8,084)	(9,512)	5,473	(5,775)
Profit (Loss) from financial assets at fair value through P&L	39,282	(64,317)	(31,105)	62,187
Total	182,656	177,231	130,064	379,943

6 . Earning per share

	Last 3 Months Jun.30, 2020 EGP Thousands	Last 6 Months Jun.30, 2020 EGP Thousands	Last 3 Months Jun.30, 2019 EGP Thousands	Last 6 Months Jun.30, 2019 EGP Thousands
Net profit for the period, available for distribution	2,610,399	5,001,609	2,715,673	5,358,020
Board member's bonus	(39,156)	(75,024)	(40,735)	(80,370)
Staff profit sharing	(261,040)	(500,161)	(271,567)	(535,802)
* Profits shareholders' Stake	2,310,203	4,426,424	2,403,371	4,741,848
Weighted Average number of shares	1,469,082	1,469,082	1,469,082	1,469,082
Basic earning per share	1.57	3.01	1.64	3.23
By issuance of ESOP earning per share will be:				
Average number of shares including ESOP shares	1,476,725	1,476,725	1,476,725	1,476,725
Diluted earning per share	1.56	3.00	1.63	3.21

* Based on separate financial statement profits.

7 . Cash and balances with central bank

	Jun.30, 2020 EGP Thousands	Dec.31, 2019 EGP Thousands
Cash	8,271,934	5,876,652
Obligatory reserve balance with CBE		
- Current accounts	22,995,458	22,397,310
Total	31,267,392	28,273,962
Non-interest bearing balances	31,267,392	28,273,962

8 . Due from banks

	Jun.30, 2020 EGP Thousands	Dec.31, 2019 EGP Thousands
Current accounts	2,774,391	3,704,142
Deposits	54,216,108	24,666,041
Effect of applying IFRS 9	-	(7,314)
Expected credit losses	(41,267)	(9,503)
Total	56,949,232	28,353,366
Central banks	27,862,195	9,945,682
Local banks	3,199,610	1,348,559
Foreign banks	25,887,427	17,059,125
Total	56,949,232	28,353,366
Non-interest bearing balances	27,083	1,460
Floating interest bearing balances	8,763,616	9,085,184
Fixed interest bearing balances	48,158,533	19,266,722
Total	56,949,232	28,353,366
Current balances	56,949,232	28,353,366

Due from banks

	Stage 1	Stage 2
Gross due from banks	56,991,029	-
Expected credit losses	(41,267)	-
Net due from banks	56,949,762	-

9 . Treasury bills and other governmental notes

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
91 Days maturity	77,375	6,025
182 Days maturity	3,772,963	749,625
364 Days maturity	25,919,204	29,112,513
Unearned interest	<u>(1,414,898)</u>	<u>(1,470,340)</u>
Total	28,354,644	28,397,823
Repos - treasury bills	<u>(763,480)</u>	<u>(763,761)</u>
Net	27,591,164	27,634,062

. Governmental bonds

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
	<u>Financial Assets at</u> <u>Fair value through</u> <u>OCI</u>	<u>Financial Assets at</u> <u>Fair value through</u> <u>OCI</u>
Governmental bonds	60,912,017	58,769,618
Repo	<u>(8,557,894)</u>	<u>(2,406,225)</u>
Net	52,354,123	56,363,393

10 . Loans and advances to banks, net

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
Time and term loans	887,612	629,780
Impairment provision	<u>(4,364)</u>	<u>(4,516)</u>
Net	883,248	625,264
Current balances	<u>883,248</u>	<u>625,264</u>

Analysis for impairment provision of loans and advances to banks

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
Beginning balance	(4,516)	(3,246)
Release during the period / year	<u>152</u>	<u>(1,270)</u>
Ending balance	(4,364)	(4,516)

Analysis for impairment provision of loans and advances to banks

	Stage 2
Beginning Balance	(4,516)
Addition during the period	<u>152</u>
Ending balance	(4,364)

Below is an analysis of outstanding balance:

Balance	Rating
883,248	B-

11 . Loans and advances to customers, net

	Jun.30, 2020 EGP Thousands	Dec.31, 2019 EGP Thousands
Individual		
- Overdraft	1,389,485	1,462,439
- Credit cards	4,607,987	4,264,204
- Personal loans	23,641,082	20,219,305
- Real estate loans	1,673,789	1,330,323
Total 1	31,312,343	27,276,271
Corporate		
- Overdraft	20,113,210	19,100,709
- Direct loans	49,255,510	51,163,302
- Syndicated loans	33,357,662	33,642,235
- Other loans	28,660	61,578
Total 2	102,755,042	103,967,824
Total Loans and advances to customers (1+2)	134,067,385	131,244,095
Less:		
Unamortized bills discount	(60,381)	(55,197)
Effect of applying IFRS 9	-	716,325
Impairment provision	(13,933,139)	(12,542,212)
Unearned interest	(4,803)	(8,236)
Suspended credit account	(38,850)	(33,672)
Net loans and advances to customers	120,030,212	119,321,103
Distributed to		
Current balances	50,242,347	51,682,809
Non-current balances	69,787,865	67,638,294
Total	120,030,212	119,321,103

Analysis of the expected credit losses of IFRS 9 / Loss on loans and advances to customers by type during the period was as follows:

	EGP Thousands				
	Jun.30, 2020				
Individual Loans:					
	<u>Overdrafts</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Mortgages</u>	<u>Total</u>
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Impairment	(1,582)	(71,716)	(296,696)	(6,766)	(376,760)
Written off amounts	-	5,822	14,271	-	20,093
Recoveries	-	(12,165)	(7,748)	-	(19,913)
Ending balance	(6,995)	(168,835)	(469,466)	(48,215)	(693,511)
Corporate and Business Banking loans:					
			<u>Syndicated</u>		
	<u>Overdraft</u>	<u>Direct loans</u>	<u>loans</u>	<u>Other loans</u>	<u>Total</u>
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Impairment	(111,572)	(1,272,017)	(382,002)	(2,789)	(1,768,380)
Written off amounts	-	131,291	-	-	131,291
Recoveries	-	(4,904)	-	-	(4,904)
foreign currencies translation differences	(8,340)	(61,424)	(18,915)	-	(88,679)
Ending balance	(1,054,735)	(9,035,536)	(3,144,469)	(4,888)	(13,239,628)
			<u>Individual</u>		<u>EGP Thousands</u>
	<u>Overdraft</u>	<u>Credit cards</u>	<u>Personal loans</u>	<u>Real estate loans</u>	<u>Total</u>
Dec.31, 2019					
Beginning balance	(48,619)	(42,162)	(108,768)	(24,762)	(224,311)
Released (charged) released during the year	43,206	(63,280)	(115,341)	(15,487)	(150,902)
Write off during the year	-	42,267	76,219	-	118,486
Recoveries during the year*	-	(27,601)	(31,403)	(1,200)	(60,204)
Ending balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
			<u>Corporate</u>		
	<u>Overdraft</u>	<u>Direct loans</u>	<u>Syndicated loans</u>	<u>Other loans</u>	<u>Total</u>
Dec.31, 2019					
Beginning balance	(711,964)	(9,379,597)	(2,008,631)	-	(12,100,192)
Released (charged) released during the year	(291,408)	(232,519)	(932,680)	(2,099)	(1,458,706)
Write off during the year	-	1,262,286	-	-	1,262,286
Recoveries during the year*	-	(399,429)	-	-	(399,429)
Exchange revaluation difference	68,549	920,777	197,759	-	1,187,085
Ending balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)

12 . Financial investments securities

Jun.30, 2020

	<u>Financial Assets at</u>	<u>Financial Assets</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>Fair value through</u>	<u>at Fair value</u>		
	<u>P&L</u>	<u>through OCI</u>		
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	52,354,123	92,811,350	145,165,473
Other bonds	-	4,370,524	-	4,370,524
Equity instruments	-	430,266	-	430,266
Portfolio managed by others	357,304	-	-	357,304
Investments not listed in the market				
Treasury bills and other governmental notes	-	27,429,585	161,579	27,591,164
Equity instruments	-	310,365	-	310,365
Mutual funds	-	205,395	-	205,395
Total	357,304	85,100,258	92,972,929	178,430,491

Dec.31, 2019

	<u>Financial Assets at</u>	<u>Financial Assets at</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>Fair value through</u>	<u>Fair value through</u>		
	<u>P&L</u>	<u>OCI</u>		
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	56,363,393	107,225,613	163,589,006
Other bonds	-	4,823,267	-	4,823,267
Equity instruments	-	502,920	-	502,920
Portfolio managed by others	418,781	-	-	418,781
Investments not listed in the market				
Treasury bills and other governmental notes	-	27,634,062	-	27,634,062
Equity instruments	-	344,929	-	344,929
Mutual funds	-	228,686	-	228,686
Total	418,781	89,897,257	107,225,613	197,541,651

12.1 . Profits (Losses) on financial investments

	Last 3 Months Jun.30, 2020 EGP Thousands	Last 6 Months Jun.30, 2020 EGP Thousands	Last 3 Months Jun.30, 2019 EGP Thousands	Last 6 Months Jun.30, 2019 EGP Thousands
Profit (Loss) from selling FVOCI financial instruments	370,607	924,720	13,404	65,445
Released (Impairment) charges of FVOCI equity instruments	(8,752)	(78,615)	-	-
Released (Impairment) charges of FVOCI debt instruments	-	-	-	(45,664)
Released (Impairment) charges of investments in associates and subsidiaries	-	(14,100)	-	-
Total	361,855	832,005	13,404	19,781

13 Investments in associates

	EGP Thousands						
Jun.30, 2020	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit</u>	<u>Investment book value</u>	<u>Stake %</u>
Associates							
- Fawry plus	Egypt	122,266	143,662	12,722	(5,943)	(12,334)	23.50
- International Co. for Security and Services (Falcon)	Egypt	865,025	594,361	161,900	806	112,171	30.00
Total		987,291	738,023	174,622	(5,137)	99,837	

	EGP Thousands						
Dec.31, 2019	<u>Company's country</u>	<u>Company's assets</u>	<u>Company's liabilities (without equity)</u>	<u>Company's revenues</u>	<u>Company's net profit</u>	<u>Investment book value</u>	<u>Stake %</u>
Associates							
- Fawry Plus	Egypt	42,920	45,557	17,399	(19,917)	5,563	23.50
- International Co. for Security and Services (Falcon)	Egypt	741,875	501,413	511,163	22,437	102,130	32.50
Total		784,795	546,970	528,562	2,520	107,693	

14 . Property, plant and equipment

	Jun.30, 2020							EGP Thousands
	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	
Beginning gross assets (1)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	115,594	4,873,198
Additions during the year	-	62,877	215,635	11,980	88,451	145,126	19,135	543,204
Disposals during the year*	-	-	(22,270)	-	(4,612)	(5,050)	(1,972)	(33,904)
Ending gross assets (2)	64,709	1,137,108	2,365,817	121,769	853,236	707,102	132,757	5,382,498
Accumulated depreciation at beginning of the period (3)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Current period depreciation	-	26,687	195,402	6,133	76,066	71,428	8,066	383,782
Disposals during the year*	-	-	(22,270)	-	(4,612)	(5,050)	(1,972)	(33,904)
Accumulated depreciation at end of the period (4)	-	448,945	1,463,651	47,773	556,294	417,913	84,036	3,018,612
Ending net assets (2-4)	64,709	688,163	902,166	73,996	296,942	289,189	48,721	2,363,886
Beginning net assets (1-3)	64,709	651,973	881,933	68,149	284,557	215,491	37,652	2,204,464
Depreciation rates		%5	%33.3	%20	%33.3	%20	%20	

Net fixed assets value on the balance sheet date includes EGP 280,052 thousand non registered assets while their registrations procedures are in process.

* Fixed assets are fully depreciated with a retention value of one pound for assets still in operation.

Property, plant and equipment

	Dec.31, 2019							EGP Thousands
	<u>Land</u>	<u>Premises</u>	<u>IT</u>	<u>Vehicles</u>	<u>Fitting -out</u>	<u>Machines and equipment</u>	<u>Furniture and furnishing</u>	
Beginning gross assets (1)	64,709	1,025,368	1,580,495	62,147	525,323	449,823	88,801	3,796,666
Additions during the year	-	53,217	593,718	47,642	284,570	122,356	27,630	1,129,133
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
Ending gross assets (2)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	115,594	4,873,198
Accumulated depreciation at beginning of the year (3)	-	376,931	982,280	32,890	406,431	277,393	68,866	2,144,791
Current year depreciation	-	49,681	310,000	8,750	118,905	79,295	9,913	576,544
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
Accumulated depreciation at end of the year (4)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Ending net assets (2-4)	64,709	651,973	881,933	68,149	284,557	215,491	37,652	2,204,464
Beginning net assets (1-3)	64,709	648,437	598,215	29,257	118,892	172,430	19,935	1,651,875
Depreciation rates		%5	%33.3	%20	%33.3	%20	%20	

Net fixed assets value on the balance sheet date includes EGP 316,688 thousand non registered assets while their registrations procedures are in process.

15 Due to banks

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
Current accounts	462,871	420,500
Deposits	11,814,611	11,390,107
Total	12,277,482	11,810,607
Central banks	109,788	111,967
Local banks	5,753,407	10,476,614
Foreign banks	6,414,287	1,222,026
Total	12,277,482	11,810,607
Non-interest bearing balances	574,180	289,069
Floating bearing interest balances	470,363	4,908,538
Fixed interest bearing balances	11,232,939	6,613,000
Total	12,277,482	11,810,607
Current balances	12,277,482	11,810,607

16 Due to customers

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
Demand deposits	102,858,147	98,755,641
Time deposits	52,235,695	47,843,715
Certificates of deposit	92,674,601	85,344,897
Saving deposits	68,533,561	68,579,440
Other deposits	3,844,437	3,924,762
Total	320,146,441	304,448,455
Corporate deposits	128,727,938	120,553,214
Individual deposits	191,418,503	183,895,241
Total	320,146,441	304,448,455
Non-interest bearing balances	47,598,070	44,260,283
Floating interest bearing balances	38,873,025	39,592,933
Fixed interest bearing balances	233,675,346	220,595,239
Total	320,146,441	304,448,455
Current balances	226,636,475	217,358,718
Non-current balances	93,509,966	87,089,737
Total	320,146,441	304,448,455

17 Provisions

Jun.30, 2020	<u>Beginning balance</u>	<u>Charged amounts</u>	<u>Exchange revaluation difference</u>	<u>Utilized amounts</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	66,106	-	(15)	(57)	(6,021)	60,013
Provision for contingent	1,790,692	1,098,888	3,399	-	-	2,892,979
* Provision for other claim	154,571	-	(373)	(1,009)	(37,179)	116,010
Total	2,011,369	1,098,888	3,011	(1,066)	(43,200)	3,069,002
Dec.31, 2019	<u>Beginning balance</u>	<u>Charged amounts</u>	<u>Exchange revaluation difference</u>	<u>Utilized amounts</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for income tax claims	6,910	-	-	-	(6,910)	-
Provision for legal claims	57,677	11,299	(244)	(2,626)	-	66,106
Provision for contingent	1,449,690	444,786	(103,784)	-	-	1,790,692
* Provision for other claim	180,330	5,784	(6,034)	(25,509)	-	154,571
Total	1,694,607	461,869	(110,062)	(28,135)	(6,910)	2,011,369

To face the potential risk of banking operations.

18 . Share-based payments

According to the extraordinary general assembly meeting on June 26, 2006, the Bank launched new Employees Share Ownership Plan (ESOP) scheme and issued equity-settled share-based payments. Eligible employees should complete a term of 3 years of service in The Bank to have the right in ordinary shares at face value (right to share) that will be issued on the vesting date, otherwise such grants will be forfeited. Equity-settled share-based payments are measured at fair value at the grant date, and expensed on a straight-line basis over the vesting period (3 years) with corresponding increase in equity based on estimated number of shares that will eventually vest (True up model). The fair value for such equity instruments is measured using the Black-Scholes pricing model.

Details of the rights to share outstanding during the period / year are as follows:

	Jun.30, 2020	Dec.31, 2019
	<u>No. of shares in</u>	<u>No. of shares in</u>
	<u>thousand</u>	<u>thousand</u>
Outstanding at the beginning of the period/year	27,428	29,697
Granted during the period/year	11,313	9,152
Forfeited during the period/year	(86)	(880)
Exercised during the period/year	<u>(8,599)</u>	<u>(10,541)</u>
Outstanding at the end of the period/year	<u>30,056</u>	<u>27,428</u>

Details of the outstanding tranches are as follows:

Maturity date	EGP	EGP	No. of shares in thousand
	<u>Exercise price</u>	<u>Fair value</u>	
2021	10.00	54.51	9,850
2022	10.00	50.53	8,893
2023	10.00	72.71	<u>11,313</u>
Total			<u>30,056</u>

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

	<u>14th tranche</u>	<u>13th tranche</u>
Exercise price	10	10
Current share price	83.02	59.26
Expected life (years)	3	3
Risk free rate %	13.66%	18.14%
Dividend yield%	1.50%	1.70%
Volatility%	25%	26%

Volatility is calculated based on the daily standard deviation of returns for the last five years.

19 . Legal claims

- There is a number of existing cases against the bank on June 30, 2020 without provision as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

20 . Transactions with related parties

All banking transactions with related parties are conducted in accordance with the normal banking practices and regulations applied to all other customers without any discrimination.

20.1 . Loans, advances, deposits and contingent liabilities

	EGP Thousands
Loans and advances	9,503
Deposits	228,953
Contingent liabilities	1,197

20.2 . Other transactions with related parties

	Income	Expenses
	EGP Thousands	EGP Thousands
International Co. for Security & Services	9	108,847
CVenture Capital	45	77
Fawry plus	387	-

21 . Significant events during the period

- IMPACT OF COVID-19

The coronavirus ("COVID-19") pandemic has spread across various geographies globally, causing disruption to business and economic activities. COVID-19 has brought about uncertainties in the global economic environment. The fiscal and monetary authorities, both domestic and international, have announced various fiscal and stimulus measures across the globe to counter possible adverse implications.

BUSINESS CONTINUITY PLANNING

The Bank is closely monitoring the situation and taking rightful measures to ensure the safety and security of the bank's staff and an uninterrupted service to its customers. Remote working arrangements have been implemented and part of the Bank staff are working from home in line with government directions. Business continuity plans are in place. The Bank has taken measures to ensure that services levels are maintained, customer complaints are resolved, and the Bank continues to serve its customers as they would do in normal conditions. CIB regularly conducts stress tests to assess the resilience of the statement of position and the capital adequacy. CIB is closely monitoring the situation and has activated its risk management practices managing the potential business disruption COVID-19 outbreak may have on its operations and financial performance.

IMPACT ON EXPECTED CREDIT LOSSES

In the determination of the impact over the ECL, CIB has considered the potential impact of the uncertainties considering the available information caused by the Covid-19 pandemic and taken into account the economic support and relief measures taken by the Central Bank of Egypt. The Bank has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for ECL measurement. In addition, the Bank has analyzed the risk of the credit portfolio by focusing on economic sector wise segmentation analysis using both a top-down approach and the Bank own experience. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in our ECL estimates. In addition to the assumptions outlined above, CIB has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk (SICR) leading to reclassifying loans from stage 1 to stage 2 and assessing the indicators of impairment for the exposures in potentially affected sectors. The bank has implemented the CBE initiative of payment relief for the customers by deferring interest/principal due for six months. The relief offered to customers may at some cases indicate a SICR. However, the bank believes that the extension of these payment reliefs does not automatically trigger a SICR and a stage migration for the purposes of calculating ECL, as these are being made available to assist borrowers affected by the Covid-19 outbreak to resume regular payments. The Bank has reassessed its ECL models, underlying assumptions including relevant available macroeconomic data, and the judgmental overlays on the basis of macroeconomic variations reflected in models pertaining to particular industries rather than on customer-account basis. The ECL amounts recognized in the bank's financial statements for the period ending June 30, 2020 were mainly increased as a result of the Covid 19 impact. The impact of current uncertain economic environment is judgmental and management will keep assessing the current position and its related impact regularly. It should be also considered that the assumptions used about economic forecasts are subject to high degree of inherent uncertainty and therefore the actual outcome may be significantly different from forecasted information. CIB has considered potential impacts of the current economic volatility in determination of the reported amounts of the bank's financial and non-financial assets and these are considered to represent management's best assessment based on observable information. Markets however remain volatile and the recorded amounts remain sensitive to market fluctuations.

LIQUIDITY MANAGEMENT

The Bank's approach is to maintain a prudent Liquidity position with a Liability driven strategy, as almost the entire funding base is customer based rather than wholesale funding; which is a core component of the Risk Appetite. This is coupled with ample amounts of Liquid Assets. To limit potential Liquidity shocks, the Bank has a well-established Contingency Funding Plan (CFP), where Liquidity Risk is assessed in line with all Regulatory and Internal Liquidity Measurements, and Basel II and III requirements; including Liquidity Stress Testing; and Basel III Ratios; Net Stable Funding Ratio (NSFR) and Liquidity Coverage Ratio (LCR).

22 . Goodwill

- Based on both banks' Board of Directors' approval, and after obtaining all necessary approvals from the Central Bank of Egypt and the Central Bank of Kenya, in May 2020, CIB has acquired 51% of what is to be renamed as Mayfair CIB Bank Limited in Kenya in the form of a capital increase, for a total transaction value of USD 35.35 million. The bank has consolidated financial results starting from the second quarter of 2020. In May 2020, CIB gained control in "Damietta Shipping and Marine Services" Company, upon controlling majority seats in the Company's Board of Directors, besides 32% of the Company's shares previously owned by the Bank. The Company's financial results have been consolidated starting Q2 2020.

Net assets value at acquisition date

Mayfair Bank

Assets

Cash and balances with central bank	650,183
Due from banks	172,011
Loans and advances to customers, net	675,757
Other assets	391,017
Total assets	1,888,968

Other liabilities

Total liabilities	1,245,353
Net assets value	643,615

Deduct:

Minority interest	(315,372)
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Add:

Goodwill	232,720
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Acquisition cost	560,963
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	Mayfair Bank	Damietta shipping & marine services
	Jun.30, 2020	Jun.30, 2020
	EGP Thousands	EGP Thousands
Acquisition cost	560,963	81,702
Net assets value	328,243	62,995
* Goodwill	232,720	18,707

* The bank applied provisional fair value accounting as allowed under the Egyptian accounting standards, the bank will revise the fair value during a period of 12 months from the acquisition date.

	Mayfair Bank	Damietta shipping & marine services
	Jun.30, 2020	Jun.30, 2020
	EGP Thousands	EGP Thousands
Goodwill at acquisition date	232,720	18,707
Amortization	(7,757)	(624)
Net book value	224,963	18,083

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



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