



Consolidated Financial Statements

June 2021 - 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 2021 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 2021 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.

Emphasis of Matter Paragraph

Without qualifying our conclusion, we draw attention to note (21) to these condensed consolidated interim financial statements, which describes the findings of the Central Bank of Egypt ("CBE") limited review inspection report issued during November 2020. The report covered a number of areas including instances of violation of certain provisions of applicable laws and CBE regulations. Management developed a corrective action plan to remediate the limited review inspection report findings and an implementation plan addressing the recommendations of the review conducted by an additional independent international professional services firm appointed in this regard which has been approved and its execution will be monitored by the Board of Directors.

Cairo, July 12, 2021



Tamer Abdel Tawab
Financial Regulatory Authority
Register Number "388"

PricewaterhouseCoopers Ezzeldeen, Diab & Co.
Public Accountants



Auditors



Farid Samir Farid
Financial Regulatory Authority
Register Number "2100"
Deloitte - Salih, Barsoum & Abde Aziz
Accountants & Auditors



Condensed Consolidated Interim Balance Sheet as at June 30, 2021

	Notes	Jun. 30, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
Assets			
Cash and balances at the central bank	7	31,958,480	33,768,549
Due from banks	8	79,377,965	87,426,301
Loans and advances to banks, net	10	782,360	776,980
Loans and advances to customers, net	11	131,251,166	119,570,005
Derivative financial instruments		292,284	248,759
Investments			
- Financial Assets at Fair Value through P&L	12	208,429	359,959
- Financial Assets at Fair Value through OCI	12	188,204,356	148,118,372
- Amortized cost	12	22,598,404	25,285,225
- Investments in associates	13	324,125	139,871
Other assets		10,993,659	9,175,525
Goodwill	22	158,153	178,782
Intangible assets	23	39,737	44,920
Deferred tax assets (Liabilities)		452,578	437,772
Property and equipment	14	2,507,624	2,311,147
Total assets		469,149,320	427,842,167
Liabilities and equity			
Liabilities			
Due to banks	15	1,315,692	8,817,535
Due to customers	16	386,001,156	341,169,450
Derivative financial instruments		354,701	331,073
Current tax liabilities		1,616,491	859,582
Other liabilities		7,391,941	5,735,269
Other loans		5,626,792	7,746,946
Provisions	17	3,511,026	3,223,501
Total liabilities		405,817,799	367,883,356
Equity			
Issued and paid up capital		14,776,813	14,776,813
Reserves		40,249,761	33,094,580
Reserve for employee stock ownership plan (ESOP)		1,381,162	1,064,648
Retained earnings *		6,442,442	10,539,715
Total equity and net profit for the period / year		62,850,178	59,475,756
Minority interest		481,343	483,055
Total minority interest, equity and net profit for the period / year		63,331,521	59,958,811
Total liabilities and equity		469,149,320	427,842,167

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

(Review report attached)

* Including net profit for the current period



Hussein Abaza
CEO & Managing Director



Sherif Samy
Chairman

Condensed Consolidated Interim Income Statement for the period ended June 30, 2021

	<i>Notes</i>	Last 3 Months Jun. 30, 2021 EGP Thousands	Last 6 Months Jun. 30, 2021 EGP Thousands	Last 3 Months Jun. 30, 2020 EGP Thousands	Last 6 Months Jun. 30, 2020 EGP Thousands
Interest and similar income		10,895,085	21,016,794	10,235,541	20,922,642
Interest and similar expense		(4,875,713)	(9,319,909)	(3,953,658)	(8,445,315)
Net interest income		6,019,372	11,696,885	6,281,883	12,477,327
Fee and commission income		957,460	1,801,723	673,804	1,479,217
Fee and commission expense		(353,568)	(687,236)	(187,496)	(493,057)
Net fee and commission income		603,892	1,114,487	486,308	986,160
Dividend income		63,481	63,572	25,962	25,962
Net trading income	5	165,841	278,559	182,656	177,231
Profits (Losses) on financial investments	12	108,232	601,887	361,855	832,005
Administrative expenses		(1,470,734)	(2,945,811)	(1,323,160)	(2,848,020)
Other operating (expenses) income		(588,599)	(1,115,219)	(1,099,779)	(1,847,212)
Goodwill amortization	22	(10,315)	(20,629)	(8,381)	(8,381)
Intangible assets amortization	23	(2,592)	(5,183)	-	-
Impairment release (charges) for credit losses		(318,132)	(1,020,214)	(1,019,544)	(2,259,654)
Bank's share in the profits of associates		733	11,794	(1,155)	6,994
Profit before income tax		4,571,179	8,660,128	3,886,645	7,542,412
Income tax expense		(1,381,567)	(2,590,814)	(1,319,721)	(2,652,208)
Deferred tax assets (Liabilities)		25,083	18,844	32,360	107,601
Net profit for the period		3,214,695	6,088,158	2,599,284	4,997,805
Minority interest		(2,131)	(1,712)	-	-
Bank shareholders		3,216,826	6,089,870	2,599,284	4,997,805
Earning per share	6				
Basic		1.92	3.64	1.56	3.00
Diluted		1.91	3.63	1.56	2.99



Hussein Abaza
CEO & Managing Director



Sherif Samy
Chairman

Condensed Consolidated Interim statement of Comprehensive Income for the period ended June 30, 2021

	Last 3 Months Jun. 30, 2021 EGP Thousands	Last 6 Months Jun. 30, 2021 EGP Thousands	Last 3 Months Jun. 30, 2020 EGP Thousands	Last 6 Months Jun. 30, 2020 EGP Thousands
Net profit for the period	3,214,695	6,088,158	2,599,284	4,997,805
Change in fair value of debt instruments measured at fair value through other comprehensive income	49,893	(1,625,170)	3,382,389	(1,483,581)
Transferred from reserve on disposal of financial assets at fair value through OCI	-	(104,406)	-	-
Cumulative foreign currencies translation differences	(4,898)	(4,044)	148	1,647
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(39,469)	(54,113)	137,833	90,512
Total comprehensive income for the period	3,220,221	4,300,425	6,119,654	3,606,383
As follows:				
Bank's shareholders	3,222,352	4,302,137	6,119,654	3,606,383
Minority interest	(2,131)	(1,712)	-	-
Total comprehensive income for the period	3,220,221	4,300,425	6,119,654	3,606,383

Condensed Consolidated Interim Cash flows for the period ended June 30, 2021

	<i>Notes</i>	Jun. 30, 2021 EGP Thousands	Jun. 30, 2020 EGP Thousands
Cash flow from operating activities			
Profit before income tax from continued operations		8,660,128	7,542,412
Adjustments to reconcile net profit to net cash provided by operating activities			
Fixed assets depreciation	14	411,612	383,782
Impairment charge for credit losses (Loans and advances to customers and banks)		1,061,426	2,144,988
Other provisions charges	17	350,039	1,098,888
Impairment charge for credit losses (due from banks)		12,901	24,154
Impairment charge for credit losses (financial investments)		(54,113)	90,512
Impairment charge for other assets		25,524	24,621
Exchange revaluation differences for financial assets at fair value through OCI		50,039	(84,884)
Goodwill amortization	22	48,134	8,381
Intangible assets amortization	23	12,094	-
Released (Impairment) charge financial assets at fair value through OCI		(72,957)	78,615
Utilization of other provisions	17	(44,173)	(1,066)
Other provisions no longer used	17	(9,145)	(43,200)
Exchange differences of other provisions	17	(9,196)	3,011
Profits from selling property, plant and equipment		(1,250)	(94)
(Profits) losses from selling financial investments	12	(514,837)	(924,720)
Released (Impairment) charges of investments in associates and subsidiaries		(14,093)	14,100
Shares based payments		316,514	296,959
Bank's share in the profits of associates		(11,794)	(6,994)
Operating profits before changes in operating assets and liabilities		10,216,853	10,649,465
Net decrease (increase) in assets and liabilities			
Due from banks		(8,642,436)	(598,148)
Financial assets at fair value through P&L	12	151,530	61,477
Derivative financial instruments		(19,897)	(41,469)
Loans and advances to banks and customers	10 - 11	(12,747,967)	(3,109,801)
Other assets		(1,921,109)	907,956
Due to banks	15	(7,501,843)	466,875
Due to customers	16	44,831,706	15,697,986
Income tax obligations paid		(974,323)	(4,639,364)
Other liabilities		791,514	(2,946,225)
Net cash used in (generated from) operating activities		24,184,028	16,448,752
Cash flow from investing activities			
Proceeds from Investments in associates.		-	750
Proceeds (payments) for investment in associates.		(158,360)	-
Payment for purchases of property, plant, equipment and branches constructions		(530,638)	(739,117)
Proceeds from selling property, plant and equipment		1,250	94
Proceeds from redemption of financial assets at amortized cost		2,688,858	59,360,102
Payment for purchases of financial assets at amortized cost		(2,617)	(44,945,839)
Payment for purchases of financial assets at fair value through OCI		(111,888,471)	(50,868,698)
Proceeds from selling financial assets at fair value through OCI		69,864,103	55,517,561
Proceeds from investment in subsidiaries.		-	194,722
Net cash generated from (used in) investing activities		(40,025,875)	18,519,575

Condensed Consolidated Interim Cash flows for the period ended June 30, 2021 (Cont.)

	Jun. 30, 2021 EGP Thousands	Jun. 30, 2020 EGP Thousands
Cash flow from financing activities		
Received (Repaid) in long term loans	(2,120,154)	(22,492)
Dividend paid	(1,360,652)	(3,370,464)
Net cash generated from (used in) financing activities	<u>(3,480,806)</u>	<u>(3,392,956)</u>
Net (decrease) increase in cash and cash equivalent during the period	(19,322,653)	31,575,371
Beginning balance of cash and cash equivalent	<u>75,796,375</u>	<u>22,895,017</u>
Cash and cash equivalent at the end of the period	<u>56,473,722</u>	<u>54,470,388</u>
Cash and cash equivalent comprise:		
Cash and balances at the central bank	31,958,480	31,267,392
Due from banks	79,415,055	56,990,499
Treasury bills and other governmental notes	58,679,906	27,591,164
Obligatory reserve balance with CBE	(26,358,215)	(22,995,458)
Due from banks with maturities more than three months	(28,800,903)	(10,271,665)
Treasury bills with maturity more than three months	(58,420,601)	(28,111,544)
Total cash and cash equivalent	<u>56,473,722</u>	<u>54,470,388</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>Reserve for transactions under common control</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	
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	-	-	-	-	-	-	-	-	-	-	-	-	453,248	453,248	
Net profit of the period	-	-	-	-	-	-	-	-	4,997,805	-	-	4,997,805	-	4,997,805	
Transferred from reserve of 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 banking risk reserve ECL for impairment of debt instruments investments	-	-	-	-	-	-	-	1,259	(1,259)	-	-	-	-	-	
	-	-	-	-	-	-	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	<u>14,690,821</u>	<u>2,778,135</u>	<u>24,314,715</u>	<u>1,549,445</u>	<u>-</u>	<u>14,906</u>	<u>2,663,570</u>	<u>6,423</u>	<u>5,131,049</u>	<u>1,260,111</u>	<u>1,647</u>	<u>52,410,822</u>	<u>453,248</u>	<u>52,864,070</u>	

Condensed Consolidated Interim statement of changes in shareholders' equity for the period ended June 30, 2021

Jun. 30, 2021	<u>Issued and paid up capital</u>	<u>Legal reserve</u>	<u>General reserve</u>	<u>General risk reserve</u>	<u>Reserve for transactions under common control</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	14,776,813	2,778,135	24,765,658	1,549,445	8,183	14,906	3,975,514	6,423	10,539,715	1,064,648	(3,684)	59,475,756	483,055	59,958,811
Transferred to reserves	-	514,939	8,420,479	-	-	1,094	-	-	(8,936,512)	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-	(1,360,652)	-	-	(1,360,652)	-	(1,360,652)
Net profit of the period	-	-	-	-	-	-	-	-	6,089,870	-	-	6,089,870	(1,712)	6,088,158
Transferred from reserve on disposal of financial assets at fair value through OCI	-	-	-	-	-	-	(104,406)	-	104,406	-	-	-	-	-
Transferred from previous years' outstanding balances	-	-	-	-	-	-	-	-	8,333	-	-	8,333	-	8,333
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	-	(1,625,170)	-	-	-	-	(1,625,170)	-	(1,625,170)
Transferred (from) to banking risk reserve	-	-	-	-	-	-	-	2,718	(2,718)	-	-	-	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	-	-	-	-	-	-	(54,113)	-	-	-	-	(54,113)	-	(54,113)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	-	316,514	-	316,514	-	316,514
Cumulative foreign currencies translation differences	-	-	-	-	-	-	-	-	-	-	(360)	(360)	-	(360)
Balance at the end of the period	<u>14,776,813</u>	<u>3,293,074</u>	<u>33,186,137</u>	<u>1,549,445</u>	<u>8,183</u>	<u>16,000</u>	<u>2,191,825</u>	<u>9,141</u>	<u>6,442,442</u>	<u>1,381,162</u>	<u>(4,044)</u>	<u>62,850,178</u>	<u>481,343</u>	<u>63,331,521</u>

Notes to the condensed consolidated interim financial statement for the period ended June 30, 2021

1. General information

Commercial International Bank (Egypt) S.A.E. provides retail, corporate and investment banking services in various parts of Egypt through 184 branches, and 28 units employing 7161 employees on the statement of financial position date.

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

The bank owns investments in subsidiaries “C-Ventures”, “May Fair” and “Damietta Shipping” in which the bank’s shares are 99.99%, 51% and 49.95% respectively.

Financial statements have been approved by board of directors in July 12, 2021.

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 2020.

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 2020.

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, 2021		Dec.31, 2020	
	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	148,905,931	785,479	136,358,191	786,605
Less:				
Impairment provision	17,360,132	3,119	16,434,813	9,625
Unamortized bills discount	70,171	-	104,176	-
Unamortized syndicated loans discount	183,827	-	210,680	-
Suspended credit account	40,635	-	38,517	-
Net	<u>131,251,166</u>	<u>782,360</u>	<u>119,570,005</u>	<u>776,980</u>

Impairment provision losses for loans and advances reached EGP 17,363,251 thousand.

During the period, the Bank's total loans and advances increased by 9.15%.

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, 2021

	<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>
Individuals	33,764,133	2,931,404	719,186	37,414,723
Institutions and Business Banking	61,779,119	41,909,122	7,802,967	111,491,208
Total	<u>95,543,252</u>	<u>44,840,526</u>	<u>8,522,153</u>	<u>148,905,931</u>

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

Jun.30, 2021

	<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>
Individuals	786,360	63,444	352,935	1,202,739
Institutions and Business Banking	1,365,004	7,100,069	7,692,320	16,157,393
Total	<u>2,151,364</u>	<u>7,163,513</u>	<u>8,045,255</u>	<u>17,360,132</u>

Loans, advances and expected credit losses to banks divided by stages:
Jun.30, 2021

	<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	-	785,479	-	785,479
Expected credit losses	-	(3,119)	-	(3,119)
Net	<u>-</u>	<u>782,360</u>	<u>-</u>	<u>782,360</u>

Off balance sheet items exposed to credit risk and expected credit losses divided by stages:
Jun.30, 2021

	<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	55,506,587	30,522,207	137,534	86,166,328
Expected credit losses	(1,841,916)	(1,324,003)	(97,731)	(3,263,650)
Net	<u>53,664,671</u>	<u>29,198,204</u>	<u>39,803</u>	<u>82,902,678</u>

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

Dec.31, 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>
Individuals	34,766,758	947,900	584,536	36,299,194
Institutions and Business Banking	50,932,314	43,863,497	5,263,186	100,058,997
Total	85,699,072	44,811,397	5,847,722	136,358,191

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

Dec.31, 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>
Individuals	711,711	25,326	356,726	1,093,763
Institutions and Business Banking	1,403,518	8,760,972	5,176,560	15,341,050
Total	2,115,229	8,786,298	5,533,286	16,434,813

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

Dec.31, 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	-	786,605	-	786,605
Expected credit losses	-	(9,625)	-	(9,625)
Net	-	776,980	-	776,980

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

Dec.31, 2020

	<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	54,127,625	28,364,823	93,398	82,585,846
Expected credit losses	(1,441,650)	(1,400,364)	(88,729)	(2,930,743)
Net	52,685,975	26,964,459	4,669	79,655,103

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

Jun.30, 2021

EGP Thousands

Due from banks

Provision for credit losses on 1 January 2021	24,189	-	-	24,189
New financial assets purchased or issued	675	1,418	-	2,093
Matured or disposed financial assets	(5,006)	-	-	(5,006)
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	15,814	-	-	15,814
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-

	<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>
Provision for credit losses on 1 January 2021	24,189	-	-	24,189
New financial assets purchased or issued	675	1,418	-	2,093
Matured or disposed financial assets	(5,006)	-	-	(5,006)
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	15,814	-	-	15,814
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	35,672	1,418	-	37,090

Individual Loans:

Provision for credit losses on 1 January 2021	711,711	25,326	356,726	1,093,763
Impairment during the period	74,649	38,118	99,966	212,733
Write off during the period	-	-	(134,130)	(134,130)
Recoveries	-	-	30,373	30,373
Cumulative foreign currencies translation differences	-	-	-	-

	<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>
Provision for credit losses on 1 January 2021	711,711	25,326	356,726	1,093,763
Impairment during the period	74,649	38,118	99,966	212,733
Write off during the period	-	-	(134,130)	(134,130)
Recoveries	-	-	30,373	30,373
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	786,360	63,444	352,935	1,202,739

Corporate and Business Banking loans:

Provision for credit losses on 1 January 2021	1,403,518	8,760,972	5,176,560	15,341,050
New financial assets purchased or issued	457,011	487,856	-	944,867
Matured or disposed financial assets	(335,486)	(338,683)	(362)	(674,531)
Transferred to stage 1	17,913	(26,883)	(612)	(9,582)
Transferred to stage 2	(36,508)	30,386	-	(6,122)
Transferred to stage 3	(9,670)	(2,365,181)	2,576,651	201,800
Changes in the probability of default and loss in case of default and the exposure at default	(44,583)	(128,329)	(56,512)	(229,424)
Changes to model assumptions and methodology	(85,964)	724,621	(10,466)	628,191
Recoveries	-	-	32,375	32,375
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	(1,227)	(44,690)	(25,314)	(71,231)

	<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>
Provision for credit losses on 1 January 2021	1,403,518	8,760,972	5,176,560	15,341,050
New financial assets purchased or issued	457,011	487,856	-	944,867
Matured or disposed financial assets	(335,486)	(338,683)	(362)	(674,531)
Transferred to stage 1	17,913	(26,883)	(612)	(9,582)
Transferred to stage 2	(36,508)	30,386	-	(6,122)
Transferred to stage 3	(9,670)	(2,365,181)	2,576,651	201,800
Changes in the probability of default and loss in case of default and the exposure at default	(44,583)	(128,329)	(56,512)	(229,424)
Changes to model assumptions and methodology	(85,964)	724,621	(10,466)	628,191
Recoveries	-	-	32,375	32,375
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	(1,227)	(44,690)	(25,314)	(71,231)
Ending balance	1,365,004	7,100,069	7,692,320	16,157,393

Financial Assets at Fair Value through OCI

Provision for credit losses on 1 January 2021	619,398	-	-	619,398
New financial assets purchased or issued	88,449	-	-	88,449
Matured or disposed financial assets	(48,262)	-	-	(48,262)
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	(95,267)	-	-	(95,267)
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-

	<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>
Provision for credit losses on 1 January 2021	619,398	-	-	619,398
New financial assets purchased or issued	88,449	-	-	88,449
Matured or disposed financial assets	(48,262)	-	-	(48,262)
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	(95,267)	-	-	(95,267)
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	564,318	-	-	564,318

Amortized cost

Provision for credit losses on 1 January 2021	179	-	-	179
New financial assets purchased or issued	-	-	-	-
Matured or disposed financial assets	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	967	-	-	967
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-

	<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>
Provision for credit losses on 1 January 2021	179	-	-	179
New financial assets purchased or issued	-	-	-	-
Matured or disposed financial assets	-	-	-	-
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	967	-	-	967
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	1,146	-	-	1,146

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

Dec.31, 2020	EGP Thousands			
Due from banks	<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>
Provision for credit losses on 1 January 2020	16,817	-	-	16,817
Provision for credit losses on 1 May 2020 (MAYFAIR)	383	-	-	383
New financial assets purchased or issued	5,100	-	-	5,100
Matured or disposed financial assets	(386)	-	-	(386)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	2,367	-	-	2,367
Changes to model assumptions and methodology	-	-	-	-
Write off during the year	-	-	-	-
Cumulative foreign currencies translation differences	(92)	-	-	(92)
Ending balance	24,189	-	-	24,189
Individual Loans:	<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>
Provision for credit losses on 1 January 2020	96,469	10,394	210,068	316,931
Provision for credit losses on 1 May 2020 (MAYFAIR)	1,536	281	7	1,824
Impairment during the year	613,706	14,651	181,438	809,795
Write off during the period	-	-	(75,961)	(75,961)
Recoveries	-	-	41,174	41,174
Ending balance	711,711	25,326	356,726	1,093,763
Corporate and Business Banking loans:	<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>
Provision for credit losses on 1 January 2020	1,208,722	5,325,121	4,975,113	11,508,956
Provision for credit losses on 1 May 2020 (MAYFAIR)	4,155	1,411	630	6,196
New financial assets purchased or issued	508,339	1,499,691	6,440	2,014,470
Matured or disposed financial assets	(544,213)	(1,145,259)	(161,746)	(1,851,218)
Transferred to stage 1	6,739	(8,211)	-	(1,472)
Transferred to stage 2	(29,584)	106,755	-	77,171
Transferred to stage 3	1,465	(370,819)	479,547	110,193
Changes in the probability of default and loss in case of default	(50,024)	548,069	(43,862)	454,183
Changes to model assumptions and methodology	306,509	2,881,778	-	3,188,287
Recoveries	-	-	121,721	121,721
Write off during the period	-	-	(132,224)	(132,224)
Cumulative foreign currencies translation differences	(8,590)	(77,564)	(69,059)	(155,213)
Ending balance	1,403,518	8,760,972	5,176,560	15,341,050
Financial Assets at Fair value through OCI	<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>
Provision for credit losses on 1 January 2020	414,395	-	-	414,395
New financial assets purchased or issued	270,021	-	-	270,021
Matured or disposed financial assets	(126,273)	-	-	(126,273)
Transferred to stage 1	-	-	-	-
Transferred to stage 2	-	-	-	-
Transferred to stage 3	-	-	-	-
Changes in the probability of default and loss in case of default and the exposure at default	61,434	-	-	61,434
Changes to model assumptions and methodology	-	-	-	-
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
Ending balance	619,577	-	-	619,577

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 / year:

	Jun.30, 2021	Dec.31, 2020
Loans and advances to	EGP Thousands	EGP Thousands
Corporate		
- Direct loans	8,194,631	5,537,596
Total	8,194,631	5,537,596

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, 2021	EGP Thousands				
	<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>
<u>Amortized cost</u>					
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	22,598,404	-	-	-	22,598,404
Not rated	-	-	-	-	-
Total	22,598,404	-	-	-	22,598,404

Jun.30, 2021	EGP Thousands				
	<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>
<u>Fair value through OCI</u>					
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	186,592,195	-	-	-	186,592,195
Not rated	-	-	-	-	-
Total	186,592,195	-	-	-	186,592,195

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, 2021	EGP Thousands				
	<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>
<u>Fair value through OCI and amortized cost</u>					
AAA	-	-	-	-	-
AA+ to -AA	-	-	-	-	-
A to -A+	-	-	-	-	-
Less than -A	565,464	-	-	-	565,464
Not rated	-	-	-	-	-
Total	565,464	-	-	-	565,464

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, 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	25,285,225	-	-	-	25,285,225
Not rated	-	-	-	-	-
Total	25,285,225	-	-	-	25,285,225

Dec.31, 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	146,212,769	-	-	-	146,212,769
Not rated	-	-	-	-	-
Total	146,212,769	-	-	-	146,212,769

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

Dec.31, 2020 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	619,577	-	-	-	619,577
Not rated	-	-	-	-	-
Total	619,577	-	-	-	619,577

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.

	Equivalent EGP Thousands					
Jun.30, 2021	<u>EGP</u>	<u>USD</u>	<u>EUR</u>	<u>GBP</u>	<u>Other</u>	<u>Total</u>
Financial assets						
Cash and balances at the central bank	29,078,412	1,753,390	423,779	96,005	606,894	31,958,480
Gross due from banks	37,078,239	38,396,863	2,513,420	1,299,404	127,129	79,415,055
Gross loans and advances to banks	-	785,479	-	-	-	785,479
Gross loans and advances to customers	106,131,161	37,697,093	4,396,628	22,432	658,617	148,905,931
Derivative financial instruments	133,953	158,331	-	-	-	292,284
Financial investments						
Gross financial investment securities	187,612,781	24,277,277	1,676,416	-	559,721	214,126,195
Investments in associates	324,125	-	-	-	-	324,125
Total financial assets	360,358,671	103,068,433	9,010,243	1,417,841	1,952,361	475,807,549
Financial liabilities						
Due to banks	304,002	951,238	36,704	4,630	19,118	1,315,692
Due to customers	290,586,290	85,338,607	7,403,389	1,380,893	1,291,977	386,001,156
Derivative financial instruments	238,964	115,737	-	-	-	354,701
Other loans	10,312	5,616,480	-	-	-	5,626,792
Total financial liabilities	291,139,568	92,022,062	7,440,093	1,385,523	1,311,095	393,298,341
Net on-balance sheet financial position	69,219,103	11,046,371	1,570,150	32,318	641,266	82,509,208
Total financial assets as of December 31, 2020	316,524,511	106,062,225	9,033,162	520,241	2,091,583	434,231,722
Total financial liabilities as of December 31, 2020	253,086,441	95,036,585	7,659,514	942,946	1,339,518	358,065,004
Net on-balance sheet financial position as of December 31, 2020	63,438,070	11,025,640	1,373,648	(422,705)	752,065	76,166,718

3.4. 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,

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.

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 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 2021 NSFR ratio record 225% (LCY 240% and FCY 186%), and LCR ratio record 1513% (LCY 2157% and FCY 317%).

For December 2020 NSFR ratio record 251% (LCY 301% and FCY 168%), and LCR ratio record 1359% (LCY 1977% and FCY 337%).

For June 2021 CAR ratio record 32.02%, and 31.41% for December 2020.

For June 2021 Leverage ratio record 11.55%, and 11.62% for December 2020.

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, 2021	Dec.31, 2020	Jun.30, 2021	Dec.31, 2020
Financial assets				
Due from banks	79,377,965	87,426,301	79,419,040	87,448,058
Gross loans and advances to banks	785,479	786,605	785,479	786,605
Gross loans and advances to customers	148,905,931	136,358,191	147,070,917	136,164,909
Financial investments:				
Amortized cost	22,598,404	25,285,225	23,490,986	26,437,169
Total financial assets	251,667,779	249,856,322	250,766,422	250,836,741
Financial liabilities				
Due to banks	1,315,692	8,817,535	1,123,064	8,700,395
Due to customers	386,001,156	341,169,450	386,396,187	340,481,150
Other loans	5,626,792	7,746,946	5,626,792	7,746,946
Total financial liabilities	392,943,640	357,733,931	393,146,043	356,928,491

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

Due from banks

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

Fair values of financial instruments

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

Quantitative disclosures fair value measurement hierarchy for assets as at 30 June 2021:

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.

	Date of Valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	Valuation techniques (level 3)
Jun.30, 2021					
Measured at fair value:					
Financial assets					
Financial Assets at Fair Value through P&L	30-Jun-21	208,429	208,429	-	-
Financial Assets at Fair Value through OCI	30-Jun-21	188,204,356	129,053,718	59,150,638	-
Total		188,412,785	129,262,147	59,150,638	-
Derivative financial instruments					
Financial assets	30-Jun-21	292,284	-	-	292,284
Financial liabilities	30-Jun-21	354,701	-	-	354,701
Total		646,985	-	-	646,985
Assets for which fair values are disclosed:					
Amortized cost	30-Jun-21	23,490,986	-	23,227,064	263,922
Loans and advances to banks	30-Jun-21	785,479	-	-	785,479
Loans and advances to customers	30-Jun-21	147,070,917	-	-	147,070,917
Total		171,347,382	-	23,227,064	148,120,318
Liabilities for which fair values are disclosed:					
Other loans	30-Jun-21	5,626,792	-	5,626,792	-
Due to customers	30-Jun-21	386,396,187	-	-	386,396,187
Total		392,022,979	-	5,626,792	386,396,187
Dec.31, 2020					
Measured at fair value:					
Financial assets					
Financial Assets at Fair value through P&L	31-Dec-20	359,959	359,959	-	-
Financial Assets at Fair value through OCI	31-Dec-20	148,118,372	108,161,597	39,956,775	-
Total		148,478,331	108,521,556	39,956,775	-
Derivative financial instruments					
Financial assets	31-Dec-20	248,950	-	191	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
Total		580,023	-	191	579,832
Assets for which fair values are disclosed:					
Amortized cost	31-Dec-20	26,340,253	-	26,172,861	167,392
Loans and advances to banks	31-Dec-20	786,605	-	-	786,605
Loans and advances to customers	31-Dec-20	136,164,909	-	-	136,164,909
Total		163,291,767	-	26,172,861	137,118,906
Liabilities for which fair values are disclosed:					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	341,579,117	-	-	341,579,117
Total		349,326,063	-	7,746,946	341,579,117

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 and liabilities 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, 2021						
Net revenue according to business segment *	5,927,536	869,534	2,980,024	3,669,807	320,283	13,767,184
Expenses according to business segment	(2,776,307)	(510,683)	(62,963)	(1,741,308)	(14,083)	(5,105,344)
Profit before tax	3,151,229	358,851	2,917,061	1,928,499	306,200	8,661,840
Tax	(932,979)	(106,693)	(867,220)	(574,039)	(91,039)	(2,571,970)
Profit for the period	2,218,250	252,158	2,049,841	1,354,460	215,161	6,089,870
Total assets	139,766,215	2,143,077	216,316,938	36,899,218	74,023,872	469,149,320

*Represents the net interest income and other income

	<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 year	711,479	289,958	2,659,397	1,111,690	225,281	4,997,805
Total assets at 31 December 2020	137,873,519	1,067,415	182,713,109	36,057,380	70,130,744	427,842,167

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, 2021					
Revenue according to geographical segment	11,963,159	1,510,174	285,725	8,126	13,767,184
Expenses according to geographical segment	(4,072,685)	(890,209)	(134,495)	(7,955)	(5,105,344)
Profit before tax	7,890,474	619,965	151,230	171	8,661,840
Tax	(2,342,679)	(184,327)	(44,964)	-	(2,571,970)
Profit for the period	5,547,795	435,638	106,266	171	6,089,870
Total assets	435,440,807	24,882,838	6,948,344	1,877,331	469,149,320

	<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 year	4,292,446	532,718	172,641	-	4,997,805
Total assets at 31 December 2020	395,769,335	22,705,248	7,493,258	1,874,326	427,842,167

5 . Net trading income

	Last 3 Months Jun.30, 2021	Last 6 Months Jun.30, 2021	Last 3 Months Jun.30, 2020	Last 6 Months Jun.30, 2020
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Profit (Loss) from foreign exchange transactions	273,133	408,169	38,629	205,058
Profit (Loss) from forward foreign exchange deals revaluation	(102,163)	(106,033)	109,664	53,751
Profit (Loss) from interest rate swaps revaluation	(1,245)	(1,537)	3,165	(7,749)
Profit (Loss) from currency swap deals revaluation	2,907	3,676	(8,084)	(9,512)
Profit (Loss) from financial assets at fair value through P&L	(6,791)	(25,716)	39,282	(64,317)
Total	165,841	278,559	182,656	177,231

6 . Earning per share

	Last 3 Months Jun.30, 2021	Last 6 Months Jun.30, 2021	Last 3 Months Jun.30, 2020	Last 6 Months Jun.30, 2020
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Net profit for the year, available for distribution	3,201,042	6,077,342	2,610,399	5,001,609
Board member's bonus	(48,016)	(91,160)	(39,156)	(73,643)
Staff profit sharing	(320,104)	(607,734)	(261,040)	(500,161)
* Profits attributable to shareholders	2,832,922	5,378,448	2,310,203	4,427,805
Weighted average number of shares	1,477,681	1,477,681	1,477,681	1,477,681
Basic earning per share	1.92	3.64	1.56	3.00
By issuance of ESOP earning per share will be:				
Average number of shares including ESOP shares	1,481,223	1,481,223	1,481,223	1,481,223
Diluted earning per share	1.91	3.63	1.56	2.99

* Based on separate financial statement profits.

7 . Cash and balances at the central bank

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Cash	5,600,265	6,023,849
Obligatory reserve balance with CBE		
- Current accounts	26,358,215	27,744,700
Total	31,958,480	33,768,549
Non-interest bearing balances	31,958,480	33,768,549

8 . Due from banks

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	3,456,972	2,950,002
Deposits	75,958,083	84,500,488
Expected credit losses	(37,090)	(24,189)
Total	79,377,965	87,426,301
Central banks	41,776,158	54,425,073
Local banks	6,083,295	1,681,684
Foreign banks	31,518,512	31,319,544
Total	79,377,965	87,426,301
Non-interest bearing balances	1,353,870	19,515
Floating interest bearing balances	9,158,318	8,872,165
Fixed interest bearing balances	68,865,777	78,534,621
Total	79,377,965	87,426,301
Current balances	79,377,965	87,426,301

Due from banks

	Stage 1	Stage 2
Gross due from banks	78,934,377	480,678
Expected credit losses	(35,672)	(1,418)
Net due from banks	78,898,705	479,260

9. Treasury bills and other governmental notes

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
91 Days maturity	1,016,175	22,425
182 Days maturity	6,050,800	98,825
364 Days maturity	55,459,872	42,083,940
Unearned interest	<u>(3,115,006)</u>	<u>(1,948,912)</u>
Total	59,411,841	40,256,278
Repos - treasury bills	<u>(731,935)</u>	<u>(758,586)</u>
Net	58,679,906	39,497,692

. Governmental bonds

	Jun.30, 2021	Dec.31, 2020
	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	123,788,788	106,208,507
Repo	<u>(3,528,484)</u>	<u>(7,472,925)</u>
Net	120,260,304	98,735,582

10. Loans and advances to banks, net

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Time and term loans	785,479	786,605
Impairment provision	<u>(3,119)</u>	<u>(9,625)</u>
Net	782,360	776,980
Current balances	<u>782,360</u>	<u>776,980</u>

Analysis for impairment provision of loans and advances to banks

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Beginning balance	(9,625)	(4,516)
Additions during the period / year	<u>6,506</u>	<u>(5,109)</u>
Ending balance	(3,119)	(9,625)

Analysis for impairment provision of loans and advances to banks

	Stage 2
Beginning Balance	(9,625)
Addition during the period / year	<u>6,506</u>
Ending balance	(3,119)

11 . Loans and advances to customers, net

	Jun.30, 2021 EGP Thousands	Dec.31, 2020 EGP Thousands
Individual		
- Overdraft	1,224,443	1,519,369
- Credit cards	5,070,656	4,864,404
- Personal loans	29,005,312	27,882,072
- Real estate loans	2,114,312	2,033,349
Total 1	37,414,723	36,299,194
Corporate		
- Overdraft	27,385,718	23,698,784
- Direct loans	47,365,330	45,228,009
- Syndicated loans	36,729,848	31,110,813
- Other loans	10,312	21,391
Total 2	111,491,208	100,058,997
Total Loans and advances to customers (1+2)	148,905,931	136,358,191
Less:		
Unamortized bills discount	(70,171)	(104,176)
Unamortized syndicated loans discount	(183,827)	(210,680)
Impairment provision	(17,360,132)	(16,434,813)
Suspended credit account	(40,635)	(38,517)
Net loans and advances to customers	131,251,166	119,570,005
Distributed to		
Current balances	58,188,394	51,383,948
Non-current balances	73,062,772	68,186,057
Total	131,251,166	119,570,005

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

	EGP Thousands				
	Jun.30, 2021				
Individual Loans:	Overdrafts	Credit cards	Personal loans	Mortgages	Total
Beginning balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)
Release / charge during the period	1,720	(65,299)	(162,627)	13,473	(212,733)
Written off during the period	-	54,129	80,001	-	134,130
Recoveries	(1)	(13,029)	(17,343)	-	(30,373)
Ending balance	(11,875)	(266,476)	(875,574)	(48,814)	(1,202,739)

	EGP Thousands				
	Jun.30, 2021				
Corporate and Business Banking loans:	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)
Impairment	(272,378)	(462,827)	(119,782)	(212)	(855,199)
Written off during the period	-	-	-	-	-
Recoveries	-	(32,375)	-	-	(32,375)
foreign currencies translation differences	5,294	50,338	15,599	-	71,231
Ending balance	(1,588,072)	(10,999,429)	(3,564,135)	(5,757)	(16,157,393)

	EGP Thousands				
	Individual				
Dec.31, 2020	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Acquired during the year (MAYFAIR)	(14)	-	(1,673)	(137)	(1,824)
Released (charged) released during the year	(8,167)	(153,531)	(627,396)	(20,701)	(809,795)
Write off during the year	-	23,080	52,881	-	75,961
Recoveries during the year*	-	(21,050)	(20,124)	-	(41,174)
Ending balance	(13,594)	(242,277)	(775,605)	(62,287)	(1,093,763)

	EGP Thousands				
	Corporate				
Dec.31, 2020	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Acquired during the year (MAYFAIR)	(154)	(6,042)	-	-	(6,196)
Released (charged) released during the year	(397,054)	(2,838,640)	(752,474)	(3,446)	(3,991,614)
Write off during the year	-	132,224	-	-	132,224
Recoveries during the year*	-	(121,721)	-	-	(121,721)
Exchange revaluation difference	11,043	108,096	36,074	-	155,213
Ending balance	(1,320,988)	(10,554,565)	(3,459,952)	(5,545)	(15,341,050)

*From previously written off amounts

12 . Financial investments securities
Jun.30, 2021

	<u>Financial Assets at Fair Value through P&L</u>	<u>Financial Assets at Fair Value through OCI</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	120,260,304	22,598,404	142,858,708
Securitized bonds	-	7,651,985	-	7,651,985
Equity instruments	-	441,429	-	441,429
Portfolio managed by others	208,429	-	-	208,429
Sukuk	-	700,000	-	700,000
Investments not listed in the market				
Treasury bills and other governmental notes	-	58,679,906	-	58,679,906
Equity instruments	-	218,886	-	218,886
Mutual funds	-	251,846	-	251,846
Total	208,429	188,204,356	22,598,404	211,011,189

Dec.31, 2020

	<u>Financial Assets at Fair Value through P&L</u>	<u>Financial Assets at Fair Value through OCI</u>	<u>Amortized cost</u>	<u>Total</u>
	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>	<u>EGP Thousands</u>
Investments listed in the market				
Governmental bonds	-	98,735,582	25,255,909	123,991,491
Securitized bonds	-	8,008,811	-	8,008,811
Equity instruments	-	714,003	-	714,003
Portfolio managed by others	359,959	-	-	359,959
Sukuk	-	701,732	-	701,732
Investments not listed in the market				
Treasury bills and other governmental notes	-	39,468,376	29,316	39,497,692
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
Total	359,959	148,118,372	25,285,225	173,763,556

12.1 . Profits (Losses) on financial investments

	Last 3 Months Jun.30, 2021 EGP Thousands	Last 6 Months Jun.30, 2021 EGP Thousands	Last 3 Months Jun.30, 2020 EGP Thousands	Last 6 Months Jun.30, 2020 EGP Thousands
Profit (Loss) from selling FVOCI financial instruments	94,139	514,837	370,607	924,720
Released (Impairment) charges of FVOCI	-	72,957	(8,752)	(78,615)
Released (Impairment) charges of investments in associates and subsidiaries	14,093	14,093	-	(14,100)
Total	108,232	601,887	361,855	832,005

13 . Investments in associates

	EGP Thousands						
Jun.30, 2021	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
-TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	62,497	24,391	15,192	702	28,000	39.34
- Fawry Plus	Egypt	122,518	143,914	19,530	621	14,246	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,117,934	819,027	154,033	1,035	123,519	30.00
Total		1,302,949	987,332	188,755	2,358	324,125	

	EGP Thousands						
Dec.31, 2020	Company's country	Company's assets	Company's liabilities (without equity)	Company's revenues	Company's net profit (loss)	Investment book value	Stake %
- Al Ahly Computer	Egypt	82,094	49,824	49,254	7,140	27,724	39.34
- Fawry Plus	Egypt	122,518	143,914	45,506	(11,011)	-	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,062,033	799,693	472,714	723	112,147	30.00
Total		1,266,645	993,431	567,474	(3,148)	139,871	

14 . Property and equipment

	Jun.30, 2021							Total
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	
	EGP Thousands							
Cost at Jan 01, 2021 (1)	64,709	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Additions during the year	-	23,673	428,428	20,647	57,639	71,267	6,435	608,089
Disposals during the year*	-	(5,009)	(1,637)	-	(12,274)	(2,892)	(989)	(22,801)
Cost at end of the period (2)	64,709	1,151,943	3,014,363	154,130	877,953	801,835	140,159	6,205,092
Accumulated depreciation at beginning of the period (3)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Depreciation for the period	-	26,145	229,170	7,011	82,145	59,425	7,716	411,612
Disposals during the year*	-	(5,009)	(1,637)	-	(12,274)	(2,892)	(989)	(22,801)
Accumulated depreciation at end of the period (4)	-	480,758	1,867,343	60,965	662,216	529,163	97,023	3,697,468
Ending net assets (2-4)	64,709	671,185	1,147,020	93,165	215,737	272,672	43,136	2,507,624
Beginning net assets (1-3)	64,709	673,657	947,762	79,529	240,243	260,830	44,417	2,311,147

* Fully depreciated assets found for assets which still in operation are recorded in one pound.

Property and equipment

	Dec.31, 2020							Total
	Land	Premises	IT	Vehicles	Fitting -out	Machines and equipment	Furniture and furnishing	
	EGP Thousands							
Cost at Jan 01, 2020 (1)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	115,594	4,873,198
Additions during the year	-	75,388	439,171	23,694	104,521	174,801	22,140	839,715
Disposals during the year*	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Cost at end of the period (2)	64,709	1,133,279	2,587,572	133,483	832,588	733,460	134,713	5,619,804
Accumulated depreciation at beginning of the year (3)	-	422,258	1,290,519	41,640	484,840	351,535	77,942	2,668,734
Current year depreciation	-	53,704	373,342	12,314	148,835	129,462	15,375	733,032
Disposals during the year*	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
Accumulated depreciation at end of the year (4)	-	459,622	1,639,810	53,954	592,345	472,630	90,296	3,308,657
Ending net assets (2-4)	64,709	673,657	947,762	79,529	240,243	260,830	44,417	2,311,147
Beginning net assets (1-3)	64,709	651,973	881,933	68,149	284,557	215,491	37,652	2,204,464

15 . Due to banks

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	1,090,649	392,725
Deposits	225,043	8,424,810
Total	1,315,692	8,817,535
Central banks	192,628	114,786
Local banks	6,632	5,233,885
Foreign banks	1,116,432	3,468,864
Total	1,315,692	8,817,535
Non-interest bearing balances	896,168	232,019
Floating bearing interest balances	144,273	871,427
Fixed interest bearing balances	275,251	7,714,089
Total	1,315,692	8,817,535
Current balances	1,315,692	8,817,535

16 . Due to customers

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Demand deposits	120,639,362	107,514,953
Time deposits	81,529,452	58,877,291
Certificates of deposit	101,012,321	100,027,684
Saving deposits	79,385,148	70,806,502
Other deposits	3,434,873	3,943,020
Total	386,001,156	341,169,450
Corporate deposits	172,218,805	140,615,573
Individual deposits	213,782,351	200,553,877
Total	386,001,156	341,169,450
Non-interest bearing balances	60,450,026	50,113,153
Floating interest bearing balances	25,513,209	33,602,396
Fixed interest bearing balances	300,037,921	257,453,901
Total	386,001,156	341,169,450
Current balances	278,994,312	240,170,103
Non-current balances	107,006,844	100,999,347
Total	386,001,156	341,169,450

17 . Provisions

Jun.30, 2021	<u>Beginning balance</u>	<u>Charged amounts</u>	<u>Exchange revaluation difference</u>	<u>Utilized during the year</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	52,604	-	849	(43,128)	(3,131)	7,194
Provision for contingent	2,930,743	350,039	(17,132)	-	-	3,263,650
Provision for other claim	240,154	-	7,087	(1,045)	(6,014)	240,182
Total	3,223,501	350,039	(9,196)	(44,173)	(9,145)	3,511,026
Dec.31, 2020	<u>Beginning balance</u>	<u>Charged during the year</u>	<u>Exchange revaluation difference</u>	<u>Utilized during the year</u>	<u>Reversed amounts</u>	<u>Ending balance</u>
						EGP Thousands
Provision for legal claims	66,106	-	(44)	(185)	(13,273)	52,604
Provision for contingent	1,790,692	1,145,420	(5,369)	-	-	2,930,743
Provision for other claim	154,571	89,560	(1,780)	(2,197)	-	240,154
Total	2,011,369	1,234,980	(7,193)	(2,382)	(13,273)	3,223,501

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 year are as follows:

	Jun.30, 2021	Dec.31, 2020
	<u>No. of shares in thousand</u>	<u>No. of shares in thousand</u>
Outstanding at the beginning of the year	28,946	27,428
Granted during the period / year	13,279	11,313
Forfeited during the period / year	(96)	(1,196)
Exercised during the period / year	(9,227)	(8,599)
Outstanding at the end of the period / year	32,902	28,946

Details of the outstanding tranches are as follows:

Maturity date	EGP		No. of shares in thousand
	Exercise price	Fair value	
2022	10.00	50.53	8,560
2023	10.00	72.71	11,063
2024	10.00	52.55	13,279
Total			32,902

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

	14th tranche	13th tranche
Exercise price	10	10
Current share price	59.19	83.02
Expected life (years)	3	3
Risk free rate %	13.63%	13.66%
Dividend yield%	0.00%	1.50%
Volatility%	25%	25%

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

19 . Legal claims

- There is a number of existing cases against the bank on June 30, 2021 for which no provisions are made as the bank doesn't expect to incur losses from it.
- A provision for legal cases that are expected to generate losses has been created.

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, advances and other assets	1,063,007
Deposits	151,602
Contingent liabilities	23,165

20.2 . Other transactions with related parties

	Income	Expenses
	EGP Thousands	EGP Thousands
International Co. for Security & Services	4	105,393
CVenture Capital	86	313
Fawry plus	384	-
Mayfair bank	153	-
Damietta shipping & marine services	1	733
Al ahly computer	2	-
TCA Properties	66,088	325

21 . Important events

- During the first quarter of 2021, the bank established TCA properties, in partnership with Talaat Mostafa Group, after obtaining all necessary approvals from regulatory authorities. The share of Commercial International Bank is 37%. And no financial statements of the company have been issued yet.
- On 10 November 2020 CBE issued its report to the Bank and it covered a number of areas that needed immediate remediation covering the Internal Control Environment, Credit facilities and provisions, Governance and Compliance and also referred to instances of violations of certain provisions of the applicable laws (Articles 57, 64 and 111 of Law 88 for year 2003, and Articles 19 and 42 of the Executive Regulation of the said law), and other instances of violations of CBE regulations. The Bank's management applied its judgement and experience and included in the financial statements for the year ended 31 December 2020, their assessment of the impact of the CBE findings, including credit losses and legal and other charges. The Board of the Bank assessment is that the design of the internal controls over financial reporting remain appropriate and continue to operate effectively to ensure fair presentation of the financial position of the Bank and its financial performance. Management developed a corrective action plan for the CBE to address all the findings and to further enhance regulatory compliance and strengthen controls. Additionally, as directed by the Non-Executive Directors, an independent international professional services firm was appointed to conduct an in depth review of the Bank's controls and lending functions with a view to addressing specific and related areas from the CBE inspection report (communicated in November 2020), based on best practice and to further enhance regulatory compliance and strengthen controls at CIB, as part of the Bank's commitment to enhancing risk management and the governance culture at the Bank. The said review started in early January 2021 and was completed in April 2021. The outcomes of this exercise and related recommendations – addressing organization, policies & procedures, training and technology - were discussed with the Directors and executive management before being formally submitted. Management has finalized an implementation plan addressing the recommendations and time frame and has assessed there is no further financial impact subsequent to that determined for the year ended 31 December 2020. This implementation plan is approved and will be monitored by the Board of Directors.

The Board of Directors, in its meeting held on March 30, 2021, approved to launch a Green Bond Program at a value of \$100 million, in cooperation with the International Finance Corporation and in light of what the Extraordinary General Assembly had previously approved in its meeting held on March 15, 2020. In 2020, the Bank signed an agreement with the International Finance Corporation, by which the Commercial International Bank would be the first private sector institution to issue green bonds in Egypt. As per the agreement, tradable non-convertible green bonds will be issued for a period of five (5) years, with a value of \$100,000,000 (Only One Hundred Million US Dollars), with a nominal value of 1,000 US dollars (Only One Thousand US Dollars) per bond.

Bond proceeds will be allocated exclusively to financing or refinancing - in whole or in part - green assets that comply with the specifications encompassing that the Bank would grant loans/investments to its clients only to finance projects and expenditures that support the transition to a low-carbon economy and that would have a positive environmental impact, while aligning with the eligibility standards for private green bonds at the Commercial International Bank.

- IMPACT OF COVID-19

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

- BUSINESS CONTINUITY PLANNING

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

- IMPACT ON EXPECTED CREDIT LOSSES

In the determination of the impact over the ECL, CIB has considered the potential impact of the uncertainties considering the available information caused by the Covid-19 pandemic and taken into account the economic support and relief measures taken by the Central Bank of Egypt. The Bank has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for ECL measurement. In addition, the Bank has analyzed the risk of the credit portfolio by focusing on economic sector wise segmentation analysis using both a top-down approach and the Bank own experience. Overall, the COVID-19 situation remains fluid and is rapidly evolving at this point, which makes it challenging to reliably reflect impacts in our ECL estimates. In addition to the assumptions outlined above, CIB has given specific consideration to the relevant impact of COVID-19 on the qualitative and quantitative factors when determining the significant increase in credit risk (SICR) leading to reclassifying loans from stage 1 to stage 2 and assessing the indicators of impairment for the exposures in potentially affected sectors. The 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.

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

	Mayfair Bank	
	Jun.30, 2021	
	EGP Thousands	
Acquisition cost	560,963	
Net assets value	(354,676)	
Goodwill	206,287	

	Mayfair Bank	Mayfair Bank
	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Goodwill at acquisition date	206,287	206,287
Amortization	(48,134)	(27,505)
Net book value	158,153	178,782

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

23 . Intangible assets

	Mayfair Bank	Mayfair Bank
	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Intangible Assets at acquisition date	51,831	51,831
Amortization	(12,094)	(6,911)
Net book value	39,737	44,920



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