



# Separate Financial Statements

June 2021- 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 2021 and the related condensed separate 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 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 2021 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.

**Emphasis of Matter Paragraph**

Without **qualifying** our conclusion, we draw attention to note (21) to these **condensed separate** 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 Ezzadeen, Diab & Co.  
Public Accountants



Auditors



Farid Samir Farid  
Financial Regulatory Authority  
Register Number "210"  
Deloitte - Saleh, Barsoum & Abdel Aziz  
Accountants & Auditors



## Condensed Separate Interim Balance Sheet as at June 30, 2021

	Notes	Jun. 30, 2021 EGP Thousands	Dec. 31, 2020 EGP Thousands
<b>Assets</b>			
Cash and balances at the central bank	7	31,792,597	33,572,597
Due from banks	8	79,079,990	86,997,034
Loans and advances to banks, net	10	782,360	776,980
Loans and advances to customers, net	11	130,469,575	118,854,880
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	187,616,393	147,646,432
- Amortized cost	12	22,369,984	25,020,917
- Investments in associates and subsidiaries	13	1,022,433	874,348
Other assets		10,930,487	9,095,212
Deferred tax assets (Liabilities)		456,600	437,772
Property and equipment	14	2,455,283	2,259,940
<b>Total assets</b>		<b>467,476,415</b>	<b>426,144,830</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Due to banks	15	1,313,331	8,815,561
Due to customers	16	384,955,527	340,086,524
Derivative financial instruments		354,701	331,073
Current tax liabilities		1,616,491	859,582
Other liabilities		7,332,878	5,679,266
Other loans		5,626,792	7,746,946
Provisions	17	3,509,061	3,221,252
<b>Total liabilities</b>		<b>404,708,781</b>	<b>366,740,204</b>
<b>Equity</b>			
Issued and paid up capital		14,776,813	14,776,813
Reserves		40,241,849	33,085,554
Reserve for employee stock ownership plan (ESOP)		1,381,162	1,064,648
Retained earnings *		6,367,810	10,477,611
<b>Total equity and net profit for the period / year</b>		<b>62,767,634</b>	<b>59,404,626</b>
<b>Total liabilities and equity</b>		<b>467,476,415</b>	<b>426,144,830</b>

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 Separate Interim Income Statement for the period ended June 30, 2021

	<i>Notes</i>	<b>Last 3 Months Jun. 30, 2021 EGP Thousands</b>	<b>Last 6 Months Jun. 30, 2021 EGP Thousands</b>	Last 3 Months Jun. 30, 2020 EGP Thousands	Last 6 Months Jun. 30, 2020 EGP Thousands
Interest and similar income		10,854,910	20,975,491	10,235,541	20,922,642
Interest and similar expense		<u>(4,858,266)</u>	<u>(9,302,462)</u>	<u>(3,953,911)</u>	<u>(8,445,745)</u>
<b>Net interest income</b>		<b>5,996,644</b>	<b>11,673,029</b>	<b>6,281,630</b>	<b>12,476,897</b>
Fee and commission income		954,319	1,798,447	673,804	1,479,217
Fee and commission expense		<u>(353,568)</u>	<u>(687,129)</u>	<u>(187,496)</u>	<u>(493,057)</u>
<b>Net fee and commission income</b>		<b>600,751</b>	<b>1,111,318</b>	<b>486,308</b>	<b>986,160</b>
Dividend income		63,481	63,572	25,962	25,962
Net trading income	5	161,939	274,657	182,656	177,231
Profits (Losses) on financial investments	12	83,864	577,519	361,855	832,005
Administrative expenses		<u>(1,445,999)</u>	<u>(2,918,943)</u>	<u>(1,321,360)</u>	<u>(2,844,898)</u>
Other operating (expenses) income		<u>(586,688)</u>	<u>(1,113,292)</u>	<u>(1,099,747)</u>	<u>(1,847,487)</u>
Impairment release (charges) for credit losses		<u>(316,994)</u>	<u>(1,019,076)</u>	<u>(1,019,544)</u>	<u>(2,259,654)</u>
<b>Profit before income tax</b>		<b>4,556,998</b>	<b>8,648,784</b>	<b>3,897,760</b>	<b>7,546,216</b>
Income tax expense		<u>(1,381,023)</u>	<u>(2,590,270)</u>	<u>(1,319,721)</u>	<u>(2,652,208)</u>
Deferred tax assets (Liabilities)		<u>25,067</u>	<u>18,828</u>	<u>32,360</u>	<u>107,601</u>
<b>Net profit for the period</b>		<b>3,201,042</b>	<b>6,077,342</b>	<b>2,610,399</b>	<b>5,001,609</b>
<b>Earning per share</b>	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 Separate 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
<b>Net profit for the period</b>	3,201,042	6,077,342	2,610,399	5,001,609
Change in fair value of debt instruments measured at fair value through other comprehensive income	49,893	(1,624,416)	3,382,389	(1,483,581)
Transferred from reserve on disposal of financial assets at fair value through OCI	-	(104,406)	-	-
Effect of ECL in fair value of debt instruments measured at fair value through OCI	(39,469)	(54,113)	137,833	90,512
<b>Total comprehensive income for the period</b>	<b>3,211,466</b>	<b>4,294,407</b>	<b>6,130,621</b>	<b>3,608,540</b>

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

	<i>Notes</i>	<b>Jun. 30, 2021</b> EGP Thousands	Jun. 30, 2020 EGP Thousands
<b>Cash flow from operating activities</b>			
Profit before income tax		8,648,784	7,546,216
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>			
Fixed assets depreciation	14	411,612	328,251
Impairment charge for credit losses (Loans and advances to customers and banks)		1,060,008	2,144,988
Other provisions charges	17	350,323	1,096,888
Impairment charge for credit losses (due from banks)		13,181	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	(85,180)
Released (Impairment) charge financial assets at fair value through OCI		(72,957)	78,615
Exchange differences in financial investments in subsidiary		-	(242)
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) losses from selling property, plant and equipment		(1,250)	(94)
(Profits) losses from selling financial investments	12	(514,837)	(924,720)
Shares based payments		316,514	296,959
Released (Impairment) charges of investments in associates and subsidiaries		10,275	14,100
<b>Operating profits before changes in operating assets and liabilities</b>		<b>10,180,589</b>	<b>10,593,813</b>
<b>Net decrease (increase) in assets and liabilities</b>			
Due from banks		(8,642,436)	(507,846)
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	(12,680,083)	(2,430,817)
Other assets		(1,944,779)	925,679
Due to banks	15	(7,502,230)	460,488
Due to customers	16	44,869,003	14,460,587
Income tax obligations paid		(973,779)	(4,639,364)
Other liabilities		794,030	(2,962,457)
<b>Net cash used in (generated from) operating activities</b>		<b>24,231,948</b>	<b>15,920,091</b>
<b>Cash flow from investing activities</b>			
Proceeds from investments in associates.		-	750
Proceeds (payments) for investment in associates.		(158,360)	(560,963)
Payment for purchases of property, plant, equipment and branches constructions		(522,975)	(625,596)
Proceeds from selling property, plant and equipment		1,250	94
Proceeds from redemption of financial assets at amortized cost		2,654,583	59,360,102
Payment for purchases of financial assets at amortized cost		(3,844)	(44,945,839)
Payment for purchases of financial assets at fair value through OCI		(111,506,191)	(50,506,453)
Proceeds from selling financial assets at fair value through OCI		71,451,202	55,237,128
<b>Net cash generated from (used in) investing activities</b>		<b>(38,084,335)</b>	<b>17,959,223</b>

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

	Jun. 30, 2021 EGP Thousands	Jun. 30, 2020 EGP Thousands
<b>Cash flow from financing activities</b>		
Received (Repaid) in long term loans	(2,120,154)	(22,492)
Dividend paid	<u>(1,360,652)</u>	<u>(3,370,464)</u>
<b>Net cash generated from (used in) financing activities</b>	<u>(3,480,806)</u>	<u>(3,392,956)</u>
Net (decrease) increase in cash and cash equivalent during the period	(17,333,193)	30,486,358
Beginning balance of cash and cash equivalent	<u>75,965,247</u>	<u>22,895,017</u>
<b>Cash and cash equivalent at the end of the period</b>	<u>58,632,054</u>	<u>53,381,375</u>
<b>Cash and cash equivalent comprise:</b>		
Cash and balances at the central bank	31,792,597	30,421,432
Due from banks	79,116,502	56,818,722
Treasury bills and other governmental notes	58,677,132	27,424,701
Obligatory reserve balance with CBE	(26,239,755)	(22,905,156)
Due from banks with maturities more than three months	(26,293,821)	(10,266,780)
Treasury bills with maturity more than three months	<u>(58,420,601)</u>	<u>(28,111,544)</u>
<b>Total cash and cash equivalent</b>	<u>58,632,054</u>	<u>53,381,375</u>



## 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
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 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)
Transferred (from) to bank risk reserve	-	-	-	-	-	-	1,259	(1,259)	-	-
ECL for impairment of debt instruments investments	-	-	-	-	-	90,512	-	-	-	90,512
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	296,959	296,959
Ending balance	14,690,821	2,778,135	24,314,715	1,549,445	14,906	2,663,570	6,423	5,056,751	1,260,111	52,334,877

## Condensed Separate 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>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	14,776,813	2,778,135	24,765,658	1,549,445	14,906	3,970,987	6,423	10,477,611	1,064,648	59,404,626
Transferred to reserves	-	514,939	8,420,479	-	1,094	-	-	(8,936,512)	-	-
Dividend paid	-	-	-	-	-	-	-	(1,360,652)	-	(1,360,652)
Net profit for the period	-	-	-	-	-	-	-	6,077,342	-	6,077,342
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
Net unrealised gain/(loss) on financial assets at fair value through OCI	-	-	-	-	-	(1,624,416)	-	-	-	(1,624,416)
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)
Cost of employees stock ownership plan (ESOP)	-	-	-	-	-	-	-	-	316,514	316,514
Ending balance	<u>14,776,813</u>	<u>3,293,074</u>	<u>33,186,137</u>	<u>1,549,445</u>	<u>16,000</u>	<u>2,188,052</u>	<u>9,141</u>	<u>6,367,810</u>	<u>1,381,162</u>	<u>62,767,634</u>

## Notes to the condensed separate 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.

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 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, 2021 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 2020.

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 2020.

**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>
<b>Gross Loans and advances</b>	<b>148,083,916</b>	<b>785,479</b>	<b>135,604,002</b>	<b>786,605</b>
<b>Less:</b>				
Impairment provision	17,319,708	3,119	16,395,749	9,625
Unamortized bills discount	70,171	-	104,176	-
Unamortized syndicated loans discount	183,827	-	210,680	-
Suspended credit account	40,635	-	38,517	-
<b>Net</b>	<b>130,469,575</b>	<b>782,360</b>	<b>118,854,880</b>	<b>776,980</b>

Impairment provision losses for loans and advances reached EGP 17,322,827 thousand.

During the year, 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:**

Jun.30, 2021

	<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>
	Individuals	33,680,446	2,923,104	712,125
Institutions and Business Banking	61,110,255	41,874,715	7,783,271	110,768,241
<b>Total</b>	<b>94,790,701</b>	<b>44,797,819</b>	<b>8,495,396</b>	<b>148,083,916</b>

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

Jun.30, 2021

	<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>
	Individuals	777,258	61,744	345,901
Institutions and Business Banking	1,358,589	7,095,490	7,680,726	16,134,805
<b>Total</b>	<b>2,135,847</b>	<b>7,157,234</b>	<b>8,026,627</b>	<b>17,319,708</b>

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

Jun.30, 2021

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

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

Jun.30, 2021

	<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>
	Facilities and guarantees	55,433,586	30,522,207	137,534
Expected credit losses	(1,839,951)	(1,324,003)	(97,731)	(3,261,685)
<b>Net</b>	<b>53,593,635</b>	<b>29,198,204</b>	<b>39,803</b>	<b>82,831,642</b>

**Total balances of loans and facilities divided by stages:**

Dec.31, 2020

	<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>
Individuals	34,674,902	942,359	576,361	36,193,622
Institutions and Business Banking	<u>50,379,160</u>	<u>43,777,483</u>	<u>5,253,737</u>	<u>99,410,380</u>
<b>Total</b>	<b><u>85,054,062</u></b>	<b><u>44,719,842</u></b>	<b><u>5,830,098</u></b>	<b><u>135,604,002</u></b>

**Expected credit losses**

Dec.31, 2020

	<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>
Individuals	705,482	22,779	348,551	1,076,812
Institutions and Business Banking	<u>1,395,756</u>	<u>8,756,070</u>	<u>5,167,111</u>	<u>15,318,937</u>
<b>Total</b>	<b><u>2,101,238</u></b>	<b><u>8,778,849</u></b>	<b><u>5,515,662</u></b>	<b><u>16,395,749</u></b>

**Loans and advances to banks divided by stages:**

Dec.31, 2020

	<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	-	786,605	-	786,605
Expected credit losses	<u>-</u>	<u>(9,625)</u>	<u>-</u>	<u>(9,625)</u>
<b>Net</b>	<b><u>-</u></b>	<b><u>776,980</u></b>	<b><u>-</u></b>	<b><u>776,980</u></b>

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

Dec.31, 2020

	<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>
Facilities and guarantees	54,078,581	28,364,823	93,398	82,536,802
Expected credit losses	<u>(1,439,401)</u>	<u>(1,400,364)</u>	<u>(88,729)</u>	<u>(2,928,494)</u>
<b>Net</b>	<b><u>52,639,180</u></b>	<b><u>26,964,459</u></b>	<b><u>4,669</u></b>	<b><u>79,608,308</u></b>

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**

	<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	23,331	-	-	23,331
New financial assets purchased or issued	97	1,418	-	1,515
Matured or disposed financial assets	(4,148)	-	-	(4,148)
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	-	-	-	-
<b>Ending balance</b>	<b>35,094</b>	<b>1,418</b>	<b>-</b>	<b>36,512</b>

**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>Stage 1</u>
Provision for credit losses on 1 January 2021	705,482	22,779	348,551	1,076,812
Impairment during the period	71,776	38,965	101,107	211,848
Write off during the period	-	-	(134,130)	(134,130)
Recoveries	-	-	30,373	30,373
<b>Ending balance</b>	<b>777,258</b>	<b>61,744</b>	<b>345,901</b>	<b>1,184,903</b>

**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 2021	1,395,756	8,756,070	5,167,111	15,318,937
New financial assets purchased or issued	455,225	487,856	-	943,081
Matured or disposed financial assets	(335,245)	(338,683)	(101)	(674,029)
Transferred to stage 1	7,542	(24,125)	-	(16,583)
Transferred to stage 2	(32,294)	28,323	-	(3,971)
Transferred to stage 3	(6,887)	(2,362,877)	2,563,109	193,345
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	(79,698)	721,945	-	642,247
Recoveries	-	-	32,375	32,375
Write off during the period	-	-	-	-
Cumulative foreign currencies translation differences	(1,227)	(44,690)	(25,256)	(71,173)
<b>Ending balance</b>	<b>1,358,589</b>	<b>7,095,490</b>	<b>7,680,726</b>	<b>16,134,805</b>

**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 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	-	-	-	-
<b>Ending balance</b>	<b>564,318</b>	<b>-</b>	<b>-</b>	<b>564,318</b>

**Amortized cost**

	<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	-	-	-	-
<b>Ending balance</b>	<b>1,146</b>	<b>-</b>	<b>-</b>	<b>1,146</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, 2020

Due from banks	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
Provision for credit losses on 1 January 2020	16,817	-	-	16,817
New financial assets purchased or issued	4,150	-	-	4,150
Matured or disposed financial assets	(3)	-	-	(3)
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	-	-	-	-
<b>Ending balance</b>	<b>23,331</b>	<b>-</b>	<b>-</b>	<b>23,331</b>

  

Individual Loans:	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
Provision for credit losses on 1 January 2020	96,469	10,394	210,068	316,931
Impairment during the year	609,013	12,385	173,270	794,668
Write off during the year	-	-	(75,961)	(75,961)
Recoveries	-	-	41,174	41,174
<b>Ending balance</b>	<b>705,482</b>	<b>22,779</b>	<b>348,551</b>	<b>1,076,812</b>

  

Corporate and Business Banking loans:	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
Provision for credit losses on 1 January 2020	1,208,722	5,325,121	4,975,113	11,508,956
New financial assets purchased or issued	503,947	1,497,789	-	2,001,736
Matured or disposed financial assets	(535,980)	(1,145,259)	(163,719)	(1,844,958)
Transferred to stage 1	3,369	(8,211)	-	(4,842)
Transferred to stage 2	(32,197)	108,422	-	76,225
Transferred to stage 3	-	(371,956)	479,140	107,184
Changes in the probability of default and loss in case of default and the exposure at 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 year	-	-	(132,224)	(132,224)
Cumulative foreign currencies translation differences	(8,590)	(79,683)	(69,058)	(157,331)
<b>Ending balance</b>	<b>1,395,756</b>	<b>8,756,070</b>	<b>5,167,111</b>	<b>15,318,937</b>

  

Financial Assets at Fair value through OCI	Stage 1	Stage 2	Stage 3	Total
	12 months	Life time	Life time	
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 year	-	-	-	-
Cumulative foreign currencies translation differences	-	-	-	-
<b>Ending balance</b>	<b>619,577</b>	<b>-</b>	<b>-</b>	<b>619,577</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 / year:

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
<b>Loans and advances to customer</b>		
Corporate		
- Direct loans	7,452,540	4,794,419
<b>Total</b>	<b>7,452,540</b>	<b>4,794,419</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, 2021**

	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	22,369,984	-	-	-	22,369,984
Not rated	-	-	-	-	-
<b>Total</b>	<b>22,369,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,369,984</b>

**Jun.30, 2021**

	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	186,237,433	-	-	-	186,237,433
Not rated	-	-	-	-	-
<b>Total</b>	<b>186,237,433</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>186,237,433</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, 2021**

	EGP Thousands				
<u>Fair value through OCI and 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	565,464	-	-	-	565,464
Not rated	-	-	-	-	-
<b>Total</b>	<b>565,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>565,464</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, 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	25,020,917	-	-	-	25,020,917
Not rated	-	-	-	-	-
<b>Total</b>	<b>25,020,917</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,020,917</b>

**Dec.31, 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	145,974,040	-	-	-	145,974,040
Not rated	-	-	-	-	-
<b>Total</b>	<b>145,974,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>145,974,040</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, 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	619,577	-	-	-	619,577
Not rated	-	-	-	-	-
<b>Total</b>	<b>619,577</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>619,577</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.

						Equivalent EGP Thousands
Jun.30, 2021	EGP	USD	EUR	GBP	Other	Total
<b>Financial assets</b>						
Cash and balances at the central bank	29,009,097	1,761,673	422,008	90,699	509,120	31,792,597
Gross due from banks	37,078,239	38,120,692	2,512,245	1,298,621	106,705	79,116,502
Gross loans and advances to banks	-	785,479	-	-	-	785,479
Gross loans and advances to customers	106,131,161	37,533,448	4,396,628	22,432	247	148,083,916
Derivative financial instruments	133,953	158,331	-	-	-	292,284
<b>Financial investments</b>						
Gross financial investment securities	187,356,119	24,277,277	1,676,416	-	-	213,309,812
- Investments in associates and subsidiaries	301,642	159,828	-	-	560,963	1,022,433
<b>Total financial assets</b>	<b>360,010,211</b>	<b>102,796,728</b>	<b>9,007,297</b>	<b>1,411,752</b>	<b>1,177,035</b>	<b>474,403,023</b>
<b>Financial liabilities</b>						
Due to banks	304,002	951,238	34,343	4,630	19,118	1,313,331
Due to customers	290,588,342	85,318,735	7,402,802	1,374,757	270,891	384,955,527
Derivative financial instruments	238,964	115,737	-	-	-	354,701
Other loans	10,312	5,616,480	-	-	-	5,626,792
<b>Total financial liabilities</b>	<b>291,141,620</b>	<b>92,002,190</b>	<b>7,437,145</b>	<b>1,379,387</b>	<b>290,009</b>	<b>392,250,351</b>
<b>Net on-balance sheet financial position</b>	<b>68,868,591</b>	<b>10,794,538</b>	<b>1,570,152</b>	<b>32,365</b>	<b>887,026</b>	<b>82,152,672</b>
<b>Total financial assets as of December 31, 2020</b>	<b>316,459,285</b>	<b>105,766,625</b>	<b>9,029,784</b>	<b>513,923</b>	<b>1,311,340</b>	<b>433,080,957</b>
<b>Total financial liabilities as of December 31, 2020</b>	<b>253,086,441</b>	<b>95,028,728</b>	<b>7,657,363</b>	<b>936,892</b>	<b>270,680</b>	<b>356,980,104</b>
<b>Net on-balance sheet financial position as of December 31, 2020</b>	<b>63,372,844</b>	<b>10,737,897</b>	<b>1,372,421</b>	<b>(422,969)</b>	<b>1,040,660</b>	<b>76,100,853</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 exposures. ALCO monitors the Bank's liquidity and market risks, economic developments, market fluctuations, and risk profile to ensure ongoing activities are compatible with the risk/reward guidelines approved by the BoD.

**Treasury Policy Guide (TPG):** The purpose of the TPG is to document and communicate the policies that govern the activities performed by the Treasury Group and monitored by Risk Group. The main measures and monitoring tools used to assess the Bank's liquidity risk include regulatory and internal ratios, gaps, Basel III liquidity ratios, asset and liability gapping mismatch, stress testing, and funding base concentration. More conservative internal targets and Risk Appetite indicators (RAI) against regulatory requirements are set for various measures of Liquidity and Funding Concentration Risks.

The Bank maintained a solid LCY & FCY Liquidity position with decent buffers to meet both the global and local increase in risk profile related to the Covid-19 pandemic. CIB will continue with its robust Liquidity 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
<b>Financial assets</b>				
Due from banks	79,116,502	87,020,365	79,121,065	87,018,791
Gross loans and advances to banks	785,479	786,605	785,479	786,605
Gross loans and advances to customers	148,083,916	135,604,002	146,266,671	135,421,732
<b>Financial investments:</b>				
Amortized cost	22,369,984	25,020,917	23,262,566	26,172,861
<b>Total financial assets</b>	<b>250,355,881</b>	<b>248,431,889</b>	<b>249,435,781</b>	<b>249,399,989</b>
<b>Financial liabilities</b>				
Due to banks	1,313,331	8,815,561	1,120,703	8,698,421
Due to customers	384,955,527	340,086,524	385,206,868	339,293,107
Other loans	5,626,792	7,746,946	5,626,792	7,746,946
<b>Total financial liabilities</b>	<b>391,895,650</b>	<b>356,649,031</b>	<b>391,954,363</b>	<b>355,738,474</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 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			Valuation techniques (level 3)
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	
<b>Jun.30, 2021</b>					
<b>Measured at fair value:</b>					
<b>Financial assets</b>					
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	187,616,393	128,468,529	59,147,864	-
<b>Total</b>		<b>187,824,822</b>	<b>128,676,958</b>	<b>59,147,864</b>	<b>-</b>
<b>Derivative financial instruments</b>					
Financial assets	30-Jun-21	292,284	-	-	292,284
Financial liabilities	30-Jun-21	354,701	-	-	354,701
<b>Total</b>		<b>646,985</b>	<b>-</b>	<b>-</b>	<b>646,985</b>
<b>Assets for which fair values are disclosed:</b>					
Amortized cost	30-Jun-21	23,262,566	-	23,262,566	-
Loans and advances to banks	30-Jun-21	785,479	-	-	785,479
Loans and advances to customers	30-Jun-21	146,266,671	-	-	146,266,671
<b>Total</b>		<b>170,314,716</b>	<b>-</b>	<b>23,262,566</b>	<b>147,052,150</b>
<b>Liabilities for which fair values are disclosed:</b>					
Other loans	30-Jun-21	5,626,792	-	5,626,792	-
Due to customers	30-Jun-21	385,206,868	-	-	385,206,868
<b>Total</b>		<b>390,833,660</b>	<b>-</b>	<b>5,626,792</b>	<b>385,206,868</b>

	Date of Valuation	Fair value measurement using			Valuation techniques (level 3)
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (level 2)	
<b>Dec.31, 2020</b>					
<b>Measured at fair value:</b>					
<b>Financial assets</b>					
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	147,646,432	107,691,850	39,954,582	-
<b>Total</b>		<b>148,006,391</b>	<b>108,051,809</b>	<b>39,954,582</b>	<b>-</b>
<b>Derivative financial instruments</b>					
Financial assets	31-Dec-20	248,759	-	-	248,759
Financial liabilities	31-Dec-20	331,073	-	-	331,073
<b>Total</b>		<b>579,832</b>	<b>-</b>	<b>-</b>	<b>579,832</b>
<b>Assets for which fair values are disclosed:</b>					
Amortized cost	31-Dec-20	26,172,861	-	26,172,861	-
Loans and advances to banks	31-Dec-20	786,605	-	-	786,605
Loans and advances to customers	31-Dec-20	135,421,732	-	-	135,421,732
<b>Total</b>		<b>162,381,198</b>	<b>-</b>	<b>26,172,861</b>	<b>136,208,337</b>
<b>Liabilities for which fair values are disclosed:</b>					
Other loans	31-Dec-20	7,746,946	-	7,746,946	-
Due to customers	31-Dec-20	339,293,107	-	-	339,293,107
<b>Total</b>		<b>347,040,053</b>	<b>-</b>	<b>7,746,946</b>	<b>339,293,107</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 and liabilities management.

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

	EGP Thousands					
Jun.30, 2021	<u>Corporate banking</u>	<u>SME's</u>	<u>Investments</u>	<u>Retail banking</u>	<u>Asset Liability Mangement</u>	<u>Total</u>
Net revenue according to business segment *	5,864,744	869,534	2,976,260	3,669,274	320,283	13,700,095
Expenses according to business segment	<u>(2,728,539)</u>	<u>(510,683)</u>	<u>(59,454)</u>	<u>(1,738,552)</u>	<u>(14,083)</u>	<u>(5,051,311)</u>
Profit before tax	3,136,205	358,851	2,916,806	1,930,722	306,200	8,648,784
Tax	<u>(932,451)</u>	<u>(106,693)</u>	<u>(867,220)</u>	<u>(574,039)</u>	<u>(91,039)</u>	<u>(2,571,442)</u>
Profit for the period	<u>2,203,754</u>	<u>252,158</u>	<u>2,049,586</u>	<u>1,356,683</u>	<u>215,161</u>	<u>6,077,342</u>
Total assets	<u>139,419,631</u>	<u>2,143,077</u>	<u>215,477,659</u>	<u>36,412,176</u>	<u>74,023,872</u>	<u>467,476,415</u>

\* Represents the net interest income and other income.

Jun.30, 2020	<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 year	<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 at 31 December 2020	<u>137,464,591</u>	<u>1,067,415</u>	<u>182,133,166</u>	<u>35,348,914</u>	<u>70,130,744</u>	<u>426,144,830</u>

**4.2. By geographical segment**

	EGP Thousands			
Jun.30, 2021	<u>Cairo</u>	<u>Alex, Delta &amp; Sinai</u>	<u>Upper Egypt</u>	<u>Total</u>
Revenue according to geographical segment	11,904,196	1,510,174	285,725	13,700,095
Expenses according to geographical segment	<u>(4,026,607)</u>	<u>(890,209)</u>	<u>(134,495)</u>	<u>(5,051,311)</u>
Profit before tax	7,877,589	619,965	151,230	8,648,784
Tax	<u>(2,342,151)</u>	<u>(184,327)</u>	<u>(44,964)</u>	<u>(2,571,442)</u>
Profit for the period	<u>5,535,438</u>	<u>435,638</u>	<u>106,266</u>	<u>6,077,342</u>
Total assets	<u>435,645,233</u>	<u>24,882,838</u>	<u>6,948,344</u>	<u>467,476,415</u>

Jun.30, 2020	<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 year	<u>4,296,250</u>	<u>532,718</u>	<u>172,641</u>	<u>5,001,609</u>
Total assets at 31 December 2020	<u>395,946,324</u>	<u>22,705,248</u>	<u>7,493,258</u>	<u>426,144,830</u>

**5 . Net trading income**

	<b>Last 3 Months</b>	<b>Last 6 Months</b>	Last 3 Months	Last 6 Months
	<b>Jun.30, 2021</b>	<b>Jun.30, 2021</b>	Jun.30, 2020	Jun.30, 2020
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
Profit (Loss) from foreign exchange transactions	271,885	406,921	38,629	205,058
Profit (Loss) from forward foreign exchange deals revaluation	(104,817)	(108,687)	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)
<b>Total</b>	<b>161,939</b>	<b>274,657</b>	<b>182,656</b>	<b>177,231</b>

**6 . Earning per share**

	<b>Last 3 Months</b>	<b>Last 6 Months</b>	Last 3 Months	Last 6 Months
	<b>Jun.30, 2021</b>	<b>Jun.30, 2021</b>	Jun.30, 2020	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)
<b>Profits attributable to shareholders</b>	<b>2,832,922</b>	<b>5,378,448</b>	<b>2,310,203</b>	<b>4,427,805</b>
Weighted average number of shares	1,477,681	1,477,681	1,477,681	1,477,681
<b>Basic earning per share</b>	<b>1.92</b>	<b>3.64</b>	<b>1.56</b>	<b>3.00</b>
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
<b>Diluted earning per share</b>	<b>1.91</b>	<b>3.63</b>	<b>1.56</b>	<b>2.99</b>

**7 . Cash and balances at the central bank**

	<b>Jun.30, 2021</b>	Dec.31, 2020
	EGP Thousands	EGP Thousands
Cash	5,552,842	5,962,217
<b>Obligatory reserve balance with CBE</b>		
- Current accounts	26,239,755	27,610,380
<b>Total</b>	<b>31,792,597</b>	<b>33,572,597</b>
<b>Non-interest bearing balances</b>	<b>31,792,597</b>	<b>33,572,597</b>

**8 . Due from banks**

	<b>Jun.30, 2021</b>	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	3,436,779	2,932,060
Deposits	75,679,723	84,088,305
Expected credit losses	(36,512)	(23,331)
<b>Total</b>	<b>79,079,990</b>	<b>86,997,034</b>
Central banks	41,776,159	54,425,073
Local banks	5,803,377	1,268,079
Foreign banks	31,500,454	31,303,882
<b>Total</b>	<b>79,079,990</b>	<b>86,997,034</b>
Non-interest bearing balances	1,333,677	1,573
Floating interest bearing balances	9,158,318	8,872,165
Fixed interest bearing balances	68,587,995	78,123,296
<b>Total</b>	<b>79,079,990</b>	<b>86,997,034</b>
Current balances	79,079,990	86,997,034

**Due from banks**

	<b>Stage 1</b>	<b>Stage 2</b>
Gross due from banks	78,635,824	480,678
Expected credit losses	(35,094)	(1,418)
<b>Net due from banks</b>	<b>78,600,730</b>	<b>479,260</b>

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

	<b>Jun.30, 2021</b>	Dec.31, 2020
	EGP Thousands	EGP Thousands
91 Days maturity	1,016,174	22,426
182 Days maturity	6,050,800	98,825
364 Days maturity	55,457,099	42,049,022
Unearned interest	<u>(3,115,006)</u>	<u>(1,946,973)</u>
<b>Total</b>	<u>59,409,067</u>	<u>40,223,300</u>
Repos - treasury bills	<u>(731,935)</u>	<u>(758,586)</u>
<b>Net</b>	<u>58,677,132</u>	<u>39,464,714</u>

**. Governmental bonds**

	<b>Jun.30, 2021</b>	<b>Dec.31, 2020</b>
	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	123,457,487	105,998,913
Repo	<u>(3,528,484)</u>	<u>(7,472,925)</u>
<b>Net</b>	<u>119,929,003</u>	<u>98,525,988</u>

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

	<b>Jun.30, 2021</b>	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>
<b>Net</b>	<u>782,360</u>	<u>776,980</u>
Current balances	<u>782,360</u>	<u>776,980</u>

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

	<b>Jun.30, 2021</b>	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>
<b>Ending balance</b>	<u>(3,119)</u>	<u>(9,625)</u>

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

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

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

	<b>Jun.30, 2021</b>	Dec.31, 2020
	EGP Thousands	EGP Thousands
<b>Individual</b>		
- Overdraft	1,219,666	1,511,221
- Credit cards	5,070,656	4,864,404
- Personal loans	28,920,992	27,792,367
- Real estate loans	2,104,361	2,025,630
<b>Total 1</b>	<b>37,315,675</b>	<b>36,193,622</b>
<b>Corporate</b>		
- Overdraft	27,238,207	23,541,904
- Direct loans	46,789,874	44,736,272
- Syndicated loans	36,729,848	31,110,813
- Other loans	10,312	21,391
<b>Total 2</b>	<b>110,768,241</b>	<b>99,410,380</b>
<b>Total Loans and advances to customers (1+2)</b>	<b>148,083,916</b>	<b>135,604,002</b>
<b>Less:</b>		
Unamortized bills discount	(70,171)	(104,176)
Unamortized syndicated loans discount	(183,827)	(210,680)
Impairment provision	(17,319,708)	(16,395,749)
Suspended credit account	(40,635)	(38,517)
<b>Net loans and advances to customers</b>	<b>130,469,575</b>	<b>118,854,880</b>
<b>Distributed to</b>		
Current balances	57,898,814	51,070,650
Non-current balances	72,570,761	67,784,230
<b>Total</b>	<b>130,469,575</b>	<b>118,854,880</b>

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				
<b>Individual Loans:</b>	Overdrafts	Credit cards	Personal		Total
			loans	Mortgages	
Beginning balance	(9,559)	(242,278)	(762,850)	(62,125)	(1,076,812)
Release / charge during the period	1,215	(65,299)	(161,624)	13,860	(211,848)
Written off during the period	-	54,129	80,001	-	134,130
Recoveries	(1)	(13,029)	(17,343)	-	(30,373)
<b>Ending balance</b>	<b>(8,345)</b>	<b>(266,477)</b>	<b>(861,816)</b>	<b>(48,265)</b>	<b>(1,184,903)</b>
	Jun.30, 2021				
<b>Corporate and Business Banking loans:</b>	Overdraft	Direct loans	Syndicated		Total
			loans	Other loans	
Beginning balance	(1,319,514)	(10,533,928)	(3,459,950)	(5,545)	(15,318,937)
Release / charge during the period	(271,016)	(463,656)	(119,782)	(212)	(854,666)
Written off during the period	-	-	-	-	-
Recoveries	-	(32,375)	-	-	(32,375)
foreign currencies translation differences	5,236	50,338	15,599	-	71,173
<b>Ending balance</b>	<b>(1,585,294)</b>	<b>(10,979,621)</b>	<b>(3,564,133)</b>	<b>(5,757)</b>	<b>(16,134,805)</b>

Dec.31, 2020	Individual				EGP Thousands
	Overdraft	Credit cards	Personal loans	Real estate loans	Total
Beginning balance	(5,413)	(90,776)	(179,293)	(41,449)	(316,931)
Released (charged) released during the year	(4,146)	(153,532)	(616,314)	(20,676)	(794,668)
Write off during the year	-	23,080	52,881	-	75,961
Recoveries during the year*	-	(21,050)	(20,124)	-	(41,174)
Ending balance	(9,559)	(242,278)	(762,850)	(62,125)	(1,076,812)
Dec.31, 2020	Corporate				Total
	Overdraft	Direct loans	Syndicated loans	Other loans	Total
Beginning balance	(934,823)	(7,828,482)	(2,743,552)	(2,099)	(11,508,956)
Released (charged) released during the year	(395,734)	(2,826,161)	(752,474)	(3,446)	(3,977,815)
Write off during the year	-	132,224	-	-	132,224
Recoveries during the year*	-	(121,721)	-	-	(121,721)
Exchange revaluation difference	11,043	110,212	36,076	-	157,331
Ending balance	(1,319,514)	(10,533,928)	(3,459,950)	(5,545)	(15,318,937)

\*From previously written off amounts

## 12. Financial investments securities

Jun.30, 2021

	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Amortized cost	Total
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Investments listed in the market</b>				
Governmental bonds	-	119,929,003	22,369,984	142,298,987
Securitized bonds	-	7,631,298	-	7,631,298
Equity instruments	-	208,228	-	208,228
Portfolio managed by others	208,429	-	-	208,429
Sukuk	-	700,000	-	700,000
<b>Investments not listed in the market</b>				
Treasury bills and other governmental notes	-	58,677,132	-	58,677,132
Equity instruments	-	218,886	-	218,886
Mutual funds	-	251,846	-	251,846
<b>Total</b>	208,429	187,616,393	22,369,984	210,194,806

Dec.31, 2020

	Financial Assets at Fair Value through P&L	Financial Assets at Fair Value through OCI	Amortized cost	Total
	EGP Thousands	EGP Thousands	EGP Thousands	EGP Thousands
<b>Investments listed in the market</b>				
Governmental bonds	-	98,525,988	25,020,917	123,546,905
Securitized bonds	-	7,983,338	-	7,983,338
Equity instruments	-	480,792	-	480,792
Portfolio managed by others	359,959	-	-	359,959
Sukuk	-	701,732	-	701,732
<b>Investments not listed in the market</b>				
Treasury bills and other governmental notes	-	39,464,714	-	39,464,714
Equity instruments	-	243,596	-	243,596
Mutual funds	-	246,272	-	246,272
<b>Total</b>	359,959	147,646,432	25,020,917	173,027,308



**12.1 . Profits (Losses) on financial investments**

	<b>Last 3 Months</b> <b>Jun.30, 2021</b> EGP Thousands	<b>Last 6 Months</b> <b>Jun.30, 2021</b> EGP Thousands	<b>Last 3 Months</b> Jun.30, 2020 EGP Thousands	<b>Last 6 Months</b> 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	(10,275)	(10,275)	-	(14,100)
<b>Total</b>	<b>83,864</b>	<b>577,519</b>	<b>361,855</b>	<b>832,005</b>

**13 . Investments in associates and subsidiaries**
**Jun.30, 2021**

	<b>Company's</b> <b>country</b>	<b>Company's assets</b>	<b>Company's</b> <b>liabilities (without</b> <b>equity)</b>	<b>Company's</b> <b>revenues</b>	<b>Company's net</b> <b>profit (loss)</b>	<b>Investment book</b> <b>value</b>	<b>Stake</b> <b>%</b>
<b>Subsidiaries</b>							
- CVenture Capital	Egypt	144,906	2,079	258	(1,212)	159,828	99.99
- Damietta shipping & marine services	Egypt	79,318	2,160	1,139	837	97,991	49.95
- Mayfair Bank	Kenya	1,860,662	1,252,303	29,634	1,027	560,963	51.00
<b>Associates</b>							
- TCA Properties	Egypt	-	-	-	-	158,360	37.00
- Al Ahly Computer	Egypt	62,497	24,391	15,192	702	22,191	39.34
- Fawry Plus	Egypt	122,518	143,914	19,530	621	14,100	23.50
- International Co. for Security and Services (Falcon)	Egypt	1,117,934	819,027	154,033	1,035	9,000	30.00
<b>Total</b>		<b>3,387,835</b>	<b>2,243,874</b>	<b>219,786</b>	<b>3,010</b>	<b>1,022,433</b>	

**Dec.31, 2020**

	<b>Company's</b> <b>country</b>	<b>Company's assets</b>	<b>Company's liabilities</b> <b>(without equity)</b>	<b>Company's revenues</b>	<b>Company's net profit</b> <b>(loss)</b>	<b>Investment book</b> <b>value</b>	<b>Stake</b> <b>%</b>
<b>Subsidiaries</b>							
- CVenture Capital	Egypt	146,693	613	743	(6,331)	159,828	99.99
- Damietta shipping & marine services	Egypt	81,416	5,095	38,521	33,558	122,366	49.95
- Mayfair Bank	Kenya	1,856,285	1,242,561	295,723	(118,241)	560,963	51.00
<b>Associates</b>							
- Al Ahly Computer	Egypt	82,094	49,824	49,254	7,140	22,191	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	9,000	30.00
<b>Total</b>		<b>3,351,039</b>	<b>2,241,700</b>	<b>902,461</b>	<b>(94,162)</b>	<b>874,348</b>	

**14 . Property and equipment**

	<b>Jun.30, 2021</b>							EGP Thousands
	<b>Land</b>	<b>Premises</b>	<b>IT</b>	<b>Vehicles</b>	<b>Fitting -out</b>	<b>Machines and equipment</b>	<b>Furniture and furnishing</b>	
Cost at Jan 01, 2021 (1)	64,709	1,129,713	2,541,603	132,023	808,039	700,886	136,093	5,513,066
Additions during the period	-	22,500	428,428	20,647	57,639	71,267	6,474	606,955
Disposals during the period*	-	(5,009)	(1,637)	-	(12,274)	(2,892)	(989)	(22,801)
<b>Cost at end of the period (2)</b>	<b>64,709</b>	<b>1,147,204</b>	<b>2,968,394</b>	<b>152,670</b>	<b>853,404</b>	<b>769,261</b>	<b>141,578</b>	<b>6,097,220</b>
Accumulated depreciation at beginning of the period (3)	-	458,816	1,615,394	52,714	584,717	452,895	88,590	3,253,126
Depreciation for the period	-	26,145	229,170	7,011	82,145	59,425	7,716	411,612
Disposals during the period*	-	(5,009)	(1,637)	-	(12,274)	(2,892)	(989)	(22,801)
<b>Accumulated depreciation at end of the period (4)</b>	<b>-</b>	<b>479,952</b>	<b>1,842,927</b>	<b>59,725</b>	<b>654,588</b>	<b>509,428</b>	<b>95,317</b>	<b>3,641,937</b>
<b>Ending net assets (2-4)</b>	<b>64,709</b>	<b>667,252</b>	<b>1,125,467</b>	<b>92,945</b>	<b>198,816</b>	<b>259,833</b>	<b>46,261</b>	<b>2,455,283</b>
<b>Beginning net assets (1-3)</b>	<b>64,709</b>	<b>670,897</b>	<b>926,209</b>	<b>79,309</b>	<b>223,322</b>	<b>247,991</b>	<b>47,503</b>	<b>2,259,940</b>

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

**Property and equipment**

	<b>Dec.31, 2020</b>							EGP Thousands
	<b>Land</b>	<b>Premises</b>	<b>IT</b>	<b>Vehicles</b>	<b>Fitting -out</b>	<b>Machines and equipment</b>	<b>Furniture and furnishing</b>	
Cost at Jan 01, 2020 (1)	64,709	1,074,231	2,172,452	109,789	769,397	567,026	113,828	4,871,432
Additions during the year	-	71,822	393,202	22,234	79,972	142,227	25,286	734,743
Disposals during the year*	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
<b>Cost at end of the period (2)</b>	<b>64,709</b>	<b>1,129,713</b>	<b>2,541,603</b>	<b>132,023</b>	<b>808,039</b>	<b>700,886</b>	<b>136,093</b>	<b>5,513,066</b>
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	-	52,898	348,926	11,074	141,207	109,727	13,669	677,501
Disposals during the year*	-	(16,340)	(24,051)	-	(41,330)	(8,367)	(3,021)	(93,109)
<b>Accumulated depreciation at end of the year (4)</b>	<b>-</b>	<b>458,816</b>	<b>1,615,394</b>	<b>52,714</b>	<b>584,717</b>	<b>452,895</b>	<b>88,590</b>	<b>3,253,126</b>
<b>Ending net assets (2-4)</b>	<b>64,709</b>	<b>670,897</b>	<b>926,209</b>	<b>79,309</b>	<b>223,322</b>	<b>247,991</b>	<b>47,503</b>	<b>2,259,940</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>

**15 . Due to banks**

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Current accounts	1,090,649	392,725
Deposits	222,682	8,422,836
<b>Total</b>	<b>1,313,331</b>	<b>8,815,561</b>
Central banks	192,628	114,786
Local banks	6,632	5,233,885
Foreign banks	1,114,071	3,466,890
<b>Total</b>	<b>1,313,331</b>	<b>8,815,561</b>
Non-interest bearing balances	896,168	232,019
Floating bearing interest balances	144,273	871,427
Fixed interest bearing balances	272,890	7,712,115
<b>Total</b>	<b>1,313,331</b>	<b>8,815,561</b>
Current balances	1,313,331	8,815,561

**16 . Due to customers**

	Jun.30, 2021	Dec.31, 2020
	EGP Thousands	EGP Thousands
Demand deposits	120,519,328	107,404,782
Time deposits	80,564,645	57,875,676
Certificates of deposit	101,111,428	100,130,108
Saving deposits	79,326,631	70,737,586
Other deposits	3,433,495	3,938,372
<b>Total</b>	<b>384,955,527</b>	<b>340,086,524</b>
Corporate deposits	171,849,642	140,253,514
Individual deposits	213,105,885	199,833,010
<b>Total</b>	<b>384,955,527</b>	<b>340,086,524</b>
Non-interest bearing balances	60,185,170	49,899,904
Floating interest bearing balances	25,454,692	33,533,480
Fixed interest bearing balances	299,315,665	256,653,140
<b>Total</b>	<b>384,955,527</b>	<b>340,086,524</b>
Current balances	276,759,364	237,899,134
Non-current balances	108,196,163	102,187,390
<b>Total</b>	<b>384,955,527</b>	<b>340,086,524</b>

**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	2,928,494	350,323	(17,132)	-	-	3,261,685
Provision for other claim	240,154	-	7,087	(1,045)	(6,014)	240,182
<b>Total</b>	<b>3,221,252</b>	<b>350,323</b>	<b>(9,196)</b>	<b>(44,173)</b>	<b>(9,145)</b>	<b>3,509,061</b>
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	1,143,171	(5,369)	-	-	2,928,494
Provision for other claim	154,571	89,560	(1,780)	(2,197)	-	240,154
<b>Total</b>	<b>2,011,369</b>	<b>1,232,731</b>	<b>(7,193)</b>	<b>(2,382)</b>	<b>(13,273)</b>	<b>3,221,252</b>

**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:

	<b>Jun.30, 2021</b>	Dec.31, 2020
	<b><u>No. of shares in thousand</u></b>	<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)
<b>Outstanding at the end of the period / year</b>	<b>32,902</b>	<b>28,946</b>

Details of the outstanding tranches are as follows:

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

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

	<b><u>14th tranche</u></b>	<b><u>13th tranche</u></b>
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**

	<b><u>Income</u></b>	<b><u>Expenses</u></b>
	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.

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).



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