



# Separate Financial Statements

June 2020 - Interim Condensed



## Limited Review Report on Condensed Separate Interim Financial Statements

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

### ***Introduction***

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

### ***Scope of Review***

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

### ***Conclusion***

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly - in all material respects - the condensed separate financial position of Commercial International Bank - Egypt (S.A.E) as at 30 June 2020 and of its condensed separate financial performance and condensed separate 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**



Tamer Abdel Tawab  
Financial Regulatory Authority  
Register Number "388"

**PricewaterhouseCoopers Ezzeldeen, Diab & Co.  
Public Accountants**

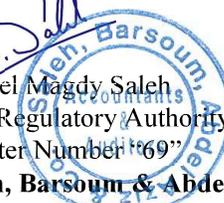


**Auditors**



Kamel Magdy Saleh  
Financial Regulatory Authority  
Register Number "69"

**Deloitte - Saleh, Barsoum & Abdel Aziz  
Accountants & Auditors**

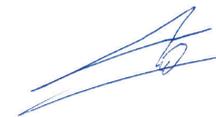


## Condensed Separate Interim Balance Sheet as at June 30,2020

	<i>Notes</i>	<b>Jun. 30, 2020</b> EGP Thousands	Dec. 31, 2019 EGP Thousands
<b>Assets</b>			
Cash and balances with central bank	7	30,421,432	28,273,962
Due from banks	8	56,777,751	28,353,366
Loans and advances to banks, net	10	883,248	625,264
Loans and advances to customers, net	11	119,351,228	119,321,103
Derivative financial instruments		315,916	216,383
<b>Investments</b>			
- Financial Assets at Fair value through P&L	12	357,304	418,781
- Financial Assets at Fair value through OCI	12	84,930,779	89,897,257
- Amortized cost	12	92,811,350	107,225,613
- Investments in associates and subsidiaries	13	692,010	63,953
Other assets		8,986,441	9,747,939
Deferred tax assets (Liabilities)		457,940	350,339
Property, plant and equipment	14	2,308,961	2,202,698
<b>Total assets</b>		<b>398,294,360</b>	<b>386,696,658</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	15	12,271,095	11,810,607
Due to customers	16	318,944,242	304,483,655
Derivative financial instruments		340,652	282,588
Current tax liabilities		2,652,208	4,639,364
Other liabilities		5,434,030	8,396,487
Other loans		3,250,254	3,272,746
Provisions	17	3,067,002	2,011,369
<b>Total liabilities</b>		<b>345,959,483</b>	<b>334,896,816</b>
<b>Equity</b>			
Issued and paid up capital		14,690,821	14,690,821
Reserves		31,327,194	24,342,314
Reserve for employee stock ownership plan (ESOP)		1,260,111	963,152
Retained earnings *		5,056,751	11,803,555
<b>Total equity</b>		<b>52,334,877</b>	<b>51,799,842</b>
<b>Total liabilities and equity</b>		<b>398,294,360</b>	<b>386,696,658</b>

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 Separate Interim Income Statement for the period ended June 30, 2020

	<i>Notes</i>	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
Interest and similar income		10,235,541	20,922,642	10,417,753	20,695,803
Interest and similar expense		<u>(3,953,911)</u>	<u>(8,445,745)</u>	<u>(5,351,611)</u>	<u>(10,691,075)</u>
<b>Net interest income</b>		<b>6,281,630</b>	<b>12,476,897</b>	<b>5,066,142</b>	<b>10,004,728</b>
Fee and commission income		673,804	1,479,217	791,777	1,647,254
Fee and commission expense		<u>(187,496)</u>	<u>(493,057)</u>	<u>(258,515)</u>	<u>(536,140)</u>
<b>Net fee and commission income</b>		<b>486,308</b>	<b>986,160</b>	<b>533,262</b>	<b>1,111,114</b>
Dividend income		25,962	25,962	22,333	22,454
Net trading income	5	182,656	177,231	130,064	379,943
Profits (Losses) on financial investments	12	361,855	832,005	13,404	19,781
Administrative expenses		<u>(1,321,360)</u>	<u>(2,844,898)</u>	<u>(1,296,585)</u>	<u>(2,617,257)</u>
Other operating (expenses) income		<u>(1,099,747)</u>	<u>(1,847,487)</u>	<u>(519,982)</u>	<u>(661,079)</u>
Intangible assets amortization		-	-	(32,552)	(65,104)
Impairment release (charges) for credit losses		<u>(1,019,544)</u>	<u>(2,259,654)</u>	<u>(274,397)</u>	<u>(795,124)</u>
<b>Profit before income tax</b>		<b>3,897,760</b>	<b>7,546,216</b>	<b>3,641,689</b>	<b>7,399,456</b>
Income tax expense		<u>(1,319,721)</u>	<u>(2,652,208)</u>	<u>(968,727)</u>	<u>(2,058,736)</u>
Deferred tax assets (Liabilities)		<u>32,360</u>	<u>107,601</u>	<u>42,711</u>	<u>17,300</u>
<b>Net profit for the period</b>		<b>2,610,399</b>	<b>5,001,609</b>	<b>2,715,673</b>	<b>5,358,020</b>
<b>Earning per share</b>	6				
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 Separate 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
<b>Net profit for the period</b>	2,610,399	5,001,609	2,715,673	5,358,020
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
Expected credit loss for fair value of debt instruments measured at fair value through other comprehensive income	<u>137,833</u>	<u>90,512</u>	<u>(2,546)</u>	<u>(109,668)</u>
<b>Total other comprehensive income for the period</b>	<u>6,130,621</u>	<u>3,608,540</u>	<u>3,109,284</u>	<u>8,087,213</u>

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

	<i>Notes</i>	<b>Jun. 30, 2020</b> EGP Thousands	Jun. 30, 2019 EGP Thousands
<b>Cash flow from operating activities</b>			
Profit before income tax		7,546,216	7,399,456
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>			
Fixed assets depreciation	14	328,251	275,052
Impairment charge for credit losses (Loans and advances to customers and banks)		2,144,988	875,635
Other provisions charges	17	1,096,888	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		(85,180)	886,795
Intangible assets amortization		-	65,104
Impairment charge financial assets at fair value through OCI		-	45,664
Exchange differences in financial investments in subsidiary	13	(242)	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) losses from selling property, plant and equipment		(94)	(1,439)
(Profits) losses from selling financial investments	12	(924,720)	(65,445)
Shares based payments		296,959	247,998
Released (Impairment) charges of investments in associates and subsidiaries		14,100	-
Released (Impairment) charges of FVOCI equity instruments		78,615	-
<b>Operating profits before changes in operating assets and liabilities</b>		<b>10,593,813</b>	<b>9,512,820</b>
<b>Net decrease (increase) in assets and liabilities</b>			
Due from banks	8	(507,846)	(25,049,337)
Treasury bills and other governmental notes		-	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	(2,430,817)	(4,776,117)
Other assets		925,679	1,289,326
Due to banks	15	460,488	(5,879,606)
Due to customers	16	14,460,587	20,263,230
Income tax obligations paid		(4,639,364)	(3,625,579)
Other liabilities		(2,962,457)	(1,225,572)
<b>Net cash provided from operating activities</b>		<b>15,920,091</b>	<b>17,011,480</b>
<b>Cash flow from investing activities</b>			
Proceeds from investments in associates.		750	-
Payments for investment in subsidiaries.		(560,963)	-
Payment for purchases of property, plant, equipment and branches constructions		(625,596)	(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		(50,506,453)	(11,433,512)
Proceeds from selling financial assets at fair value through OCI		55,237,128	5,105,870
<b>Net cash used in investing activities</b>		<b>17,959,223</b>	<b>(6,510,565)</b>

**Condensed Separate Interim Cash flows for the period ended June 30. 2020 (Cont.)**

	<b>Jun. 30, 2020</b>	Jun. 30, 2019
	EGP Thousands	EGP Thousands
<b>Cash flow from financing activities</b>		
Increase (decrease) in long term loans	(22,492)	(230,801)
Dividend paid	<u>(3,370,464)</u>	<u>(2,700,544)</u>
<b>Net cash used in (provided from) financing activities</b>	<u>(3,392,956)</u>	<u>(2,931,345)</u>
Net increase (decrease) in cash and cash equivalent during the period	<b>30,486,358</b>	7,569,570
Beginning balance of cash and cash equivalent	<u>22,895,017</u>	<u>34,303,645</u>
<b>Cash and cash equivalent at the end of the period</b>	<u><b>53,381,375</b></u>	<u>41,873,215</u>
<b>Cash and cash equivalent comprise:</b>		
Cash and balances with central bank	7 30,421,432	24,993,377
Due from banks	8 56,818,722	66,543,158
Treasury bills and other governmental notes	9 27,424,701	25,344,096
Obligatory reserve balance with CBE	7 (22,905,156)	(15,980,212)
Due from banks with maturities more than three months	(10,266,780)	(33,329,274)
Treasury bills with maturity more than three months	<u>(28,111,544)</u>	<u>(25,697,930)</u>
<b>Total cash and cash equivalent</b>	<u><b>53,381,375</b></u>	<u>41,873,215</u>

## Condensed Separate 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>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	9,555,755	738,320	36,154,247
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)
Net profit for the period	-	-	-	-	-	-	-	5,358,020	-	5,358,020
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	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)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	247,998	247,998
Ending balance	14,585,408	2,188,029	16,234,722	1,549,445	13,466	868,342	5,164	5,358,020	986,318	41,788,914

## Condensed Separate 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>Total</u>
	EGP Thousands									
Beginning balance	14,690,821	2,188,029	16,474,429	1,549,445	13,466	4,111,781	5,164	11,803,555	963,152	51,799,842
Capital increase	-	-	-	-	-	-	-	-	-	-
Transferred to reserves	-	590,106	7,840,286	-	1,440	-	-	(8,431,832)	-	-
Dividend paid	-	-	-	-	-	-	-	(3,370,464)	-	(3,370,464)
Net profit for the period	-	-	-	-	-	-	-	5,001,609	-	5,001,609
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)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	1,259	(1,259)	-	-
Release provision for impairment of debt instruments investments	-	-	-	-	-	90,512	-	-	-	90,512
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	296,959	296,959
Ending balance	<u>14,690,821</u>	<u>2,778,135</u>	<u>24,314,715</u>	<u>1,549,445</u>	<u>14,906</u>	<u>2,663,570</u>	<u>6,423</u>	<u>5,056,751</u>	<u>1,260,111</u>	<u>52,334,877</u>

## Notes to the condensed separate 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.

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 separate financial statements have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008.

Also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, the bank issued condensed financial statements based on the Central Bank of Egypt instructions issued on May 5, 2020, which allow banks to issue condensed quarterly financial statements. Reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards.

The separate and consolidated financial statements of the Bank and its subsidiaries have been prepared in accordance with the Central Bank of Egypt regulations approved by the Board of Directors on December 16, 2008, also according to the instructions for applying the International Standard for Financial Reports (9) issued by the Central Bank of Egypt on February 26, 2019, reference is made to what was not mentioned in the instructions of the Central Bank of Egypt to the Egyptian Accounting Standards, the affiliated companies are entirely included in the consolidated financial statements and these companies are the companies that the Bank - directly or indirectly – has more than half of the voting rights or has the ability to control the financial and operating policies, regardless of the type of activity, the Bank's consolidated financial statements can be obtained from the Bank's management. The Bank accounts for investments in subsidiaries and associate companies in the separate financial statements at cost minus impairment loss.

The separate financial statements of the Bank should be read with its consolidated financial statements, for the period ended on June 30, 2020 to get complete information on the Bank's financial position, results of operations, cash flows and changes in ownership rights.

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

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

**3.1. Loans and advances**

Loans and advances are summarized as follows:

	<b>Jun.30, 2020</b>		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>
<b>Gross Loans and advances</b>	<b>133,375,991</b>	<b>887,612</b>	131,244,095	629,780
<b>Less:</b>				
Impairment provision	13,921,591	4,364	11,825,887	4,516
Unamortized bills discount	60,381	-	55,197	-
Unearned interest	4,803	-	8,236	-
Suspended credit account	37,988	-	33,672	-
<b>Net</b>	<b>119,351,228</b>	<b>883,248</b>	119,321,103	625,264

Impairment provision losses for loans and advances reached EGP 13,925,955 thousand.

During the period, the Bank's total loans and advances increased by 1.81%.

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

**Total balances of loans and facilities to customers divided by stages:**
**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	30,165,613	624,970	417,540	-	31,208,123
Institutions and Business Banking	54,830,771	42,339,512	4,997,585	-	102,167,868
<b>Total</b>	<b>84,996,384</b>	<b>42,964,482</b>	<b>5,415,125</b>	<b>-</b>	<b>133,375,991</b>

**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	443,095	11,121	235,561	-	689,777
Institutions and Business Banking	1,370,604	6,904,946	4,956,264	-	13,231,814
<b>Total</b>	<b>1,813,699</b>	<b>6,916,067</b>	<b>5,191,825</b>	<b>-</b>	<b>13,921,591</b>

**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	-	887,612
Expected credit losses	-	(4,364)	-	(4,364)
<b>Net</b>	<b>-</b>	<b>883,248</b>	<b>-</b>	<b>883,248</b>

**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	72,415,267
Expected credit losses	(1,391,043)	(1,433,036)	(66,900)	(2,890,979)
<b>Net</b>	<b>47,031,654</b>	<b>22,488,167</b>	<b>4,467</b>	<b>69,524,288</b>

Total balances of loans and facilities 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:</u> <u>Expected credit</u> <u>losses</u> <u>Over a lifetime</u> <u>that is not</u> <u>creditworthy</u>	<u>Stage 3:</u> <u>Expected credit</u> <u>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						
Dec.31, 2019						
		<u>Stage 1:</u> <u>Expected credit</u> <u>losses over 12</u> <u>months</u>	<u>Stage 2:</u> <u>Expected credit</u> <u>losses</u> <u>Over a lifetime</u> <u>that is not</u> <u>creditworthy</u>	<u>Stage 3:</u> <u>Expected credit</u> <u>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 and advances 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:</u> <u>Expected credit</u> <u>losses</u> <u>Over a lifetime</u> <u>that is not</u> <u>creditworthy</u>	<u>Stage 3:</u> <u>Expected credit</u> <u>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

**Due from banks**

	EGP Thousands			
	<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	16,817	-	-	16,817
New financial assets purchased or issued	15,146	-	-	15,146
Matured or disposed financial assets	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	9,008	-	-	9,008
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
<b>Ending balance</b>	<b>40,971</b>	<b>-</b>	<b>-</b>	<b>40,971</b>

**Individual 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	96,469	10,394	210,068	316,931
Impairment during the period	346,626	727	29,407	376,760
Write off during the period	-	-	(20,093)	(20,093)
Recoveries	-	-	16,179	16,179
Cumulative foreign currencies translation differences	-	-	-	-
<b>Ending balance</b>	<b>443,095</b>	<b>11,121</b>	<b>235,561</b>	<b>689,777</b>

**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	255,242	926,460	-	1,181,702
Matured or disposed financial assets	(314,678)	(596,264)	(107,876)	(1,018,818)
Transferred to stage 1	13,969	(26,679)	-	(12,710)
Transferred to stage 2	(17,048)	80,425	-	63,377
Transferred to stage 3	-	(143,336)	173,597	30,261
Changes in the probability of default and loss in case of default and the exposure at default	104,431	212,927	4,686	322,044
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	5,070	38,665	37,130	80,865
<b>Ending balance</b>	<b>1,370,604</b>	<b>6,904,946</b>	<b>4,956,264</b>	<b>13,231,814</b>

**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	-	-	-	-
<b>Ending balance</b>	<b>504,906</b>	<b>-</b>	<b>-</b>	<b>504,906</b>

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

Dec.31, 2019				EGP Thousands
	<u>Stage 1</u> <u>12 months</u>	<u>Stage 2</u> <u>Life time</u>	<u>Stage 3</u> <u>Life time</u>	<u>Total</u>
<b>Due from banks</b>				
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	-	-	-	-
<b>Ending balance</b>	<b>16,817</b>	<b>-</b>	<b>-</b>	<b>16,817</b>
<b>Individual Loans:</b>				
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	-	-	-	-
<b>Ending balance</b>	<b>96,469</b>	<b>10,394</b>	<b>210,068</b>	<b>316,931</b>
<b>Corporate and Business Banking loans:</b>				
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)
<b>Ending balance</b>	<b>1,208,722</b>	<b>5,325,121</b>	<b>4,975,113</b>	<b>11,508,956</b>
<b>Financial Assets at Fair value through OCI</b>				
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	-	-	-	-
<b>Ending balance</b>	<b>414,395</b>	<b>-</b>	<b>-</b>	<b>414,395</b>

### Loans and advances restructured

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

	Jun.30, 2020	Dec.31, 2019
<b>Loans and advances to customer</b>		
Corporate		
- Direct loans	4,213,592	4,682,243
<b>Total</b>	<b>4,213,592</b>	<b>4,682,243</b>

### 3.2. Financial investments:

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

Jun.30, 2020

EGP Thousands

<u>Amortized cost</u>	<u>Stage 1:</u>	<u>Stage 2:</u>	<u>Stage 3:</u>	<u>Individually impaired</u>	<u>Total</u>
	<u>Expected credit losses over 12 months</u>	<u>Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Expected credit losses Over a lifetime Credit default</u>		
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	92,811,350	-	-	-	92,811,350
Not rated	-	-	-	-	-
<b>Total</b>	<b>92,811,350</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,811,350</b>

Jun.30, 2020

EGP Thousands

<u>Fair value through OCI</u>	<u>Stage 1:</u>	<u>Stage 2:</u>	<u>Stage 3:</u>	<u>Individually impaired</u>	<u>Total</u>
	<u>Expected credit losses over 12 months</u>	<u>Expected credit losses Over a lifetime that is not creditworthy</u>	<u>Expected credit losses Over a lifetime Credit default</u>		
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A+ to -A	-	-	-	-	-
Less than -A	83,984,753	-	-	-	83,984,753
Not rated	-	-	-	-	-
<b>Total</b>	<b>83,984,753</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>83,984,753</b>

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

Jun.30, 2020

EGP Thousands

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

### 3.2. Financial investments:

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

Dec.31, 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	-	-	-	-	-
<b>Total</b>	<b>107,225,613</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,225,613</b>

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	-	-	-	-	-
<b>Total</b>	<b>88,820,722</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,820,722</b>

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

Dec.31, 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	-	-	-	-	-
<b>Total</b>	<b>414,395</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>414,395</b>

### 3.3. Foreign exchange risk

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

Jun.30, 2020						Equivalent EGP Thousands
	EGP	USD	EUR	GBP	Other	Total
<b>Financial assets</b>						
Cash and balances with central bank	26,644,349	2,382,678	496,772	60,369	837,264	30,421,432
Gross due from banks	18,345,329	37,066,468	494,127	821,608	91,190	56,818,722
Gross loans and advances to banks	-	887,612	-	-	-	887,612
Gross loans and advances to customers	82,620,694	45,201,212	5,482,173	71,907	5	133,375,991
Derivative financial instruments	47,586	268,330	-	-	-	315,916
<b>Financial investments</b>						
Gross financial investment securities	158,591,269	18,884,284	2,030,491	-	-	179,506,044
- Investments in associates and subsidiaries	90,702	40,345	-	-	560,963	692,010
<b>Total financial assets</b>	<b>286,339,929</b>	<b>104,730,929</b>	<b>8,503,563</b>	<b>953,884</b>	<b>1,489,422</b>	<b>402,017,727</b>
<b>Financial liabilities</b>						
Due to banks	127,779	12,065,881	62,853	11,561	3,021	12,271,095
Due to customers	228,679,598	80,780,121	8,149,265	943,263	391,995	318,944,242
Derivative financial instruments	132,323	208,329	-	-	-	340,652
Other loans	22,574	3,227,680	-	-	-	3,250,254
<b>Total financial liabilities</b>	<b>228,962,274</b>	<b>96,282,011</b>	<b>8,212,118</b>	<b>954,824</b>	<b>395,016</b>	<b>334,806,243</b>
<b>Net on-balance sheet financial position</b>	<b>57,377,655</b>	<b>8,448,918</b>	<b>291,445</b>	<b>(940)</b>	<b>1,094,406</b>	<b>67,211,484</b>

### 3.4. Interest rate risk

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

### 3.5. Liquidity risk

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

#### Liquidity Risk Management Organization and Measurement Tools

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

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

**Asset & Liability Committee (ALCO):** Optimises the allocation of assets and liabilities, taking into consideration expectations of the potential impact of future interest rate fluctuations, liquidity constraints, and foreign exchange

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.

	<b>Book value</b>		<b>Fair value</b>	
	<b>Jun.30, 2020</b>	Dec.31, 2019	<b>Jun.30, 2020</b>	Dec.31, 2019
<b>Financial assets</b>				
Due from banks	56,777,751	28,353,366	56,873,952	28,370,754
Gross loans and advances to banks	887,612	629,780	887,612	629,780
Gross loans and advances to customers	133,375,991	131,244,095	133,188,881	128,740,476
<b>Financial investments:</b>				
Amortized cost	92,811,350	107,225,613	93,111,854	106,016,744
<b>Total financial assets</b>	<b>283,852,704</b>	<b>267,452,854</b>	<b>284,062,299</b>	<b>263,757,754</b>
<b>Financial liabilities</b>				
Due to banks	12,271,095	11,810,607	12,220,894	11,702,778
Due to customers	318,944,242	304,483,655	318,503,650	302,292,025
Other loans	3,250,254	3,272,746	3,250,254	3,272,746
<b>Total financial liabilities</b>	<b>334,465,591</b>	<b>319,567,008</b>	<b>333,974,798</b>	<b>317,267,549</b>

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

**Due from banks**

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

**Fair values of financial instruments**

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

**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.

	<b>Date of Valuation</b>	<b>Fair value measurement using</b>			<b>Valuation techniques (level 3)</b>
		<b>Total</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant observable inputs (level 2)</b>	
<b>Jun.30, 2020</b>					
<b>Measured at fair value:</b>					
<b>Financial assets</b>					
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	84,930,779	56,990,318	27,940,461	-
<b>Total</b>		<b>85,288,083</b>	<b>57,347,622</b>	<b>27,940,461</b>	<b>-</b>
<b>Derivative financial instruments</b>					
Financial assets	30-Jun-20	315,916	-	315,916	-
Financial liabilities	30-Jun-20	340,652	-	340,652	-
<b>Total</b>		<b>656,568</b>	<b>-</b>	<b>656,568</b>	<b>-</b>
<b>Assets for which fair values are disclosed:</b>					
Amortized cost	30-Jun-20	93,111,854	-	93,111,854	-
Loans and advances to banks	30-Jun-20	887,612	-	-	887,612
Loans and advances to customers	30-Jun-20	133,188,881	-	-	133,188,881
<b>Total</b>		<b>227,188,347</b>	<b>-</b>	<b>93,111,854</b>	<b>134,076,493</b>
<b>Liabilities for which fair values are disclosed:</b>					
Other loans	30-Jun-20	3,250,254	-	3,250,254	-
Due to customers	30-Jun-20	318,503,650	-	-	318,503,650
<b>Total</b>		<b>321,753,904</b>	<b>-</b>	<b>3,250,254</b>	<b>318,503,650</b>

	<b>Date of Valuation</b>	<b>Fair value measurement using</b>			<b>Valuation techniques (level 3)</b>
		<b>Total</b>	<b>Quoted prices in active markets (Level 1)</b>	<b>Significant observable inputs (level 2)</b>	
<b>Dec.31, 2019</b>					
<b>Measured at fair value:</b>					
<b>Financial assets</b>					
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	-
<b>Total</b>		<b>90,316,038</b>	<b>62,108,361</b>	<b>28,207,677</b>	<b>-</b>
<b>Derivative financial instruments</b>					
Financial assets	31-Dec-19	216,383	-	216,383	-
Financial liabilities	31-Dec-19	282,588	-	282,588	-
<b>Total</b>		<b>498,971</b>	<b>-</b>	<b>498,971</b>	<b>-</b>
<b>Assets for which fair values are disclosed:</b>					
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
<b>Total</b>		<b>235,387,000</b>	<b>-</b>	<b>106,016,744</b>	<b>129,370,256</b>
<b>Liabilities for which fair values are disclosed:</b>					
Other loans	31-Dec-19	3,272,746	-	3,272,746	-
Due to customers	31-Dec-19	302,292,025	-	-	302,292,025
<b>Total</b>		<b>305,564,771</b>	<b>-</b>	<b>3,272,746</b>	<b>302,292,025</b>

#### 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					
<b>Jun.30, 2020</b>	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Revenue according to business segment	5,756,499	764,394	4,203,849	3,412,291	348,777	14,485,810
Expenses according to business segment	<u>(4,702,307)</u>	<u>(326,918)</u>	<u>(188,747)</u>	<u>(1,712,739)</u>	<u>(8,883)</u>	<u>(6,939,594)</u>
Profit before tax	1,054,192	437,476	4,015,102	1,699,552	339,894	7,546,216
Tax	<u>(355,477)</u>	<u>(147,518)</u>	<u>(1,353,905)</u>	<u>(573,094)</u>	<u>(114,613)</u>	<u>(2,544,607)</u>
Profit for the period	<u>698,715</u>	<u>289,958</u>	<u>2,661,197</u>	<u>1,126,458</u>	<u>225,281</u>	<u>5,001,609</u>
Total assets	117,654,834	974,810	187,551,853	30,449,600	61,663,263	398,294,360

	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Dec.31, 2019						
Revenue according to business segment	9,756,652	2,234,547	5,292,706	7,121,674	816,595	25,222,174
Expenses according to business segment	<u>(4,737,534)</u>	<u>(898,119)</u>	<u>(152,895)</u>	<u>(2,882,762)</u>	<u>(13,423)</u>	<u>(8,684,733)</u>
Profit before tax	5,019,118	1,336,428	5,139,811	4,238,912	803,172	16,537,441
Tax	<u>(1,436,735)</u>	<u>(382,556)</u>	<u>(1,471,285)</u>	<u>(1,213,400)</u>	<u>(229,910)</u>	<u>(4,733,886)</u>
Profit for the year	<u>3,582,383</u>	<u>953,872</u>	<u>3,668,526</u>	<u>3,025,512</u>	<u>573,262</u>	<u>11,803,555</u>
Total assets	<u>103,509,368</u>	<u>1,398,063</u>	<u>200,721,627</u>	<u>26,524,730</u>	<u>54,542,870</u>	<u>386,696,658</u>

##### 4.2. By geographical segment

	EGP Thousands			
<b>Jun.30, 2020</b>	<u>Cairo</u>	<u>Alex, Delta &amp; Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	12,570,524	1,532,148	383,138	14,485,810
Expenses according to geographical segment	<u>(6,088,525)</u>	<u>(728,405)</u>	<u>(122,664)</u>	<u>(6,939,594)</u>
Profit before tax	6,481,999	803,743	260,474	7,546,216
Tax	<u>(2,185,749)</u>	<u>(271,025)</u>	<u>(87,833)</u>	<u>(2,544,607)</u>
Profit for the period	<u>4,296,250</u>	<u>532,718</u>	<u>172,641</u>	<u>5,001,609</u>
Total assets	367,491,590	23,179,065	7,623,705	398,294,360

	<u>Cairo</u>	<u>Alex, Delta &amp; Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Dec.31, 2019				
Revenue according to geographical segment	21,218,087	3,309,436	694,651	25,222,174
Expenses according to geographical segment	<u>(7,293,433)</u>	<u>(1,143,218)</u>	<u>(248,082)</u>	<u>(8,684,733)</u>
Profit before tax	13,924,654	2,166,218	446,569	16,537,441
Tax	<u>(3,985,969)</u>	<u>(620,086)</u>	<u>(127,831)</u>	<u>(4,733,886)</u>
Profit for the year	<u>9,938,685</u>	<u>1,546,132</u>	<u>318,738</u>	<u>11,803,555</u>
Total assets	<u>358,860,383</u>	<u>21,081,215</u>	<u>6,755,060</u>	<u>386,696,658</u>

**5 . Net trading income**

	Last 3 Months Jun.30, 2020	Last 6 Months Jun.30, 2020	Last 3 Months Jun.30, 2019	Last 6 Months Jun.30, 2019
	EGP Thousands	EGP Thousands	EGP Thousands	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
<b>Total</b>	<b>182,656</b>	<b>177,231</b>	<b>130,064</b>	<b>379,943</b>

**6 . Earning per share**

	Last 3 Months Jun.30, 2020	Last 6 Months Jun.30, 2020	Last 3 Months Jun.30, 2019	Last 6 Months Jun.30, 2019
	EGP Thousands	EGP Thousands	EGP Thousands	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)
<b>Profits shareholders' Stake</b>	<b>2,310,203</b>	<b>4,426,424</b>	<b>2,403,371</b>	<b>4,741,848</b>
Weighted Average number of shares	1,469,082	1,469,082	1,469,082	1,469,082
<b>Basic earning per share</b>	<b>1.57</b>	<b>3.01</b>	<b>1.64</b>	<b>3.23</b>
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
<b>Diluted earning per share</b>	<b>1.56</b>	<b>3.00</b>	<b>1.63</b>	<b>3.21</b>

**7 . Cash and balances with central bank**

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
Cash	7,516,276	5,876,652
<b>Obligatory reserve balance with CBE</b>		
- Current accounts	22,905,156	22,397,310
<b>Total</b>	<b>30,421,432</b>	<b>28,273,962</b>
<b>Non-interest bearing balances</b>	<b>30,421,432</b>	<b>28,273,962</b>

**8 . Due from banks**

	Jun.30, 2020	Dec.31, 2019
	EGP Thousands	EGP Thousands
Current accounts	2,748,897	3,704,142
Deposits	54,069,825	24,666,041
Effect of applying IFRS 9	-	(7,314)
Expected credit losses	(40,971)	(9,503)
<b>Total</b>	<b>56,777,751</b>	<b>28,353,366</b>
Central banks	27,862,195	9,945,682
Local banks	3,072,188	1,348,559
Foreign banks	25,843,368	17,059,125
<b>Total</b>	<b>56,777,751</b>	<b>28,353,366</b>
Non-interest bearing balances	1,589	1,460
Floating interest bearing balances	8,763,616	9,085,184
Fixed interest bearing balances	48,012,546	19,266,722
<b>Total</b>	<b>56,777,751</b>	<b>28,353,366</b>
Current balances	56,777,751	28,353,366

**Due from banks**

	Stage 1	Stage 2
Gross due from banks	56,818,722	-
Expected credit losses	(40,971)	-
<b>Net due from banks</b>	<b>56,777,751</b>	<b>-</b>

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

	<b>Jun.30, 2020</b>	Dec.31, 2019
	EGP Thousands	EGP Thousands
91 Days maturity	77,375	6,025
182 Days maturity	3,728,650	749,625
364 Days maturity	25,788,768	29,112,513
Unearned interest	<u>(1,406,611)</u>	<u>(1,470,340)</u>
<b>Total</b>	<b><u>28,188,182</u></b>	<b><u>28,397,823</u></b>
Repos - treasury bills	<u>(763,481)</u>	<u>(763,761)</u>
<b>Net</b>	<b><u>27,424,701</u></b>	<b><u>27,634,062</u></b>

**. Governmental bonds**

	<b>Jun.30, 2020</b>	Dec.31, 2019
	EGP Thousands	EGP Thousands
	<b><u>Financial Assets at Fair value through OCI</u></b>	<b><u>Financial Assets at Fair value through OCI</u></b>
Governmental bonds	60,754,496	58,769,618
Repo	<u>(8,557,894)</u>	<u>(2,406,225)</u>
<b>Net</b>	<b><u>52,196,602</u></b>	<b><u>56,363,393</u></b>

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

	<b>Jun.30, 2020</b>	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>
<b>Net</b>	<b><u>883,248</u></b>	<b><u>625,264</u></b>
Current balances	<u>883,248</u>	<u>625,264</u>

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

	<b>Jun.30, 2020</b>	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>
<b>Ending balance</b>	<b><u>(4,364)</u></b>	<b><u>(4,516)</u></b>

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

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

Below is an analysis of outstanding balance:

<b>Balance</b>	<b>Rating</b>
883,248	B-

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

	<b>Jun.30, 2020</b>	Dec.31, 2019
	EGP Thousands	EGP Thousands
<b>Individual</b>		
- Overdraft	1,381,040	1,462,439
- Credit cards	4,607,987	4,264,204
- Personal loans	23,551,187	20,219,305
- Real estate loans	1,667,909	1,330,323
<b>Total 1</b>	<b>31,208,123</b>	<b>27,276,271</b>
<b>Corporate</b>		
- Overdraft	19,998,649	19,100,709
- Direct loans	48,783,983	51,163,302
- Syndicated loans	33,357,662	33,642,235
- Other loans	27,574	61,578
<b>Total 2</b>	<b>102,167,868</b>	<b>103,967,824</b>
<b>Total Loans and advances to customers (1+2)</b>	<b>133,375,991</b>	<b>131,244,095</b>
<b>Less:</b>		
Unamortized bills discount	(60,381)	(55,197)
Effect of applying IFRS 9	-	716,325
Impairment provision	(13,921,591)	(12,542,212)
Unearned interest	(4,803)	(8,236)
Suspended credit account	(37,988)	(33,672)
<b>Net loans and advances to customers</b>	<b>119,351,228</b>	<b>119,321,103</b>
<b>Distributed to</b>		
Current balances	49,987,930	51,682,809
Non-current balances	69,363,298	67,638,294
<b>Total</b>	<b>119,351,228</b>	<b>119,321,103</b>

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:	Overdrafts	Credit cards	Personal		Total
			loans	Mortgages	
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	-	(8,431)	(7,748)	-	(16,179)
<b>Ending balance</b>	<b>(6,995)</b>	<b>(165,101)</b>	<b>(469,466)</b>	<b>(48,215)</b>	<b>(689,777)</b>

	Jun.30, 2020				
Corporate and Business Banking loans:	Overdraft	Direct loans	Syndicated		Total
			loans	Other loans	
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	(5,864)	(56,086)	(18,915)	-	(80,865)
<b>Ending balance</b>	<b>(1,052,259)</b>	<b>(9,030,198)</b>	<b>(3,144,469)</b>	<b>(4,888)</b>	<b>(13,231,814)</b>

Dec.31, 2019	Individual				EGP Thousands
	Overdraft	Credit cards	Personal loans	Real estate loans	Total
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)

Dec.31, 2019	Corporate				EGP Thousands
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
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)

\*From previously written off amounts

## 12. Financial investments securities

Jun.30, 2020

	Financial Assets at	Financial Assets at	Amortized cost	Total
	Fair value through	Fair value through		
	P&L	OCI		
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Investments listed in the market</b>				
Governmental bonds	-	52,196,602	92,811,350	145,007,952
Other bonds	-	4,363,450	-	4,363,450
Equity instruments	-	430,266	-	430,266
Portfolio managed by others	357,304	-	-	357,304
<b>Investments not listed in the market</b>				
Treasury bills and other governmental notes	-	27,424,701	-	27,424,701
Equity instruments	-	310,365	-	310,365
Mutual funds	-	205,395	-	205,395
<b>Total</b>	<b>357,304</b>	<b>84,930,779</b>	<b>92,811,350</b>	<b>178,099,433</b>

Dec.31, 2019

	Financial Assets at	Financial Assets at	Amortized cost	Total
	Fair value through	Fair value through OCI		
	P&L			
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Investments listed in the market</b>				
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
<b>Investments not listed in the market</b>				
Treasury bills and other governmental notes	-	27,634,062	-	27,634,062
Equity instruments	-	344,929	-	344,929
Mutual funds	-	228,686	-	228,686
<b>Total</b>	<b>418,781</b>	<b>89,897,257</b>	<b>107,225,613</b>	<b>197,541,651</b>

**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)	-	-
<b>Total</b>	<b>361,855</b>	<b>832,005</b>	<b>13,404</b>	<b>19,781</b>

**13 . Investments in associates and subsidiaries**

Jun.30, 2020

**Subsidiaries**

- CVenture Capital
- Damietta shipping & marine services
- Mayfair Bank

**Associates**

- Fawry plus
- International Co. for Security and Services (Falcon)

**Total**

	EGP Thousands					
<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>
Egypt	34,334	515	260	(1,491)	40,345	99.99
Egypt	203,136	2,264	-	-	81,702	32.00
Kenya	1,888,967	1,245,353	-	-	560,963	51.00
Egypt	122,266	143,662	12,722	(5,943)	-	23.50
Egypt	865,025	594,361	161,900	806	9,000	30.00
<b>Total</b>	<b>3,113,728</b>	<b>1,986,155</b>	<b>174,882</b>	<b>(6,628)</b>	<b>692,010</b>	

Dec.31, 2019

**Subsidiaries**

- CVenture Capital

**Associates**

- Fawry Plus
- International Co. for Security and Services (Falcon)

**Total**

	EGP Thousands					
<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>
Egypt	37,240	1,259	470	(3,467)	40,103	99.99
Egypt	42,920	45,557	17,399	(19,917)	14,100	23.50
Egypt	741,875	501,413	511,163	22,437	9,750	32.50
<b>Total</b>	<b>822,035</b>	<b>548,229</b>	<b>529,032</b>	<b>(947)</b>	<b>63,953</b>	

**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	113,828	4,871,432
Additions during the period	-	62,071	169,666	10,520	63,902	112,552	15,803	434,514
Disposals during the period*	-	-	(22,270)	-	(4,612)	(5,050)	(1,972)	(33,904)
<b>Ending gross assets (2)</b>	<b>64,709</b>	<b>1,136,302</b>	<b>2,319,848</b>	<b>120,309</b>	<b>828,687</b>	<b>674,528</b>	<b>127,659</b>	<b>5,272,042</b>
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	-	25,881	170,986	4,893	68,438	51,693	6,360	328,251
Disposals during the period*	-	-	(22,270)	-	(4,612)	(5,050)	(1,972)	(33,904)
<b>Accumulated depreciation at end of the period (4)</b>	<b>-</b>	<b>448,139</b>	<b>16</b>	<b>46,533</b>	<b>548,666</b>	<b>398,178</b>	<b>82,330</b>	<b>2,963,081</b>
<b>Ending net assets (2-4)</b>	<b>64,709</b>	<b>688,163</b>	<b>880,613</b>	<b>73,776</b>	<b>280,021</b>	<b>276,350</b>	<b>45,329</b>	<b>2,308,961</b>
<b>Beginning net assets (1-3)</b>	<b>64,709</b>	<b>651,973</b>	<b>881,933</b>	<b>68,149</b>	<b>284,557</b>	<b>215,491</b>	<b>35,886</b>	<b>2,202,698</b>
<b>Depreciation rates</b>		<b>%5</b>	<b>%33.3</b>	<b>%20</b>	<b>%33.3</b>	<b>%20</b>	<b>%20</b>	

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	25,864	1,127,367
Disposals during the year*	-	(4,354)	(1,761)	-	(40,496)	(5,153)	(837)	(52,601)
<b>Ending gross assets (2)</b>	<b>64,709</b>	<b>1,074,231</b>	<b>2,172,452</b>	<b>109,789</b>	<b>769,397</b>	<b>567,026</b>	<b>113,828</b>	<b>4,871,432</b>
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)
<b>Accumulated depreciation at end of the year (4)</b>	<b>-</b>	<b>422,258</b>	<b>1,290,519</b>	<b>41,640</b>	<b>484,840</b>	<b>351,535</b>	<b>77,942</b>	<b>2,668,734</b>
<b>Ending net assets (2-4)</b>	<b>64,709</b>	<b>651,973</b>	<b>881,933</b>	<b>68,149</b>	<b>284,557</b>	<b>215,491</b>	<b>35,886</b>	<b>2,202,698</b>
<b>Beginning net assets (1-3)</b>	<b>64,709</b>	<b>648,437</b>	<b>598,215</b>	<b>29,257</b>	<b>118,892</b>	<b>172,430</b>	<b>19,935</b>	<b>1,651,875</b>
<b>Depreciation rates</b>		<b>%5</b>	<b>%33.3</b>	<b>%20</b>	<b>%33.3</b>	<b>%20</b>	<b>%20</b>	

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**

	<b>Jun.30, 2020</b>	Dec.31, 2019
	EGP Thousands	EGP Thousands
Current accounts	<b>463,401</b>	420,500
Deposits	<b>11,807,694</b>	11,390,107
<b>Total</b>	<b>12,271,095</b>	11,810,607
Central banks	<b>109,788</b>	111,967
Local banks	<b>5,753,407</b>	10,476,614
Foreign banks	<b>6,407,900</b>	1,222,026
<b>Total</b>	<b>12,271,095</b>	11,810,607
Non-interest bearing balances	<b>574,710</b>	289,069
Floating bearing interest balances	<b>470,363</b>	4,908,538
Fixed interest bearing balances	<b>11,226,022</b>	6,613,000
<b>Total</b>	<b>12,271,095</b>	11,810,607
Current balances	<b>12,271,095</b>	11,810,607

**16 . Due to customers**

	<b>Jun.30, 2020</b>	Dec.31, 2019
	EGP Thousands	EGP Thousands
Demand deposits	<b>102,718,079</b>	98,755,641
Time deposits	<b>51,226,422</b>	47,878,915
Certificates of deposit	<b>92,674,601</b>	85,344,897
Saving deposits	<b>68,489,392</b>	68,579,440
Other deposits	<b>3,835,748</b>	3,924,762
<b>Total</b>	<b>318,944,242</b>	304,483,655
Corporate deposits	<b>128,303,575</b>	120,588,414
Individual deposits	<b>190,640,667</b>	183,895,241
<b>Total</b>	<b>318,944,242</b>	304,483,655
Non-interest bearing balances	<b>47,317,844</b>	44,260,283
Floating interest bearing balances	<b>38,828,856</b>	39,592,933
Fixed interest bearing balances	<b>232,797,542</b>	220,630,439
<b>Total</b>	<b>318,944,242</b>	304,483,655
Current balances	<b>224,211,322</b>	217,393,918
Non-current balances	<b>94,732,920</b>	87,089,737
<b>Total</b>	<b>318,944,242</b>	304,483,655

**17 . Provisions**

<b>Jun.30, 2020</b>	<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	1,096,888	3,399	-	-	2,890,979
* Provision for other claim	154,571	-	(373)	(1,009)	(37,179)	116,010
<b>Total</b>	<b>2,011,369</b>	<b>1,096,888</b>	<b>3,011</b>	<b>(1,066)</b>	<b>(43,200)</b>	<b>3,067,002</b>
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
<b>Total</b>	<b>1,694,607</b>	<b>461,869</b>	<b>(110,062)</b>	<b>(28,135)</b>	<b>(6,910)</b>	<b>2,011,369</b>

\* 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:

	<b>Jun.30, 2020</b>	Dec.31, 2019
	<b><u>No. of shares in</u></b>	<u>No. of shares in thousand</u>
	<b><u>thousand</u></b>	
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	(8,599)	(10,541)
<b>Outstanding at the end of the period/year</b>	<b>30,056</b>	<b>27,428</b>

Details of the outstanding tranches are as follows:

Maturity date	EGP		<u>No. of shares in thousand</u>
	<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	11,313
<b>Total</b>			<b>30,056</b>

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

	<u>Income</u>	<u>Expenses</u>
	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

- 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 significant influence 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.

### - 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).



A BANK TO TRUST